February 9, 2023

COPT Reports Full Year 2022 Results

EPS of $1.53 for Full Year;
FFO per Share, as Adjusted for Comparability, of $2.36

Core Portfolio 93% Occupied and 95% Leased

Placed 1.3 million SF of Developments into Service that were 99% Leased

1.5 million SF of Active Developments 89% Leased

Outstanding Leasing Achievement

Total Leasing of 3.0 million SF

Highest Annual Vacancy Leasing Achieved in 12 Years at 801,000 SF

Tenant Retention of 72%

COLUMBIA, Md.--(BUSINESS WIRE)-- Corporate Office Properties Trust ("COPT" or the "Company") (NYSE: OFC) announced results for the fourth quarter and full year ended December 31, 2022.

Management Comments

Stephen E. Budorick, COPT's President & Chief Executive Officer, commented, "Our Defense/IT investment strategy, which has concentrated our portfolio near priority U.S. defense installations, continues to produce strong results, and has proved resilient in the face of macro-economic headwinds impacting the office sector. The 3% growth in FFO per share, as adjusted for comparability generated in 2022, exceeded our initial guidance by $0.02 per share. We executed 801,000 square feet of vacancy leasing, the highest level in 12 years. We are off to a great start in terms of development leasing, having executed over 460,000 square feet already in 2023, consisting of two data center shell build-to-suits in Northern Virginia, and one build-to-suit building at Redstone Gateway. The outlook for defense spending remains favorable. The FY23 defense base budget that passed in December represents a 7.5% year-over-year increase, and is 15% higher than that of FY21, which drove leasing results in 2022. Given the timing of the appropriation, we expect this increase to fuel demand for space in our portfolio throughout 2024."

He continued, "From a financing standpoint, we recently closed on two new 90%/10% JVs, which will fund the equity component of our expected development needs in 2023, assuring sufficient capital to fund development on a leverage neutral basis for the foreseeable future. Our balance sheet remains strong, evidenced by our solid debt service coverage ratios, with no large debt maturities until 2026."

Financial Highlights

4th Quarter Financial Results:

- Diluted earnings per share ("EPS") was $0.45 for the quarter ended December 31, 2022 compared to $0.12 for the quarter ended December 31, 2021.
- Diluted funds from operations per share ("FFOPS"), as calculated in accordance with Nareit's definition, was $0.60 for the quarter ended December 31, 2022 compared to $0.21 for the quarter ended December 31, 2021.
- FFOPS, as adjusted for comparability, was $0.60 for the quarter ended December 31, 2022 compared to $0.58 for the quarter ended December 31, 2021.

Full Year 2022 Financial Results:

- EPS for the year ended December 31, 2022 was $1.53 as compared to $0.68 for 2021.
- Per Nareit's definition, FFOPS for 2022 was $2.35 as compared to $1.40 for 2021.
- FFOPS, as adjusted for comparability, for 2022 was $2.36 as compared to $2.29 for 2021.

Operating Performance Highlights

Operating Portfolio Summary:

- At December 31, 2022, the Company's 22.8 million square foot core portfolio was 92.8% occupied and 95.3% leased.
- During the quarter and the year, the Company placed into service 917,000 and 1.3 million square feet, respectively, of developments that were 99% leased at January 31, 2023.

Same-Property Performance:

- At December 31, 2022, the Company's 20.0 million square foot same-property portfolio was 92.4% occupied and 95.0% leased.
- The Company's same-property cash NOI decreased 0.5% and 0.9%, year-over-year for the three months and year ended December 31, 2022, respectively, compared to the same periods in 2021.

Leasing:

- Total Square Feet Leased: For the quarter ended December 31, 2022, the Company leased 692,000 square feet, including 519,000 square feet of renewals and 173,000 square feet of vacancy leasing.
- For the year ended December 31, 2022, the Company executed 3.0 million square feet of total leasing, including 1.7 million square feet of renewals, 801,000 square feet of vacancy leasing, and 476,000 square feet in development projects.
- Tenant Retention Rates: During the quarter and year ended December 31, 2022, the

Company renewed 72.2% and 72.1%, respectively, of expiring square feet.

- Rent Spreads & Average Escalations on Renewing Leases: For the quarter and year ended December 31, 2022, straight-line rents on renewals increased 3.6% and 3.1%, respectively, and cash rents on renewed space increased 0.1% and decreased 2.0%, respectively. For the same time periods, annual escalations on renewing leases averaged 2.6% and 2.5%, respectively.

- Lease Terms: In the quarter ended December 31, 2022, lease terms averaged 3.5 years on renewing leases and 9.8 years on vacancy leasing. For the year, lease terms averaged 3.6 years on renewing leases, 7.3 years on vacancy leasing, and 13.3 years on development leasing.

Investment Activity Highlights

- Development Pipeline: The Company's development pipeline consists of 10 properties totaling 1.5 million square feet that were 89% leased at January 31, 2023. These projects represent a total estimated investment of $487.5 million, of which $127.5 million has been spent.

Balance Sheet and Capital Transaction Highlights

- On October 26, 2022, the Company entered into a credit agreement with a group of lenders for an aggregate of $725.0 million of available borrowings including: an unsecured revolving credit facility with a lender commitment of $600.0 million that replaced its existing Revolving Credit Facility; and a $125.0 million unsecured term loan, the proceeds of which were used to pay off the remaining $100.0 million outstanding under an existing unsecured term loan and pay down a portion of its Revolving Credit Facility.

- On December 14, 2022, the Company sold two data center shells to a new, 90%/10% joint venture with entities affiliated with Blackstone, generating approximately $60 million of proceeds.

- On January 10, 2023, the Company sold an additional three data center shells to a new, 90%/10% joint venture with entities affiliated with Blackstone, generating approximately $190 million of proceeds.

- For the quarter ended December 31, 2022, the Company's adjusted EBITDA fixed charge coverage ratio was 4.7x.

- At December 31, 2022, the Company's net debt to in-place adjusted EBITDA ratio was 6.3x and its net debt adjusted for fully-leased development to in-place adjusted EBITDA ratio was 6.1x.

- At December 31, 2022, and including the effect of interest rate swaps, the Company's weighted average effective interest rate on its consolidated debt portfolio was 3.15% with a weighted average maturity of 6.6 years; additionally, 85.1% of the Company's debt was subject to fixed interest rates.

Associated Supplemental Presentation

Prior to the call, the Company will post a slide presentation to accompany management's prepared remarks for its fourth quarter and full year 2022 conference call; the presentation can be viewed and downloaded from the 'Financial Info – Financial Results' section of COPT's Investors website: https://investors.copt.com/financial-information/financial-results

2023 Guidance

The Company details its initial full year and first quarter guidance, with supporting assumptions, in a separate press release issued concurrently with this press release; that release can be found in the 'News & Events – Press Releases' section of COPT's Investors website: https://investors.copt.com/news-events/press-releases

Conference Call Information

Management will discuss fourth quarter and full year 2022 results on its conference call tomorrow at 12:00 p.m. Eastern Time, details of which are listed below:

Conference Call Date:	Friday, February 10, 2023
Time:	12:00 p.m. Eastern Time

Participants must register for the conference call at the link below to receive the dial-in number and personal pin. Registering only takes a few moments and provides direct access to the conference call without waiting for an operator. You may register at any time, including up to and after the call start time:
https://register.vevent.com/register/BIc8139cc8ddaa47a4b273039144a05aea

The conference call will also be available via live webcast in the 'News & Events – IR Calendar' section of COPT's Investors website: https://investors.copt.com/news-events/ir-calendar

Replay Information

A replay of the conference call will be immediately available via webcast only on COPT's Investors website.

Definitions

For definitions of certain terms used in this press release, please refer to the information furnished in the Company's Supplemental Information Package furnished on a Form 8-K which can be found on its website (www.copt.com). Reconciliations of non-GAAP measures to the most directly comparable GAAP measures are included in the attached tables.

About COPT

COPT is a REIT that owns, manages, leases, develops and selectively acquires office and data center properties. The majority of its portfolio is in locations that support the United States Government and its contractors, most of whom are engaged in national security, defense and information technology ("IT") related activities servicing what the Company believes are growing, durable, priority missions ("Defense/IT Locations"). The Company also owns a portfolio of office properties located in select urban submarkets in the Greater Washington, DC/Baltimore region with durable Class-A office fundamentals and

characteristics (“Regional Office Properties”). As of December 31, 2022, the Company derived 91% of its core portfolio annualized rental revenue from Defense/IT Locations and 9% from its Regional Office Properties. As of the same date and including 21 properties owned through unconsolidated joint ventures, COPT’s core portfolio of 192 properties encompassed 22.8 million square feet and was 95.3% leased.

Forward-Looking Information

This press release may contain “forward-looking” statements, as defined in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, that are based on the Company’s current expectations, estimates and projections about future events and financial trends affecting the Company. Forward-looking statements can be identified by the use of words such as “may,” “will,” “should,” “could,” “believe,” “anticipate,” “expect,” “estimate,” “plan” or other comparable terminology. Forward-looking statements are inherently subject to risks and uncertainties, many of which the Company cannot predict with accuracy and some of which the Company might not even anticipate. Although the Company believes that the expectations, estimates and projections reflected in such forward-looking statements are based on reasonable assumptions at the time made, the Company can give no assurance that these expectations, estimates and projections will be achieved. Future events and actual results may differ materially from those discussed in the forward-looking statements and the Company undertakes no obligation to update or supplement any forward-looking statements.

The areas of risk that may affect these expectations, estimates and projections include, but are not limited to, those risks described in Item 1A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2021.

Source: Corporate Office Properties Trust

Corporate Office Properties Trust
Summary Financial Data
(unaudited)
(dollars and shares in thousands, except per share data)

	For the Three Months Ended December 31,		For the Years Ended December 31,	
	2022	2021	2022	2021
Revenues				
Lease revenue	$ 150,022	$ 141,892	$ 580,169	$ 553,668
Other property revenue	1,163	756	4,229	2,902
Construction contract and other service revenues	24,062	43,284	154,632	107,876
Total revenues	175,247	185,932	739,030	664,446
Operating expenses				
Property operating expenses	58,470	56,459	227,430	213,377
Depreciation and amortization associated with real estate operations	36,907	34,504	141,230	137,543
Construction contract and other service expenses	23,454	42,089	149,963	104,053
General and administrative expenses	7,766	6,589	27,461	27,213
Leasing expenses	2,235	2,568	8,337	8,914
Business development expenses and land carry costs	1,157	1,088	3,193	4,647
Total operating expenses	129,989	143,297	557,614	495,747
Interest expense	(16,819)	(16,217)	(61,174)	(65,398)
Interest and other income	3,340	1,968	9,341	7,879
Credit loss recoveries (expense)	1,331	88	(271)	1,128
Gain on sales of real estate	19,238	25,879	19,250	65,590
Loss on early extinguishment of debt	(267)	(41,073)	(609)	(100,626)
Income from continuing operations before equity in income of unconsolidated entities and income taxes	52,081	13,280	147,953	77,272
Equity in income of unconsolidated entities	229	314	1,743	1,093
Income tax expense	(223)	(42)	(447)	(145)
Income from continuing operations	52,087	13,552	149,249	78,220
Discontinued operations	—	1,413	29,573	3,358
Net Income	52,087	14,965	178,822	81,578
Net income attributable to noncontrolling interests:				
Common units in the Operating Partnership ("OP")	(775)	(181)	(2,603)	(1,012)
Other consolidated entities	(833)	(1,076)	(3,190)	(4,025)
Net income attributable to COPT common shareholders	$ 50,479	$ 13,708	$ 173,029	$ 76,541
Earnings per share ("EPS") computation:				
Numerator for diluted EPS:				
Net income attributable to COPT common shareholders	$ 50,479	$ 13,708	$ 173,029	$ 76,541
Amount allocable to share-based compensation awards	(129)	(116)	(463)	(417)
Redeemable noncontrolling interests	(60)	(46)	(169)	(128)
Numerator for diluted EPS	$ 50,290	$ 13,546	$ 172,397	$ 75,996
Denominator:				
Weighted average common shares - basic	112,096	111,990	112,073	111,960
Dilutive effect of share-based compensation awards	435	386	431	330
Dilutive effect of redeemable noncontrolling interests	102	124	116	128
Weighted average common shares - diluted	112,633	112,500	112,620	112,418
Diluted EPS	$ 0.45	$ 0.12	$ 1.53	$ 0.68

Corporate Office Properties Trust
Summary Financial Data
(unaudited)
(in thousands, except per share data)

	For the Three Months Ended December 31,		For the Years Ended December 31,	
	2022	2021	2022	2021
Net income	$ 52,087	$ 14,965	$ 178,822	$ 81,578
Real estate-related depreciation and amortization	36,907	36,346	141,230	147,833
Gain on sales of real estate from continuing and discontinued operations	(19,238)	(25,879)	(47,814)	(65,590)
Depreciation and amortization on unconsolidated real estate JVs	526	526	2,101	1,981
Funds from operations ("FFO")	70,282	25,958	274,339	165,802
FFO allocable to other noncontrolling interests	(1,227)	(1,458)	(4,795)	(5,483)
Basic FFO allocable to share-based compensation awards	(360)	(149)	(1,433)	(777)
Basic FFO available to common share and common unit holders ("Basic FFO")	68,695	24,351	268,111	159,542
Redeemable noncontrolling interests	(27)	(13)	(34)	(11)
Diluted FFO adjustments allocable to share-based compensation awards	28	6	109	32
Diluted FFO available to common share and common unit holders ("Diluted FFO")	68,696	24,344	268,186	159,563
Loss on early extinguishment of debt	267	41,073	609	100,626
Gain on early extinguishment of debt on unconsolidated real estate JVs	(168)	—	(168)	—
Loss on interest rate derivatives included in interest expense	—	221	—	221
Demolition costs on redevelopment and nonrecurring improvements	—	(8)	—	423
Executive transition costs	—	—	343	—
Diluted FFO comparability adjustments allocable to share-based compensation awards	(1)	(172)	(5)	(507)
Diluted FFO available to common share and common unit holders, as adjusted for comparability	68,794	65,458	268,965	260,326
Straight line rent adjustments and lease incentive amortization	(3,043)	(3,835)	(8,825)	(10,286)
Amortization of intangibles and other assets included in net operating income ("NOI")	15	40	(258)	162
Share-based compensation, net of amounts capitalized	2,247	2,018	8,700	7,979
Amortization of deferred financing costs	619	640	2,297	2,980
Amortization of net debt discounts, net of amounts capitalized	615	615	2,440	2,244
Replacement capital expenditures	(43,283)	(32,317)	(95,886)	(70,973)
Other	158	204	980	824
Diluted adjusted funds from operations available to common share and common unit holders ("Diluted AFFO")	$ 26,122	$ 32,823	$ 178,413	$ 193,256
Diluted FFO per share	$ 0.60	$ 0.21	$ 2.35	$ 1.40
Diluted FFO per share, as adjusted for comparability	$ 0.60	$ 0.58	$ 2.36	$ 2.29
Dividends/distributions per common share/unit	$ 0.275	$ 0.275	$ 1.10	$ 1.10

Corporate Office Properties Trust
Summary Financial Data
(unaudited)
(Dollars and shares in thousands, except per share data)

	December 31, 2022	December 31, 2021
Balance Sheet Data		
Properties, net of accumulated depreciation	$ 3,556,398	$ 3,532,944
Total assets	$ 4,257,275	$ 4,262,452
Debt per balance sheet	$ 2,231,794	$ 2,272,304
Total liabilities	$ 2,509,527	$ 2,578,479
Redeemable noncontrolling interests	$ 26,293	$ 26,898
Total equity	$ 1,721,455	$ 1,657,075
Debt to assets	52.4%	53.3%
Net debt to adjusted book	39.8%	40.5%
Core Portfolio Data (as of period end)		
Number of operating properties	192	184
Total operational square feet (in thousands)	22,849	21,553
% Occupied	92.8%	92.6%
% Leased	95.3%	94.4%

	For the Three Months Ended December 31,		For the Years Ended December 31,	
	2022	2021	2022	2021
GAAP				
Payout ratio:				
Net income	60.3%	209.1%	70.2%	153.4%
Debt ratios:				
Net income to interest expense ratio	3.1x	0.9x	2.9x	1.2x
Debt to net income ratio	10.7x	38.0x	N/A	N/A
Non-GAAP				
Payout ratios:				
Diluted FFO	45.5%	128.0%	46.6%	78.1%
Diluted FFO, as adjusted for comparability	45.4%	47.6%	46.5%	47.9%
Diluted AFFO	119.7%	95.0%	70.1%	64.5%
Debt ratios:				
Adjusted EBITDA fixed charge coverage ratio	4.7x	4.9x	5.1x	4.7x
Net debt to in-place adjusted EBITDA ratio	6.3x	6.7x	N/A	N/A
Pro forma net debt to in-place adjusted EBITDA ratio (1)	6.0x	6.3x	N/A	N/A
Net debt adj. for fully-leased development to in-place adj. EBITDA ratio	6.1x	6.2x	N/A	N/A
Pro forma net debt adj. for fully-leased development to in-place adj. EDITDA ratio (1)	5.7x	5.8x	N/A	N/A
Reconciliation of denominators for per share measures				
Denominator for diluted EPS	112,633	112,500	112,620	112,418
Weighted average common units	1,476	1,259	1,454	1,257
Denominator for diluted FFO per share and as adjusted for comparability	114,109	113,759	114,074	113,675

(1) Includes adjustments associated with the following transactions: 12/31/22 includes the sale on 1/10/23 of a 90% interest in three data center shell properties; and 12/31/21 includes the sale on 1/25/22 of its wholesale data center.

Corporate Office Properties Trust
Summary Financial Data
(unaudited)
(in thousands)

	For the Three Months Ended December 31,		For the Years Ended December 31,	
	2022	2021	2022	2021
Numerators for Payout Ratios				
GAAP:				
Common share dividends - unrestricted shares and deferred shares	$ 30,844	$ 30,814	$ 123,367	$ 123,243
Common share dividends - restricted shares and deferred shares	70	80	307	324
Common unit distributions - unrestricted units	406	346	1,623	1,387
Common unit distributions - restricted units	64	53	260	208
Total dividends and distributions for GAAP payout ratio	$ 31,384	$ 31,293	$ 125,557	$ 125,162
Non-GAAP:				
Common share dividends - unrestricted shares and deferred shares	$ 30,844	$ 30,814	$ 123,367	$ 123,243
Common unit distributions - unrestricted units	406	346	1,623	1,387
Common unit distributions - dilutive restricted units	13	7	51	25
Dividends and distributions for non-GAAP payout ratios	$ 31,263	$ 31,167	$ 125,041	$ 124,655
Reconciliation of net income to earnings before interest, income taxes, depreciation and amortization for real estate ("EBITDAre"), adjusted EBITDA, in-place adjusted EBITDA and pro forma in-place adjusted EBITDA				
Net income	$ 52,087	$ 14,965	$ 178,822	$ 81,578
Interest expense	16,819	16,217	61,174	65,398
Income tax expense	223	42	447	145
Real estate-related depreciation and amortization from continuing and discontinued operations	36,907	36,346	141,230	147,833
Other depreciation and amortization	602	622	2,363	2,811
Gain on sales of real estate from continuing and discontinued operations	(19,238)	(25,879)	(47,814)	(65,590)
Adjustments from unconsolidated real estate JVs	1,033	763	3,313	2,930
EBITDAre	88,433	43,076	339,535	235,105
Loss on early extinguishment of debt	267	41,073	609	100,626
Gain on early extinguishment of debt on unconsolidated real estate JVs	(168)	—	(168)	—
Net gain on other investments	(595)	—	(1,159)	(63)
Credit loss (recoveries) expense	(1,331)	(88)	271	(1,128)
Business development expenses	794	628	1,891	2,233
Demolition costs on redevelopment and nonrecurring improvements	—	(8)	—	423
Executive transition costs	387	—	730	—
Adjusted EBITDA	87,787	84,681	$ 341,709	$ 337,196
Pro forma NOI adjustment for property changes within period	2,704	—		
Other	—	1,578		
In-place adjusted EBITDA	90,491	86,259		
Pro forma NOI adjustment from subsequent event transactions	(2,903)	(3,074)		
Pro forma in-place adjusted EBITDA	$ 87,588	$ 83,185		
Reconciliations of tenant improvements and incentives, building improvements and leasing costs for operating properties to replacement capital expenditures				
Tenant improvements and incentives	$ 33,439	$ 19,724	$ 62,952	$ 43,820
Building improvements	8,468	17,778	29,528	35,970
Leasing costs	4,389	5,863	11,480	12,736
Net (exclusions from) additions to tenant improvements and incentives	(75)	(5,093)	2,150	(4,704)
Excluded building improvements and leasing costs	(2,938)	(5,955)	(10,224)	(16,849)
Replacement capital expenditures	$ 43,283	$ 32,317	$ 95,886	$ 70,973

Corporate Office Properties Trust
Summary Financial Data
(unaudited)
(in thousands)

	For the Three Months Ended December 31,		For the Years Ended December 31,	
	2022	2021	2022	2021
Reconciliation of interest expense to the denominator for fixed charge coverage-Adjusted EBITDA				
Interest expense	$ 16,819	$ 16,217	$ 61,174	$ 65,398
Less: Amortization of deferred financing costs	(619)	(640)	(2,297)	(2,980)
Less: Amortization of net debt discounts, net of amounts capitalized	(615)	(615)	(2,440)	(2,244)
Less: Loss on interest rate derivatives included in interest expense	—	(221)	—	(221)
COPT's share of interest expense of unconsolidated real estate JVs, excluding amortizations of deferred financing costs and net debt premium and loss on interest rate derivatives	423	237	1,123	943
Scheduled principal amortization	864	950	3,333	3,860
Capitalized interest	1,835	1,192	6,709	6,467
Denominator for fixed charge coverage-Adjusted EBITDA	$ 18,707	$ 17,120	$ 67,602	$ 71,223
Reconciliation of net income to NOI from real estate operations, same properties NOI from real estate operations and same properties cash NOI from real estate operations				
Net income	$ 52,087	$ 14,965	$ 178,822	$ 81,578
Construction contract and other service revenues	(24,062)	(43,284)	(154,632)	(107,876)
Depreciation and other amortization associated with real estate operations	36,907	34,504	141,230	137,543
Construction contract and other service expenses	23,454	42,089	149,963	104,053
General and administrative expenses	7,766	6,589	27,461	27,213
Leasing expenses	2,235	2,568	8,337	8,914
Business development expenses and land carry costs	1,157	1,088	3,193	4,647
Interest expense	16,819	16,217	61,174	65,398
Interest and other income	(3,340)	(1,968)	(9,341)	(7,879)
Credit loss (recoveries) expense	(1,331)	(88)	271	(1,128)
Gain on sales of real estate from continuing operations	(19,238)	(25,879)	(19,250)	(65,590)
Loss on early extinguishment of debt	267	41,073	609	100,626
Equity in income of unconsolidated entities	(229)	(314)	(1,743)	(1,093)
Unconsolidated real estate JVs NOI allocable to COPT included in equity in income of unconsolidated entities	1,095	1,079	4,327	4,029
Income tax expense	223	42	447	145
Discontinued operations	—	(1,413)	(29,573)	(3,358)
Revenues from real estate operations from discontinued operations	—	8,235	1,980	30,490
Property operating expenses from discontinued operations	—	(4,980)	(971)	(16,842)
NOI from real estate operations	93,810	90,523	362,304	360,870
Non-Same Properties NOI from real estate operations	(11,845)	(9,475)	(38,298)	(31,598)
Same Properties NOI from real estate operations	81,965	81,048	324,006	329,272
Straight line rent adjustments and lease incentive amortization	2,556	2,715	8,602	3,854
Amortization of acquired above- and below-market rents	(131)	(100)	(844)	(396)
Lease termination fees, net	(1,026)	893	(2,237)	(2,416)
Tenant funded landlord assets and lease incentives	(895)	(1,649)	(5,596)	(3,469)
Cash NOI adjustments in unconsolidated real estate JVs	(68)	(87)	(301)	(375)
Same Properties Cash NOI from real estate operations	$ 82,401	$ 82,820	$ 323,630	$ 326,470

Corporate Office Properties Trust
Summary Financial Data
(unaudited)
(in thousands)

	December 31, 2022	December 31, 2021
Reconciliation of total assets to adjusted book		
Total assets	$ 4,257,275	$ 4,262,452
Accumulated depreciation	1,267,434	1,152,523
Accumulated depreciation included in assets held for sale	6,014	82,385
Accumulated amortization of intangibles on property acquisitions and deferred leasing costs	222,779	215,925
Accumulated amortization of intangibles on property acquisitions and deferred leasing costs included in assets held for sale	—	4,547
COPT's share of liabilities of unconsolidated real estate JVs	52,404	27,312
COPT's share of accumulated depreciation and amortization of unconsolidated real estate JVs	6,078	3,744
Less: Property - operating lease liabilities	(28,759)	(29,342)
Less: Cash and cash equivalents	(12,337)	(13,262)
Less: COPT's share of cash of unconsolidated real estate JVs	(456)	(434)
Adjusted book	$ 5,770,432	$ 5,705,850

	December 31, 2022	December 31, 2021
Reconciliation of debt to net debt, net debt adjusted for fully-leased development and pro forma net debt adjusted for fully-leased development		
Debt per balance sheet	$ 2,231,794	$ 2,272,304
Net discounts and deferred financing costs	23,160	25,982
COPT's share of unconsolidated JV gross debt	52,100	26,250
Gross debt	$ 2,307,054	$ 2,324,536
Less: Cash and cash equivalents	(12,337)	(13,262)
Less: COPT's share of cash of unconsolidated real estate JVs	(456)	(434)
Net debt	$ 2,294,261	$ 2,310,840
Costs incurred on fully-leased development properties	(95,972)	(162,884)
Net debt adjusted for fully-leased development	$ 2,198,289	$ 2,147,956
Net debt	$ 2,294,261	$ 2,310,840
Pro forma debt adjustments from subsequent event transaction proceeds	(189,000)	(216,000)
Pro forma net debt	$ 2,105,261	$ 2,094,840
Costs incurred on fully-leased development properties	(95,972)	(162,884)
Pro forma net debt adjusted for fully-leased development	$ 2,009,289	$ 1,931,956

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Source: Corporate Office Properties Trust