The background of the entire page is a collage of US dollar bills. A large, clear image of a \$100 bill featuring Benjamin Franklin is the central focus. Other bills, including a \$20 bill, are visible in the background, slightly out of focus. The bills are oriented horizontally, with some showing the top and others the bottom.

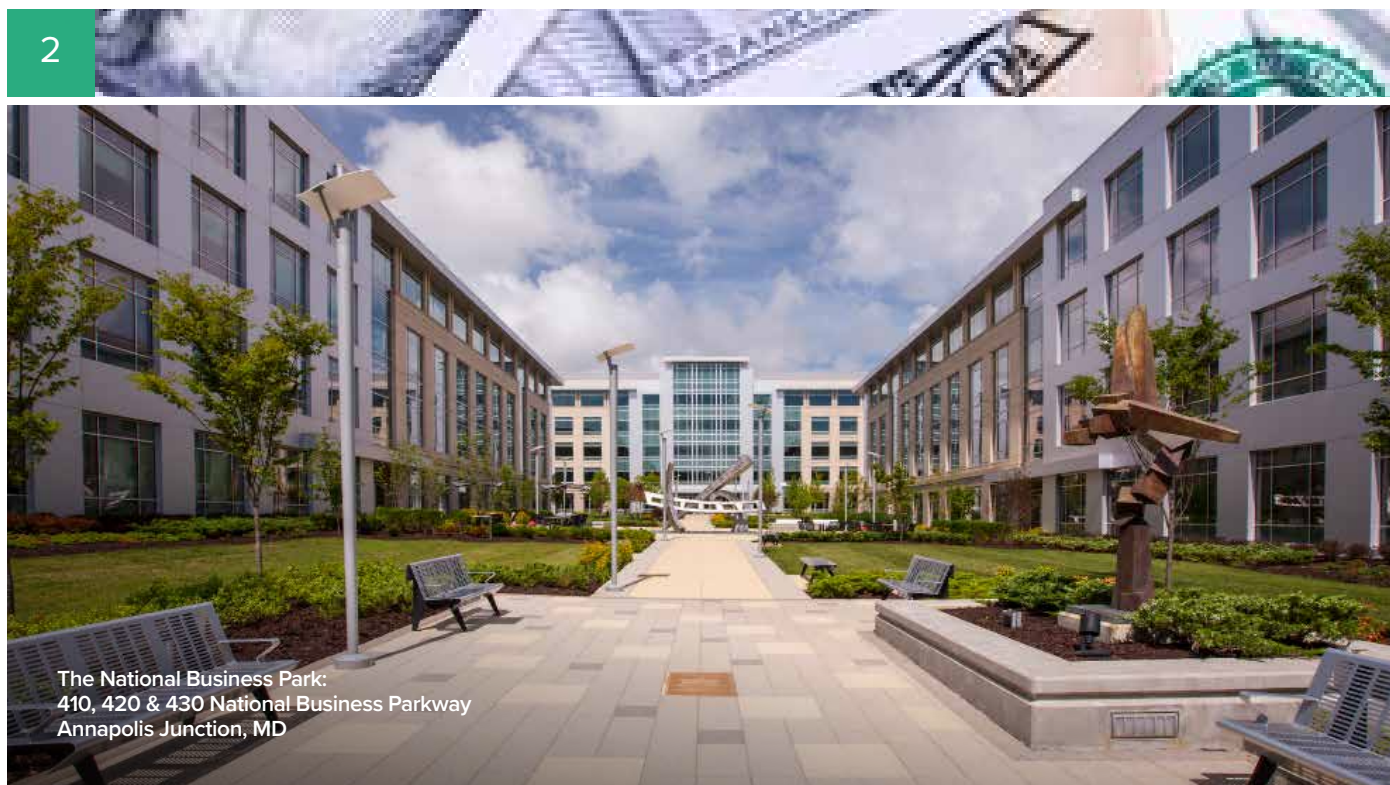
Cap Rates for Property Trades in COPT Markets

Our Company derives the majority of its operating cash flow from properties built for and leased to defense & intelligence agencies of the U.S. Government and to supporting defense contractors, all of whom place a premium on location.

Proximity to U.S. Government defense installations is essential for mission execution. Accordingly, such buildings rarely, if ever, trade ownership. The scarcity of market comparables makes it more challenging to estimate nominal cap rates for calculating our Net Asset Value (NAV). **This research piece highlights relevant property trades in our markets in order to improve cap rate transparency.**



DECEMBER 2020 UPDATE



OFC SEGMENTS & SUB-SEGMENTS	CAP RATE RANGE
I. DEFENSE/IT	
A. U.S. Government – Full building leases in secured locations	Equal to or better than prevailing cap rates for trophy office buildings in CBD Washington, DC
B. Defense Contractor Locations	
Ft. Meade/B-W Corridor	5.60% – 6.50%
NoVA Defense/IT Locations, Navy Support & Redstone Gateway	6.50% – 7.50%
Data Center Shells ¹	4.85% – 5.15%
Total Defense Contractor Locations	5.70% – 6.50%
TOTAL DEFENSE/IT SEGMENT^{1,2}	5.10% – 5.85%
II. REGIONAL OFFICE²	6.50% – 7.15%
III. WHOLESALE DATA CENTER	7.00% – 8.00%
TOTAL²	5.30% – 6.05%

1. Includes COPT's share of cash NOI from data centers owned in unconsolidated joint ventures.

2. Weighted by cash NOI (see page 14 of our 3Q20 supplemental package) as a percent of total.

U.S. Government / Secure Campuses & Buildings

- At September 30, 2020, we owned approximately 3.7 million SF in full buildings leased to the U.S. Government in secure campus locations that generated 30% of our annualized core rental revenue.
- **Leasing Economics:** Full building assets are developed to the Government's Anti-Terrorism Force Protection (ATFP) requirements. Established in the wake of the 1995 bombing on the Alfred P. Murrah Federal Building in downtown Oklahoma City, OK, ATFP construction and occupancy* standards are an important part of the Department of Defense's (DOD) solution to minimizing loss of life during future terrorist attacks. **Because ATFP-compliant space is a relatively new building standard, DOD and other U.S. Government agency demand continues to exceed existing supply** in the markets we serve. Furthermore, because MILCON (Military Construction) funds are scarce, government agencies rely on leasing secure space in proximity to missions in order to maintain technical relevance and to accommodate mission growth. Unsurprisingly, we have experienced 100% renewal rates in such properties since 1992, when we executed the first full-building lease.
- **Valuation:** As there are no directly comparable property transactions to evidence cap rates for ATFP-compliant, secure buildings leased to the U.S. Government, we believe such assets would trade at valuations similar to or better than those of trophy office assets with credit tenants and extended weighted average lease terms in Washington, DC, and other high-barrier urban markets. Our reasoning is three-fold:
 - 1. Proximity to mission** – Our secure Government campuses are extensions of the defense installations where missions are headquartered, and need to be proximate to those headquarters. Our locations also enable U.S. Government customers to achieve concentrated dispersion of operations, which is essential for mission continuity.
 - 2. The relationship between location and security** – It is impossible to completely secure an urban location due to the presence of public transportation and the lack of required set-backs. By the same token, for public safety reasons, much of the R&D performed by the Government cannot be executed in densely populated settings. Consequently, the Government established essential defense installations in suburban locations, such as Fort George G. Meade (Ft. Meade) and Redstone Arsenal, where mission execution and public safety can both be assured.
 - 3. Human capital/quality of life** – In addition to being near the mission(s), secure campuses need to be proximate to a major airport, affordable housing options, and good school systems in order to attract and retain the highly skilled labor force required to execute hi-tech Government work in intelligence, surveillance, reconnaissance, and cybersecurity. More often than not, suburban communities offer a better value proposition for quality of life and education than urban locations.

Based on the 100% renewal rate we have experienced at our secure Government locations since 1992, the fact that demand for ATFP space exceeds existing supply, and the proximity of our locations to their associated defense missions, we believe it is reasonable to compare the value of our secure Government campus buildings with those garnered by well-leased trophy office buildings in downtown Washington, DC, and other major U.S. cities.

*UFC 4-010-01 DOD Minimum Anti-terrorism Standards for Buildings specifies construction standards (including set-back distances) and building materials for use in buildings where DOD employees will occupy 25% or more of the usable square feet.

CONTRACTOR BUILDINGS SUPPORTING USG DEMAND DRIVERS

Excluding full buildings leased to the U.S. Government, at September 30, 2020, 14.5 million of our consolidated SF were adjacent or proximate to essential U.S. Government demand drivers, such as Ft. Meade in the B/W Corridor or Redstone Arsenal in Huntsville, AL:

FT. MEADE IN B/W CORRIDOR:

- The National Business Park (NBP)
- Airport Square
- Columbia Gateway

NOVA LOCATIONS:

- Westfields
- 3 single-building locations
- MAE-East (data shells)

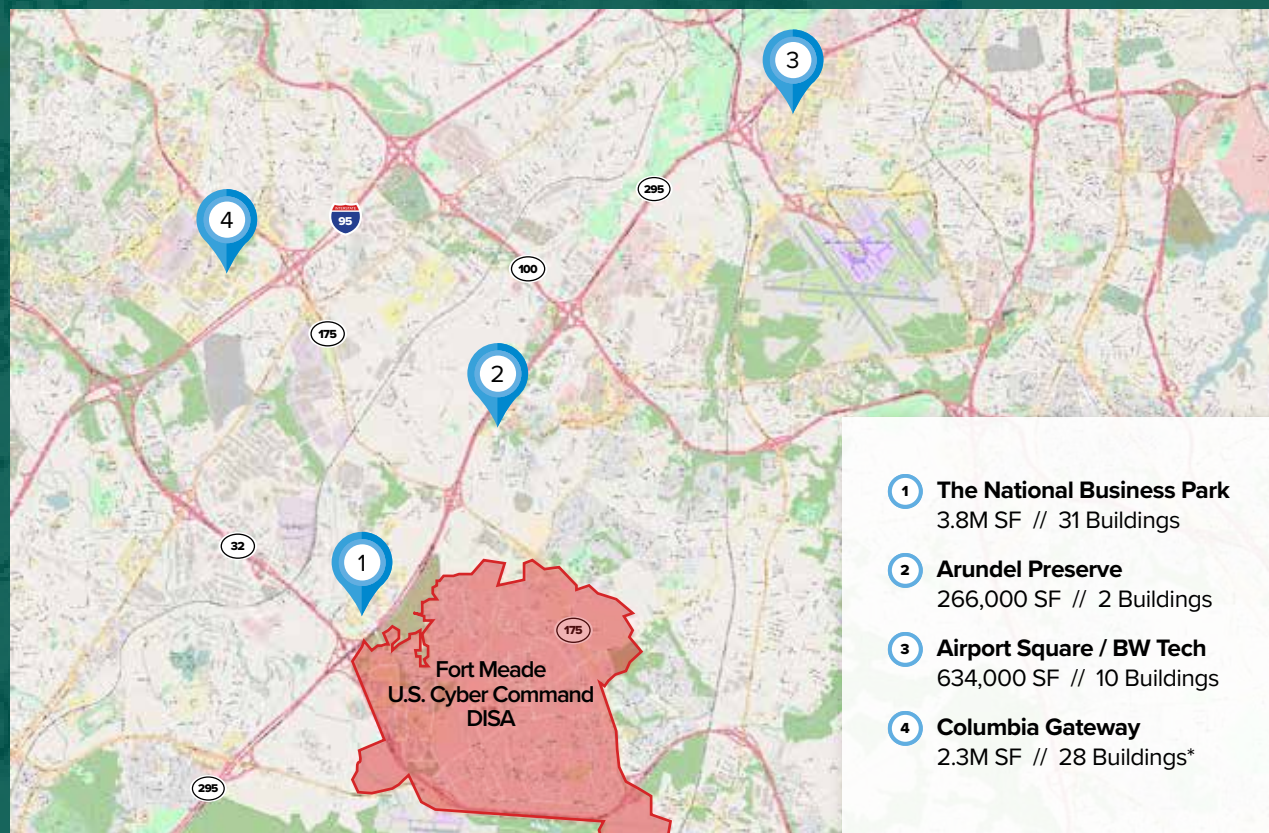
REDSTONE ARSENAL (HUNTSVILLE, AL)

- Redstone Gateway

Leasing Economics: Contractors tend to prefer 5-year lease terms; however, the heavy investment these tenants typically make into their space creates high barriers to exit. In order to execute their Government contracts, most defense contractors are required to build some level of Secure Compartmentalized Information Facility (SCIF) in their space, a tenant-funded expense that can cost \$75 to \$150 per square foot above standard office improvements. Both the dollar amount invested into SCIF and the Government's requirement that contractors have such space support high renewal rates. Between 2011 and 2016 – six years in which DOD budget cuts prompts defense contractors to aggressively right-size their space needs – retention rates in our non-Government buildings at NBP and Columbia Gateway still averaged a healthy 70%.

Valuation: Defense contractor buildings in locations that serve critical, growing U.S. Government missions are in high demand, and, unsurprisingly, do not trade frequently. The transactions shown in the following pages support our cap rate ranges shown on page 2.

B/W CORRIDOR DEFENSE/IT LOCATIONS



The National Business Park

NBP borders Ft. Meade on the west, a strategic locational advantage that historically has supported premium rents and occupancies versus other locations, even those within one mile. It is the *central business district* location for contractors serving missions at Ft. Meade. Since 2000, the NBP generally has been more than 95% leased, and has grown from 875,000 SF at the end of 2000 to 3.8 million SF at September 30, 2020.* Today, The NBP is 91% occupied, and 79% of its total SF are leased to tenants involved in cybersecurity. Given the compelling need for contractors to locate in close proximity to the missions at Ft. Meade, we believe cap rates associated with Class A and trophy assets that have traded in Washington, DC, are appropriate.

** Due to the U.S. Government's delay in leasing 310 NBP, the NBP's percentage leased statistics briefly dipped below 90%.*

NBP CONTRACTOR BUILDING COMPS

The following property trades represent recent values for long-term, full-building government (GSA or other) leases, which are the most comparable trades we could find to approximate NBP contractor building valuations:



LOCATION	Patriots Park 12290, 12300 & 12310 Sunrise Valley Drive, Reston, VA	Loma Linda Veterans Administration Ambulatory	FBI Salt Lake City
DATE SOLD	September 2020	June 2017	September 2017
PRICE (\$MM)	\$325.0	\$212.5	\$88.0
% OCC AT SALE	100%	100%	100%
SF	707,382	327,614	163,040
PRICE / SF	\$459	\$649	\$540
CAP RATE	5.8%	4.35%	5.55%
COMMENTS	Three building secure campus 100% leased to DIA and Office of the Director of National Intelligence with 12 years remaining	19 years of term remaining (May 2036 expiration)	15 years of term remaining (October 2032 expiration)



Howard County & Columbia Gateway

We own 35 buildings representing 2.9 million SF in Howard County, located just west of Ft. Meade. The majority of our holdings are in Columbia Gateway, a supply-constrained office market less than 10 miles from Ft. Meade and with immediate access to I-95. Columbia Gateway provides professional office space and access to a wide base of amenities for those contractors that do not need to be adjacent to Ft. Meade to execute their missions. Due to the attractive combination of access, amenities, and price, many up-and-coming cybersecurity and hi-tech companies choose to locate in Columbia Gateway.

At September 30, 2020, our Columbia Gateway holdings consisted of 28 office buildings totaling 2.3 million SF that were 86% occupied. At the same date, 32% of our Columbia Gateway space was leased to cybersecurity companies and the park is fast becoming a hi-tech, cyber hub.

COLUMBIA GATEWAY COMPS



ADDRESS	7168 Columbia Gateway Drive Columbia, MD	1718 Woodlawn Drive Baltimore, MD
DATE SOLD	May 2020	July 2018
PRICE (\$MM)	\$6.8	\$26.0
% OCC AT SALE	50%	100%
SF	41,094	160,810
PRICE / SF	\$165	\$162
CAP RATE	4.1%	6.5%
COMMENTS	Existing tenant vacating within 4 months of sale. SuprTEK plans to expand the property by 5,000-7,000 SF, occupy a portion of the facility, and lease the remaining space	Leased to the SSA pursuant to GSA lease through December 2028



COLUMBIA GATEWAY COMPS (CONTINUED)



ADDRESS	6100 Wabash Avenue Baltimore, MD	7151-7175 Columbia Gateway Drive Columbia, MD
DATE SOLD	September 2018	October 2016
PRICE (\$MM)	\$242.0	\$31.8
% OCC AT SALE	100%	95%
SF	540,566	202,398
PRICE / SF	\$448	\$157
CAP RATE	5.8%	7.6%
COMMENTS	100% leased to the SSA through January 2034	5 single-story buildings



Other Contractor Buildings in the B/W Corridor

We own 22 other buildings in the B/W Corridor, including a cluster of 10 office buildings in Airport Square near BWI Airport that were 88% occupied at September 30, 2020, five buildings in Commons Corporate Center that were 96% occupied, and two buildings in Arundel Preserve that were 92% occupied.

OTHER B/W CORRIDOR COMPS



ADDRESS	4300 River Road College Park, MD	Station Ridge 7031-7037 Ridge Road Hanover, MD
DATE SOLD	February 2019	August 2016
PRICE (\$MM)	\$37.0	\$54.5
% OCC AT SALE	100%	82%
SF	80,677	265,354
PRICE / SF	\$459	\$205
CAP RATE	5.9%	7.8%
COMMENTS	Traded as part of larger portfolio transaction that garnered 6.5% cap rate; 5.9% cap rate allocated to this asset	3 buildings in isolated location

NoVA Defense/IT Locations

We own 10 defense contractor buildings in Northern Virginia (NoVA) that support U.S. Government demand drivers and, at September 30, 2020, were 84% occupied.

In Westfields, a submarket of Chantilly situated less than 10 miles from Dulles International Airport, we own seven contractor buildings that support the National Reconnaissance Office (NRO), as well as FBI Cyber and other Government demand drivers.

We also own three stand-alone contractor buildings in NoVA totaling 679,000 SF, each of which is located adjacent to or very near critical Government demand drivers:

- 📍 **PATRIOT RIDGE** → **National Geospatial-Intelligence Agency**
7770 Backlick Road
Springfield, VA
- 📍 **13857 MCLEAREN RD** → **Mission Critical Agencies**
Herndon, VA
- 📍 **2600 PARK TOWER** → **Pentagon Access via Dunn-Loring Metro station**
Vienna, VA

WESTFIELDS & NOVA CONTRACTOR BUILDING COMP



LOCATION	3150 Fairview Park Drive Falls Church, VA	3170 & 3180 Fairview Park Drive Falls Church, VA	399 & 499 Drove Street Herndon, VA
DATE SOLD	November 2020	October 2020	February 2020
PRICE (\$MM)	\$90.0	\$87.5	\$256.0
% OCC AT SALE	100%	98%	100%
SF	257,489	284,333	492,601
PRICE / SF	\$350	\$308	\$520
CAP RATE	6.5%	7.0%	~ 5.0-5.25%
COMMENTS	GDIT's global headquarters building; 9 years of lease term remained at time of sale	Leased to a mix of strong credit tenants with a weighted average lease term of 11 years	GSA tenant

Huntsville Defense/IT Locations

Similar to the NBP, Redstone Gateway is adjacent to the main gate of a growing, critical U.S. Government demand driver: Redstone Arsenal.

- As of September 30, 2020, Redstone Gateway consisted of 11 office and light manufacturing buildings totaling 1.1 million SF that are 100% leased, including:
 - > **Boeing Company** (NYSE: BA) campus: three, 5-story Class A office buildings (363,300 SF)
 - > **LEONARDO DRS's** two-building office/light industrial campus (131,600 SF)
 - > 7500 & 7600 Advanced Gateway, two of **Yulista's** three-building campus
 - > Multitude of contractors in 4000 & 4100 Market Street and 8800 Redstone Gateway.
- We have 330,000 SF under development, and can develop an additional 3.0 million SF on land we control.
- COPT also owns 310 Bridge Street, a 137,000 SF Class A office building located in the heart of Bridge Street Town Centre, an upscale mixed-use development in the newer, more modern, amenitized portion of Cummings Research Park.

Redstone Arsenal is a *DOD Center of Excellence* for Integration, Research, Development, Testing & Evaluation (IRDT&E) of major programs and systems and enjoys the most diversified funding of any U.S. military installation, receiving funds from the Department of the Army, NASA, DIA, FBI, ATF, and DISA. Priority missions at Redstone Arsenal include Army procurement, missile defense, space exploration, and RDT&E of advanced weapons systems. Currently, most defense contractors serving the numerous missions at Redstone Arsenal operate out of multiple, aged facilities.

Redstone Gateway is among the few solutions contractors have to procure modern, efficient build-to-suit facilities, and it is the only option they have to be adjacent to Redstone Arsenal's main gate. As our Redstone Gateway project densifies and becomes more comparable to the National Business Park, we expect nominal cap rates to compress from today's 7%–8% range.

HUNTSVILLE CONTRACTOR BUILDING COMP



ADDRESS	310 Bob Heath Drive Cummings Research Park, West Huntsville, AL	345 Bob Heath Drive Cummings Research Park, West Huntsville, AL
DATE SOLD	December 2019	July 2016
PRICE (\$MM)	\$30.0	\$23.1
% OCC AT SALE	100%	100%
SF	103,721	120,000
PRICE / SF	\$192	\$192
CAP RATE	6.9%	7.3%
COMMENTS	100% occupied by Radiance Technologies	Sole tenant is Wyle CAS Group

Navy Support

Our Navy Support group consists of 21 buildings (1.2 million SF) in three locations: **Pax River** in Lexington Park & California, MD; **Dahlgren Technology Center** in Dahlgren, VA; and **Maritime Plaza** serving the Navy Yard in Washington, DC.

- During 2018, one defense contractor building in the Pax River submarket traded hands for \$155/SF, representing an 8.25% cap rate.
- Two buildings in the NBP Contractor Building Comps on page 6 (100 & 55 M Street, SE) are located in DC's Capitol Riverfront submarket, near Maritime Plaza.

Maritime Plaza accounts for nearly half of the Navy Support group's cash NOI and therefore strongly influences the low end of our cap rate range for this sub-segment.



MARITIME PLAZA COMP



PAX/DAHLGREN COMP



ADDRESS	100 M Street, SE Washington, DC	23330 Cottonwood Parkway California, MD
DATE SOLD	November 2016	September 2018
PRICE (\$MM)	\$78.9	\$11.0
% OCC AT SALE	80%	93%
SF	255,000	70,952
PRICE / SF	\$309	\$155
CAP RATE	4.5%	8.25%
COMMENTS	--	50%+ leased to credit tenants with 6+ years weighted average lease term

Data Center Platform

DATA CENTER SHELLS

At September 30, 2020, we owned all or an interest in 25 data center shell properties in NoVA that, were 100% occupied, and have another build-to-suit shell and one expansion of an existing shell under development. These assets feature significant tenant investments that create high barriers to exit, durable locations in the most valuable data center market in the country, and – if a tenant ever did leave – mark-to-market rents of 3x to 30x, depending on the residual conditions.

During 4Q20, we joint ventured nine data center shells with an institutional partner, realizing a sub-5% cap rate on trailing 12-month NOI. Other portfolios of similar data center shell assets leased to a similar cloud computing tenant have also sold recently at similar valuations. Accordingly, we use a 4.85%–5.15% cap rate when valuing our data center shell sub-segment.

WHOLESALE DATA CENTER (COPT DC-6)

We own one 19.25 MW, Tier III wholesale data center in Manassas, Virginia that, at September 30, 2020, was 87% leased. While the implied cap rates for publicly traded data center REITs range from 5%–7%, our asset is not part of a broader portfolio of similar data centers. Accordingly, we believe a appropriate cap rate would be 7%–8%.

DATA CENTER SHELL COMPS



ADDRESS	Beaumeade Properties Ashburn, VA	Trans Dulles Center Sterling, VA	Quarry Commerce Center Dulles, VA
DATE SOLD	December 2020	March 2018	July 2018
PRICE (\$MM)	\$35.0	\$111.6	\$110.8
% OCC AT SALE	100% pre-leased	100%	100%
SF	382,000 (2 buildings)	446,811 (3 buildings)	512,819 (3 buildings)
PRICE / SF	\$92	\$250	\$216
CAP RATE	5.2%	5.08%	5.15%
COMMENTS	Forward sale of BTS development project leased to cloud computing tenant	--	--

REGIONAL OFFICE / URBAN PORTFOLIO

At September 30, 2020, we owned seven buildings totaling 2.0 million SF in urban/urban-like locations that are transit served. As of the same date, these seven buildings were 92% occupied:

BALTIMORE'S WATERFRONT:

- 250 West Pratt Street
- 100 Light Street
- 1501 S. Clinton Street

FOUR ON-METRO BUILDINGS IN NOVA:

- 1751 & 1753 Pinnacle Drive in McLean
- 13454 & 13450 Sunrise Valley in Herndon*

**The Herndon Metro stop on the Silver Line is slated to open mid-2021.*



Baltimore Waterfront Locations

Our three buildings located on Baltimore's Waterfront total 1.4 million SF that were 93% occupied at September 30, 2020. Office buildings along Baltimore's Waterfront command premium valuations relative to buildings a few blocks off the Harbor. Since 2000, over 4 million SF of Class B & C office buildings have been or are being converted into luxury apartment buildings, hotels, or other commercial uses. The declining supply of office space, as well as tenants' preference for harbor views, have supported solid occupancies and moderate rent growth in Class A office buildings along Baltimore's waterfront.

BALTIMORE WATERFRONT OFFICE COMPS



ADDRESS	Thames Street Wharf 1300 Thames Street Baltimore, MD	1 E. Pratt Street Baltimore, MD	Legg Mason Building 100 International Drive Baltimore, MD	100 E. Pratt Street Baltimore, MD
DATE SOLD	June 2019	March 2018	March 2017	March 2016
PRICE (\$MM)	\$101.0	\$80.1	\$294.9	\$187.0
% OCC AT SALE	100%	92%	97%	99%
SF	263,426	355,779	613,006	662,708
PRICE / SF	\$383	\$225	\$481	\$282
CAP RATE	7.1%	6.13%	7.4%	7.4%
COMMENTS	--	Cap rate reflects anticipated non-renewal by KPMG. Cap rate on in-place NOI was 6.9%	Highest price/SF paid in Baltimore to-date	--



NoVA On-Metro Locations

Our four Regional Office buildings in Northern Virginia contain 579,000 SF that, at September 30, 2020, were 91% occupied. Office valuations and renewal rates in NoVA continue to bifurcate between on-Metro and drive-to locations, with on-Metro garnering higher rents, occupancies, and valuations.

NOVA ON-METRO OFFICE COMPS



ADDRESS	1660 International Drive McLean, VA
DATE SOLD	August 2019
PRICE (\$MM)	\$71.1
% OCC AT SALE	66%
SF	212,731
PRICE / SF	\$334
CAP RATE	est. < 5.5%
COMMENTS	Cap rate estimate and % occupied reflect expected non-renewal. Occupancy and cap rate at sale were 91% & ~ 7%.

The background of the slide features a collage of US dollar bills, including a \$100 bill with Benjamin Franklin and a \$10 bill. A large green diagonal band runs from the top left to the bottom right, serving as a backdrop for the text.

INVESTOR RELATIONS

For help with questions about the Company, or for additional corporate information, please contact:

Stephanie Krewson-Kelly

Vice President, Investor Relations

Corporate Office Properties Trust
6711 Columbia Gateway Drive, Suite 300
Columbia, Maryland 21046
Telephone: 443.285.5400
Facsimile: 443.285.7650
Email: ir@copt.com

EXECUTIVE OFFICES

6711 Columbia Gateway Drive, Suite 300
Columbia, Maryland 21046
Telephone: 443.285.5400
Facsimile: 443.285.7650
www.copt.com // NYSE: OFC

