2020–Q2

SUPPLEMENTAL INFORMATION PACKAGE

Corporate Office Properties Trust

COPT

CORPORATE OFFICE PROPERTIES TRUST

Earnings Release & Supplemental Information – Unaudited
For the Quarter Ended June 30, 2020

Please refer to the section entitled "Definitions" for definitions of non-GAAP measures and other terms we use herein that may not be customary or commonly known.

COPT

Corporate Office Properties Trust
Summary Description

The Company: Corporate Office Properties Trust (the "Company" or "COPT") is a self-managed real estate investment trust ("REIT"). COPT is listed on the New York Stock Exchange under the symbol "OFC" and is an S&P MidCap 400 Company. We own, manage, lease, develop and selectively acquire office and data center properties. The majority of our 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 we believe are growing, durable, priority missions; we refer to these properties as Defense/IT Locations. We also own a portfolio of office properties located in select urban/urban-like submarkets in the Greater Washington, DC/Baltimore region with durable Class-A office fundamentals and characteristics; these properties are included in a segment referred to as Regional Office Properties. As of June 30, 2020, we derived 88% of our core portfolio annualized rental revenue from Defense/IT Locations and 12% from Regional Office Properties. As of June 30, 2020, our core portfolio of 172 office and data center shell properties, including 15 owned through unconsolidated joint ventures, encompassed 19.6 million square feet and was 94.7% leased. As of the same date, we also owned a wholesale data center with a critical load of 19.25 megawatts that was 90.6% leased.

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Corporate Credit Rating: Fitch: BBB- Stable; Moody's: Baa3 Stable; and S&P: BBB- Stable

Disclosure Statement: This supplemental package contains forward-looking statements within the meaning of the Federal securities laws. 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 we cannot predict with accuracy and some of which we might not even anticipate. Although we believe that the expectations, estimates and projections reflected in such forward-looking statements are based on reasonable assumptions at the time made, we 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 we undertake 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 our Annual Report on Form 10-K for the year ended December 31, 2019 and Quarterly Report on Form 10-Q for the quarter ended March 31, 2020.

Corporate Office Properties Trust
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With the exception of Green Street Advisors, the above-listed firms are those whose analysts publish research material on the Company and whose estimates of our FFO per share can be tracked through Thomson's First Call Corporation. Any opinions, estimates, or forecasts the above analysts make regarding COPT's future performance are their own and do not represent the views, estimates, or forecasts of COPT's management.

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

	Page	Three Months Ended					Six Months Ended	
SUMMARY OF RESULTS	**Refer.**	**6/30/20**	**3/31/20**	**12/31/19**	**9/30/19**	**6/30/19**	**6/30/20**	**6/30/19**
Net income	6	$ 25,121	$ 25,550	$ 44,877	$ 23,246	$ 109,563	$ 50,671	$ 131,881
NOI from real estate operations	13	$ 84,059	$ 83,830	$ 82,504	$ 82,621	$ 86,136	$ 167,889	$ 169,900
Same Properties NOI	16	$ 74,644	$ 74,950	$ 75,241	$ 74,949	$ 74,794	$ 149,594	$ 147,801
Same Properties cash NOI	17	$ 75,837	$ 74,962	$ 76,454	$ 74,071	$ 74,584	$ 150,799	$ 145,992
Adjusted EBITDA	10	$ 78,582	$ 77,989	$ 76,024	$ 77,523	$ 80,280	$ 156,571	$ 157,730
Diluted AFFO avail. to common share and unit holders	9	$ 46,690	$ 41,495	$ 40,270	$ 42,794	$ 46,961	$ 88,185	$ 94,137
Dividend per common share	N/A	$ 0.275	$ 0.275	$ 0.275	$ 0.275	$ 0.275	$ 0.550	$ 0.550
Per share - diluted:								
EPS	8	$ 0.21	$ 0.21	$ 0.38	$ 0.19	$ 0.95	$ 0.42	$ 1.15
FFO - Nareit	8	$ 0.51	$ 0.41	$ 0.49	$ 0.51	$ 0.52	$ 0.92	$ 1.02
FFO - as adjusted for comparability	8	$ 0.51	$ 0.51	$ 0.50	$ 0.51	$ 0.52	$ 1.02	$ 1.03
Numerators for diluted per share amounts:								
Diluted EPS	6	$ 23,388	$ 23,957	$ 42,664	$ 21,139	$ 107,512	$ 47,345	$ 128,840
Diluted FFO available to common share and unit holders	7	$ 57,809	$ 46,706	$ 56,032	$ 57,255	$ 58,913	$ 104,592	$ 116,181
Diluted FFO available to common share and unit holders, as adjusted for comparability	7	$ 57,817	$ 57,866	$ 56,330	$ 57,430	$ 59,222	$ 115,683	$ 116,538
Payout ratios:								
Diluted FFO	N/A	53.9%	66.6%	55.6%	54.2%	52.7%	59.6%	53.5%
Diluted FFO - as adjusted for comparability	N/A	53.9%	53.9%	55.3%	54.1%	52.4%	53.9%	53.3%
Diluted AFFO	N/A	66.8%	75.1%	77.3%	72.6%	66.1%	70.7%	66.0%
CAPITALIZATION								
Total Market Capitalization	27	$4,908,346	$4,609,280	$5,182,065	$5,259,182	$4,794,853		
Total Equity Market Capitalization	27	$2,885,245	$2,520,400	$3,339,258	$3,384,363	$2,997,549		
Gross debt	28	$2,073,351	$2,139,130	$1,893,057	$1,920,179	$1,827,304		
Net debt to adjusted book	30	38.6%	38.2%	36.8%	37.3%	36.1%	N/A	N/A
Net debt plus preferred equity to adjusted book	30	38.8%	38.3%	37.0%	37.5%	36.2%	N/A	N/A
Adjusted EBITDA fixed charge coverage ratio	30	3.8x	3.8x	3.7x	3.7x	3.7x	3.8x	3.7x
Net debt to in-place adjusted EBITDA ratio	30	6.4x	6.3x	6.1x	6.1x	5.7x	N/A	N/A
Net debt plus pref. equity to in-place adj. EBITDA ratio	30	6.4x	6.3x	6.1x	6.1x	5.7x	N/A	N/A

Corporate Office Properties Trust
Selected Portfolio Data (1)

	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19
Operating Office and Data Center Shell Properties					
# of Properties					
Total Portfolio	174	171	170	169	169
Consolidated Portfolio	159	156	155	156	156
Core Portfolio	172	169	168	167	167
Same Properties	152	152	152	152	152
% Occupied					
Total Portfolio	93.4%	93.7%	92.9%	92.7%	92.7%
Consolidated Portfolio	92.5%	92.8%	91.9%	91.7%	91.8%
Core Portfolio	93.6%	94.0%	93.1%	92.8%	92.9%
Same Properties	92.3%	92.7%	91.8%	91.6%	91.7%
% Leased					
Total Portfolio	94.5%	94.9%	94.4%	94.3%	93.9%
Consolidated Portfolio	93.7%	94.2%	93.6%	93.6%	93.1%
Core Portfolio	94.7%	95.2%	94.6%	94.5%	94.1%
Same Properties	93.5%	94.1%	93.5%	93.5%	93.0%
Square Feet (in thousands)					
Total Portfolio	19,781	19,378	19,173	18,956	18,945
Consolidated Portfolio	17,346	16,943	16,739	16,818	16,807
Core Portfolio	19,624	19,221	19,016	18,799	18,788
Same Properties	16,561	16,561	16,561	16,561	16,561
Wholesale Data Center					
Megawatts Operational	19.25	19.25	19.25	19.25	19.25
% Leased	90.6%	76.9%	76.9%	82.1%	82.1%

(1) Total and core portfolio and same properties include properties owned through unconsolidated real estate joint ventures (see page 32).

Corporate Office Properties Trust
Consolidated Balance Sheets
(dollars in thousands)

	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19
Assets					
Properties, net:					
Operating properties, net	$ 2,888,817	$ 2,813,949	$ 2,772,647	$ 2,713,900	$ 2,719,585
Development and redevelopment in progress, including land (1)	315,243	300,836	274,639	259,489	185,007
Land held (1)	309,039	304,843	293,600	285,434	289,780
Total properties, net	**3,513,099**	**3,419,628**	**3,340,886**	**3,258,823**	**3,194,372**
Property - operating right-of-use assets	31,009	27,793	27,864	27,325	27,434
Property - finance right-of-use assets	40,441	40,450	40,458	40,467	40,476
Assets held for sale, net	—	—	—	61,728	54,448
Cash and cash equivalents	21,596	159,061	14,733	34,005	46,282
Investment in unconsolidated real estate joint ventures	50,457	51,220	51,949	49,408	65,336
Accounts receivable, net	30,404	30,317	35,444	37,623	58,189
Deferred rent receivable	90,493	89,690	87,736	88,001	86,707
Intangible assets on real estate acquisitions, net	24,768	26,078	27,392	29,454	31,162
Deferred leasing costs, net	58,666	58,608	58,392	55,839	52,227
Investing receivables, net	72,333	71,197	73,523	72,114	70,656
Prepaid expenses and other assets, net	78,059	80,415	96,076	100,582	76,180
Total assets	**$ 4,011,325**	**$ 4,054,457**	**$ 3,854,453**	**$ 3,855,369**	**$ 3,803,469**
Liabilities and equity					
Liabilities:					
Debt	$ 2,012,019	$ 2,076,839	$ 1,831,139	$ 1,862,301	$ 1,784,362
Accounts payable and accrued expenses	149,836	128,441	148,746	141,242	152,196
Rents received in advance and security deposits	30,459	33,323	33,620	27,975	27,477
Dividends and distributions payable	31,302	31,301	31,263	31,345	31,346
Deferred revenue associated with operating leases	8,821	6,972	7,361	7,665	8,161
Property - operating lease liabilities	20,796	17,365	17,317	16,686	16,640
Interest rate derivatives	65,612	63,232	25,682	34,825	23,547
Other liabilities	12,408	8,886	10,649	8,706	10,826
Total liabilities	**2,331,253**	**2,366,359**	**2,105,777**	**2,130,745**	**2,054,555**
Redeemable noncontrolling interests	23,148	22,912	29,431	28,677	29,803
Equity:					
COPT’s shareholders’ equity:					
Common shares	1,122	1,122	1,121	1,121	1,119
Additional paid-in capital	2,477,977	2,476,677	2,481,558	2,480,083	2,475,293
Cumulative distributions in excess of net income	(797,959)	(790,600)	(778,275)	(790,235)	(780,667)
Accumulated other comprehensive loss	(64,513)	(62,201)	(25,444)	(34,580)	(23,465)
Total COPT’s shareholders’ equity	1,616,627	1,624,998	1,678,960	1,656,389	1,672,280
Noncontrolling interests in subsidiaries:					
Common units in the Operating Partnership	19,611	19,600	19,597	19,365	21,039
Preferred units in the Operating Partnership	8,800	8,800	8,800	8,800	8,800
Other consolidated entities	11,886	11,788	11,888	11,393	16,992
Total noncontrolling interests in subsidiaries	40,297	40,188	40,285	39,558	46,831
Total equity	**1,656,924**	**1,665,186**	**1,719,245**	**1,695,947**	**1,719,111**
Total liabilities, redeemable noncontrolling interests and equity	**$ 4,011,325**	**$ 4,054,457**	**$ 3,854,453**	**$ 3,855,369**	**$ 3,803,469**

(1) Refer to pages 24 and 26 for detail.

Corporate Office Properties Trust
Consolidated Statements of Operations
(in thousands, except per share data)

	Three Months Ended					Six Months Ended	
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	6/30/20	6/30/19
Revenues							
Lease revenue	$ 132,147	$ 131,012	$ 130,693	$ 129,461	$ 131,415	$ 263,159	$ 262,318
Other property revenue	391	1,104	1,275	1,273	1,356	1,495	2,443
Construction contract and other service revenues	12,236	13,681	25,817	28,697	42,299	25,917	59,249
Total revenues	**144,774**	**145,797**	**157,785**	**159,431**	**175,070**	**290,571**	**324,010**
Operating expenses							
Property operating expenses	50,204	49,999	51,098	49,714	47,886	100,203	97,331
Depreciation and amortization associated with real estate operations	33,612	32,596	32,779	34,692	34,802	66,208	69,598
Construction contract and other service expenses	11,711	13,121	24,832	27,802	41,002	24,832	57,328
Impairment losses	—	—	2	327	—	—	—
General and administrative expenses	6,511	5,303	7,043	6,105	7,650	11,814	14,369
Leasing expenses	1,647	2,183	2,293	1,824	1,736	3,830	3,768
Business development expenses and land carry costs	1,262	1,118	1,292	964	870	2,380	1,983
Total operating expenses	**104,947**	**104,320**	**119,339**	**121,428**	**133,946**	**209,267**	**244,377**
Interest expense	(16,797)	(16,840)	(16,777)	(17,126)	(18,475)	(33,637)	(37,149)
Interest and other income	2,282	1,205	1,917	1,842	1,849	3,487	4,135
Credit loss expense (1)	(615)	(689)	—	—	—	(1,304)	—
Gain on sales of real estate	—	5	20,761	—	84,469	5	84,469
Income before equity in income of unconsolidated entities and income taxes	**24,697**	**25,158**	**44,347**	**22,719**	**108,967**	**49,855**	**131,088**
Equity in income of unconsolidated entities	454	441	426	396	420	895	811
Income tax (expense) benefit	(30)	(49)	104	131	176	(79)	(18)
Net income	**25,121**	**25,550**	**44,877**	**23,246**	**109,563**	**50,671**	**131,881**
Net income attributable to noncontrolling interests:							
Common units in the Operating Partnership	(284)	(287)	(500)	(267)	(1,339)	(571)	(1,596)
Preferred units in the Operating Partnership	(77)	(77)	(77)	(157)	(165)	(154)	(330)
Other consolidated entities	(1,263)	(1,132)	(1,515)	(1,565)	(1,268)	(2,395)	(2,305)
Net income attributable to COPT common shareholders	**$ 23,497**	**$ 24,054**	**$ 42,785**	**$ 21,257**	**$ 106,791**	**$ 47,551**	**$ 127,650**
Distributions on dilutive convertible preferred units	—	—	—	—	165	—	—
Redeemable noncontrolling interests	—	—	33	—	902	—	66
Common units in the Operating Partnership	—	—	—	—	—	—	1,515
Amount allocable to share-based compensation awards	(109)	(97)	(154)	(118)	(346)	(206)	(391)
Numerator for diluted EPS	**$ 23,388**	**$ 23,957**	**$ 42,664**	**$ 21,139**	**$ 107,512**	**$ 47,345**	**$ 128,840**

(1) Excludes credit losses on lease revenue, which are included in lease revenue.

Corporate Office Properties Trust
Funds from Operations
(in thousands)

	Three Months Ended					Six Months Ended	
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	6/30/20	6/30/19
Net income	**$ 25,121**	**$ 25,550**	**$ 44,877**	**$ 23,246**	**$ 109,563**	**$ 50,671**	**$ 131,881**
Real estate-related depreciation and amortization	33,612	32,596	32,779	34,692	34,802	66,208	69,598
Impairment losses on real estate	—	—	2	327	—	—	—
Gain on sales of real estate	—	(5)	(20,761)	—	(84,469)	(5)	(84,469)
Depreciation and amortization on unconsolidated real estate JVs (1)	818	818	781	790	566	1,636	1,132
FFO - per Nareit (2)(3)	**59,551**	**58,959**	**57,678**	**59,055**	**60,462**	**118,510**	**118,142**
Noncontrolling interests - preferred units in the Operating Partnership	(77)	(77)	(77)	(157)	(165)	(154)	(330)
FFO allocable to other noncontrolling interests (4)(5)	(1,525)	(12,015)	(1,436)	(1,429)	(1,188)	(13,540)	(2,159)
Basic FFO allocable to share-based compensation awards	(254)	(193)	(243)	(248)	(229)	(447)	(414)
Basic FFO available to common share and common unit holders (3)	**57,695**	**46,674**	**55,922**	**57,221**	**58,880**	**104,369**	**115,239**
Dilutive preferred units in the Operating Partnership	77	—	77	—	—	154	—
Redeemable noncontrolling interests	37	32	33	34	33	69	942
Diluted FFO available to common share and common unit holders - per Nareit (3)	**57,809**	**46,706**	**56,032**	**57,255**	**58,913**	**104,592**	**116,181**
Demolition costs on redevelopment and nonrecurring improvements	9	43	104	—	—	52	44
Executive transition costs	—	—	—	—	—	—	4
Non-comparable professional and legal expenses	—	—	195	175	311	—	311
Dilutive preferred units in the Operating Partnership	—	77	—	—	—	—	—
FFO allocation to other noncontrolling interests resulting from capital event (4)(5)	—	11,090	—	—	—	11,090	—
Diluted FFO comparability adjustments allocable to share-based compensation awards	(1)	(50)	(1)	—	(2)	(51)	(2)
Diluted FFO available to common share and common unit holders, as adjusted for comparability (3)	**$ 57,817**	**$ 57,866**	**$ 56,330**	**$ 57,430**	**$ 59,222**	**$ 115,683**	**$ 116,538**

(1) FFO adjustment pertaining to COPT's share of unconsolidated real estate joint ventures reported on page 32.
(2) See reconciliation on page 33 for components of FFO per Nareit.
(3) Refer to the section entitled "Definitions" for a definition of this measure.
(4) Pertains to noncontrolling interests in consolidated real estate joint ventures reported on page 31.
(5) FFO allocations to other noncontrolling interests for the quarter ended 3/31/20 included an additional allocation resulting from a special distribution of loan proceeds to our partner in a JV resulting from the JV closing on a loan coupled with an amendment to the JV agreement that changed the allocation of cash flows between us and our partner; this additional allocation was excluded from diluted FFO available to common share and common unit holders, as adjusted for comparability.

Corporate Office Properties Trust
Diluted Share and Unit Computations
(in thousands)

	Three Months Ended					Six Months Ended	
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	6/30/20	6/30/19
EPS Denominator:							
Weighted average common shares - basic	111,800	111,724	111,670	111,582	111,557	111,762	110,759
Dilutive effect of share-based compensation awards	321	239	293	361	310	280	289
Dilutive effect of redeemable noncontrolling interests	—	—	108	—	1,062	—	130
Dilutive convertible preferred units	—	—	—	—	176	—	—
Common units in the Operating Partnership	—	—	—	—	—	—	1,329
Weighted average common shares - diluted	112,121	111,963	112,071	111,943	113,105	112,042	112,507
Diluted EPS	**$ 0.21**	**$ 0.21**	**$ 0.38**	**$ 0.19**	**$ 0.95**	**$ 0.42**	**$ 1.15**
Weighted Average Shares for period ended:							
Common shares	111,800	111,724	111,670	111,582	111,557	111,762	110,759
Dilutive effect of share-based compensation awards	321	239	293	361	310	280	289
Common units	1,237	1,226	1,228	1,312	1,327	1,232	1,329
Redeemable noncontrolling interests	157	110	108	109	136	133	1,037
Dilutive convertible preferred units	176	—	176	—	—	176	—
Denominator for diluted FFO per share	113,691	113,299	113,475	113,364	113,330	113,583	113,414
Dilutive convertible preferred units	—	176	—	—	—	—	—
Denominator for diluted FFO per share, as adjusted for comparability	113,691	113,475	113,475	113,364	113,330	113,583	113,414
Weighted average common units	(1,237)	(1,226)	(1,228)	(1,312)	(1,327)	(1,232)	—
Redeemable noncontrolling interests	(157)	(110)	—	(109)	926	(133)	(907)
Dilutive convertible preferred units	(176)	(176)	(176)	—	176	(176)	—
Denominator for diluted EPS	112,121	111,963	112,071	111,943	113,105	112,042	112,507
Diluted FFO per share - Nareit	**$ 0.51**	**$ 0.41**	**$ 0.49**	**$ 0.51**	**$ 0.52**	**$ 0.92**	**$ 1.02**
Diluted FFO per share - as adjusted for comparability	**$ 0.51**	**$ 0.51**	**$ 0.50**	**$ 0.51**	**$ 0.52**	**$ 1.02**	**$ 1.03**

Corporate Office Properties Trust
Adjusted Funds from Operations
(in thousands)

	Three Months Ended					Six Months Ended	
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	6/30/20	6/30/19
Diluted FFO available to common share and common unit holders, as adjusted for comparability	**$ 57,817**	**$ 57,866**	**$ 56,330**	**$ 57,430**	**$ 59,222**	**$ 115,683**	**$ 116,538**
Straight line rent adjustments and lease incentive amortization	2,523	(852)	1,386	(515)	1,051	1,671	(616)
Amortization of intangibles included in NOI	(73)	(74)	(174)	(59)	(50)	(147)	12
Share-based compensation, net of amounts capitalized	1,638	1,389	1,735	1,697	1,623	3,027	3,296
Amortization of deferred financing costs	642	575	541	538	529	1,217	1,057
Amortization of net debt discounts, net of amounts capitalized	390	386	382	377	374	776	744
Accum. other comprehensive loss on derivatives amortized to expense	—	—	—	12	33	—	67
Replacement capital expenditures (1)	(16,132)	(17,754)	(19,862)	(16,752)	(16,002)	(33,886)	(27,175)
Other diluted AFFO adjustments associated with real estate JVs (2)	(115)	(41)	(68)	66	181	(156)	214
Diluted AFFO available to common share and common unit holders (“diluted AFFO”)	**$ 46,690**	**$ 41,495**	**$ 40,270**	**$ 42,794**	**$ 46,961**	**$ 88,185**	**$ 94,137**
Replacement capital expenditures (1)							
Tenant improvements and incentives	$ 8,870	$ 11,357	$ 11,447	$ 10,880	$ 8,568	$ 20,227	$ 15,720
Building improvements	13,662	2,475	8,826	8,908	4,333	16,137	8,864
Leasing costs	2,222	2,762	2,998	2,722	2,761	4,984	5,943
Net additions to (exclusions from) tenant improvements and incentives	329	2,026	(426)	(2,156)	1,759	2,355	290
Excluded building improvements and leasing costs	(8,951)	(866)	(2,983)	(3,602)	(1,419)	(9,817)	(3,642)
Replacement capital expenditures	**$ 16,132**	**$ 17,754**	**$ 19,862**	**$ 16,752**	**$ 16,002**	**$ 33,886**	**$ 27,175**

(1) Refer to the section entitled “Definitions” for a definition of this measure.
(2) AFFO adjustments pertaining to noncontrolling interests on consolidated joint ventures reported on page 31 and COPT’s share of unconsolidated real estate joint ventures reported on page 32.

Corporate Office Properties Trust
EBITDAre and Adjusted EBITDA
(in thousands)

	Three Months Ended					Six Months Ended	
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	6/30/20	6/30/19
Net income	**$ 25,121**	**$ 25,550**	**$ 44,877**	**$ 23,246**	**$ 109,563**	**$ 50,671**	**$ 131,881**
Interest expense	16,797	16,840	16,777	17,126	18,475	33,637	37,149
Income tax expense (benefit)	30	49	(104)	(131)	(176)	79	18
Depreciation of furniture, fixtures and equipment	448	419	438	467	496	867	929
Real estate-related depreciation and amortization	33,612	32,596	32,779	34,692	34,802	66,208	69,598
Impairment losses on real estate	—	—	2	327	—	—	—
Gain on sales of real estate	—	(5)	(20,761)	—	(84,469)	(5)	(84,469)
Adjustments from unconsolidated real estate JVs (1)	1,270	1,270	1,206	1,202	830	2,540	1,657
EBITDAre	**77,278**	**76,719**	**75,214**	**76,929**	**79,521**	**$ 153,997**	**$ 156,763**
Net loss (gain) on other investments	2	—	(1)	—	(12)	2	(400)
Credit loss expense	615	689	—	—	—	1,304	—
Business development expenses	678	538	512	419	460	1,216	1,008
Non-comparable professional and legal expenses	—	—	195	175	311	—	311
Demolition costs on redevelopment and nonrecurring improvements	9	43	104	—	—	52	44
Executive transition costs	—	—	—	—	—	—	4
Adjusted EBITDA	**78,582**	**77,989**	**76,024**	**77,523**	**80,280**	**$ 156,571**	**$ 157,730**
Proforma NOI adjustment for property changes within period	959	734	463	—	(1,981)		
Change in collectability of deferred rental revenue	1,007	—	928	—	—		
In-place adjusted EBITDA	**$ 80,548**	**$ 78,723**	**$ 77,415**	**$ 77,523**	**$ 78,299**		

(1) Includes COPT's share of adjusted EBITDA adjustments in unconsolidated real estate joint ventures (see page 32).

Corporate Office Properties Trust
Office and Data Center Shell Properties by Segment (1) - 6/30/20
(square feet in thousands)

	# of Properties	Operational Square Feet	% Occupied	% Leased
Core Portfolio: (2)				
Defense/IT Locations:				
Fort Meade/Baltimore Washington ("BW") Corridor:				
National Business Park	31	3,818	90.5%	92.4%
Howard County	35	2,867	89.4%	91.4%
Other	22	1,624	94.5%	94.5%
Total Fort Meade/BW Corridor	88	8,309	90.9%	92.5%
Northern Virginia ("NoVA") Defense/IT	13	1,992	87.0%	88.5%
Lackland AFB (San Antonio, Texas)	7	953	100.0%	100.0%
Navy Support	21	1,241	93.9%	97.5%
Redstone Arsenal (Huntsville, Alabama)	12	980	99.7%	100.0%
Data Center Shells:				
Consolidated Properties	9	1,755	100.0%	100.0%
Unconsolidated JV Properties (3)	15	2,435	100.0%	100.0%
Total Defense/IT Locations	165	17,665	93.8%	95.0%
Regional Office	7	1,959	92.0%	92.4%
Core Portfolio	172	19,624	93.6%	94.7%
Other Properties	2	157	68.4%	68.4%
Total Portfolio	174	19,781	93.4%	94.5%
Consolidated Portfolio	159	17,346	92.5%	93.7%

(1) This presentation sets forth core portfolio data by segment followed by data for the remainder of the portfolio.
(2) Represents Defense/IT Locations and Regional Office properties.
(3) See page 32 for additional disclosure regarding our unconsolidated real estate joint ventures.

Corporate Office Properties Trust
NOI from Real Estate Operations and Occupancy by Property Grouping - 6/30/20
(dollars and square feet in thousands)

	As of Period End						NOI from Real Estate Operations	
Property Grouping	**# of Office and Data Center Shell Properties**	**Operational Square Feet**	**% Occupied (1)**	**% Leased (1)**	**Annualized Rental Revenue (2)**	**% of Total Annualized Rental Revenue (2)**	**Three Months Ended**	**Six Months Ended**
Core Portfolio:								
Same Properties: (3)								
Consolidated properties	144	15,440	92.0%	93.4%	$ 482,505	92.3%	$ 73,049	$ 146,422
Unconsolidated real estate JV (4)	6	964	100.0%	100.0%	5,832	1.1%	1,220	2,427
Total Same Properties in Core Portfolio	150	16,404	92.5%	93.7%	488,337	93.4%	74,269	148,849
Properties Placed in Service (5)	13	1,749	98.8%	99.4%	29,481	5.6%	5,934	10,371
Properties contributed to uncons. real estate JV (4)(6)	9	1,471	100.0%	100.0%	2,116	0.4%	492	998
Wholesale Data Center and Other	N/A	N/A	N/A	N/A	N/A	N/A	2,989	6,926
Total Core Portfolio	172	19,624	93.6%	94.7%	519,934	99.5%	83,684	167,144
Other Properties (Same Properties)	2	157	68.4%	68.4%	2,639	0.5%	375	745
Total Portfolio	174	19,781	93.4%	94.5%	$ 522,573	100.0%	$ 84,059	$ 167,889
Consolidated Portfolio	159	17,346	92.5%	93.7%	$ 514,625	98.5%	$ 82,334	$ 164,451

	As of Period End						NOI from Real Estate Operations	
Property Grouping	**# of Office and Data Center Shell Properties**	**Operational Square Feet**	**% Occupied (1)**	**% Leased (1)**	**Annualized Rental Revenue (2)**	**% of Core Annualized Rental Revenue (2)**	**Three Months Ended**	**Six Months Ended**
Core Portfolio:								
Defense/IT Locations:								
Consolidated properties	150	15,230	92.8%	94.2%	$ 450,775	86.7%	$ 70,693	$ 140,488
Unconsolidated real estate JVs (4)	15	2,435	100.0%	100.0%	7,948	1.5%	1,725	3,438
Total Defense/IT Locations	165	17,665	93.8%	95.0%	458,723	88.2%	72,418	143,926
Regional Office	7	1,959	92.0%	92.4%	61,211	11.8%	8,274	16,197
Wholesale Data Center and Other	N/A	N/A	N/A	N/A	N/A	N/A	2,992	7,021
Total Core Portfolio	172	19,624	93.6%	94.7%	$ 519,934	100.0%	$ 83,684	$ 167,144

(1) Percentages calculated based on operational square feet.
(2) Excludes Annualized Rental Revenue from our wholesale data center, DC-6, of $20.6 million as of 6/30/20. With regard to properties owned through unconsolidated real estate joint ventures, we include the portion of Annualized Rental Revenue allocable to COPT's ownership interest.
(3) Includes office and data center shell properties stably owned and 100% operational since at least 1/1/19.
(4) See page 32 for additional disclosure regarding our unconsolidated real estate joint ventures.
(5) Newly developed or redeveloped properties placed in service that were not fully operational by 1/1/19.
(6) Includes nine data center shell properties in which we sold a 90% interest and retained a 10% interest through a newly-formed unconsolidated real estate joint venture in 2019.

Corporate Office Properties Trust
Consolidated Real Estate Revenues and NOI by Segment
(dollars in thousands)

	Three Months Ended					Six Months Ended	
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	6/30/20	6/30/19
Consolidated real estate revenues							
Defense/IT Locations:							
Fort Meade/BW Corridor	$ 62,698	$ 64,438	$ 65,003	$ 63,436	$ 61,659	$ 127,136	$ 124,342
NoVA Defense/IT	14,447	13,678	13,448	13,551	13,912	28,125	28,743
Lackland Air Force Base	13,257	12,076	14,772	12,703	12,104	25,333	23,665
Navy Support	8,119	8,341	8,136	8,183	8,185	16,460	16,340
Redstone Arsenal	4,647	4,676	4,515	4,171	3,968	9,323	7,907
Data Center Shells-Consolidated	7,076	5,577	4,680	5,913	8,624	12,653	15,978
Total Defense/IT Locations	110,244	108,786	110,554	107,957	108,452	219,030	216,975
Regional Office	15,162	15,460	14,252	15,508	15,018	30,622	29,851
Wholesale Data Center	6,455	7,172	6,409	6,565	8,560	13,627	16,431
Other	677	698	753	704	741	1,375	1,504
Consolidated real estate revenues	**$ 132,538**	**$ 132,116**	**$ 131,968**	**$ 130,734**	**$ 132,771**	**$ 264,654**	**$ 264,761**
NOI							
Defense/IT Locations:							
Fort Meade/BW Corridor	$ 41,839	$ 43,216	$ 44,610	$ 42,693	$ 42,315	$ 85,055	$ 82,663
NoVA Defense/IT	9,112	8,493	8,620	8,586	9,218	17,605	18,757
Lackland Air Force Base	5,472	5,281	5,486	5,554	5,456	10,753	11,058
Navy Support	4,948	5,056	4,828	4,602	4,899	10,004	9,650
Redstone Arsenal	3,035	2,829	2,744	2,454	2,369	5,864	4,769
Data Center Shells:							
Consolidated properties	6,287	4,920	4,348	5,395	7,865	11,207	14,866
COPT’s share of unconsolidated real estate JVs (1)	1,725	1,713	1,634	1,601	1,251	3,438	2,470
Total Defense/IT Locations	72,418	71,508	72,270	70,885	73,373	143,926	144,233
Regional Office	8,274	7,923	6,919	8,165	7,428	16,197	14,845
Wholesale Data Center	2,992	3,939	3,026	3,191	4,942	6,931	9,975
Other	375	460	289	380	393	835	847
NOI from real estate operations	**$ 84,059**	**$ 83,830**	**$ 82,504**	**$ 82,621**	**$ 86,136**	**$ 167,889**	**$ 169,900**

(1) See page 32 for additional disclosure regarding our unconsolidated real estate joint ventures.

Corporate Office Properties Trust
Cash NOI by Segment
(dollars in thousands)

	Three Months Ended					Six Months Ended	
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	6/30/20	6/30/19
Cash NOI							
Defense/IT Locations:							
Fort Meade/BW Corridor	$ 41,968	$ 42,170	$ 43,939	$ 42,604	$ 42,180	$ 84,138	$ 82,436
NoVA Defense/IT	9,610	9,118	8,963	8,064	8,771	18,728	17,528
Lackland Air Force Base	5,903	5,701	5,906	5,839	5,731	11,604	11,114
Navy Support	5,248	5,146	4,987	4,808	5,113	10,394	9,898
Redstone Arsenal	2,580	2,494	2,377	2,220	2,302	5,074	4,632
Data Center Shells:							
Consolidated properties	5,505	4,316	3,762	4,857	7,247	9,821	13,709
COPT's share of unconsolidated real estate JVs (1)	1,641	1,633	1,553	1,513	1,202	3,274	2,362
Total Defense/IT Locations	72,455	70,578	71,487	69,905	72,546	143,033	141,679
Regional Office	8,078	7,479	7,606	7,356	7,367	15,557	14,357
Wholesale Data Center	3,005	3,848	3,162	3,231	3,945	6,853	8,643
Other	358	457	292	380	465	815	990
Cash NOI from real estate operations	**83,896**	**82,362**	**82,547**	**80,872**	**84,323**	**166,258**	**165,669**
Straight line rent adjustments and lease incentive amortization	(2,537)	842	(1,488)	235	(1,274)	(1,695)	231
Amortization of acquired above- and below-market rents	97	96	197	82	73	193	33
Amortization of below-market cost arrangements	(22)	(23)	(23)	(23)	(23)	(45)	(46)
Lease termination fees, gross	376	104	436	841	2,458	480	2,979
Tenant funded landlord assets and lease incentives	2,164	369	754	526	530	2,533	926
Cash NOI adjustments in unconsolidated real estate JVs	85	80	81	88	49	165	108
NOI from real estate operations	**$ 84,059**	**$ 83,830**	**$ 82,504**	**$ 82,621**	**$ 86,136**	**$ 167,889**	**$ 169,900**

(1) See page 32 for additional disclosure regarding our unconsolidated real estate joint ventures.

Corporate Office Properties Trust
Same Properties (1) Average Occupancy Rates by Segment
(square feet in thousands)

	# of Properties	Operational Square Feet	Three Months Ended 6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	Six Months Ended 6/30/20	6/30/19
Core Portfolio:									
Defense/IT Locations:									
Fort Meade/BW Corridor	86	8,131	91.2 %	92.2 %	92.1 %	91.5 %	90.6 %	91.7 %	90.4 %
NoVA Defense/IT	13	1,992	87.0 %	83.9 %	82.4 %	83.9 %	88.5 %	85.4 %	89.9 %
Lackland Air Force Base	7	953	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Navy Support	21	1,241	94.0 %	93.6 %	92.4 %	90.9 %	90.8 %	93.8 %	90.1 %
Redstone Arsenal	7	651	99.6 %	99.4 %	99.2 %	99.2 %	98.4 %	99.5 %	98.4 %
Data Center Shells (2)	9	1,477	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Total Defense/IT Locations	143	14,445	92.7 %	92.8 %	92.5 %	92.2 %	92.2 %	92.7 %	92.3 %
Regional Office	7	1,959	92.0 %	90.6 %	88.0 %	88.6 %	88.9 %	91.3 %	88.5 %
Core Portfolio Same Properties	**150**	**16,404**	**92.6%**	**92.5%**	**91.9%**	**91.7%**	**91.8%**	**92.6%**	**91.8%**
Other Same Properties	2	157	65.8 %	67.4 %	72.4 %	72.1 %	72.7 %	66.6 %	73.2 %
Total Same Properties	**152**	**16,561**	**92.4%**	**92.3%**	**91.7%**	**91.6%**	**91.6%**	**92.3%**	**91.6%**

Same Properties (1) Period End Occupancy Rates by Segment
(square feet in thousands)

	# of Properties	Operational Square Feet	Three Months Ended 6/30/20	3/31/20	12/31/19	9/30/19	6/30/19
Core Portfolio:							
Defense/IT Locations:							
Fort Meade/BW Corridor	86	8,131	91.0 %	92.3 %	92.3 %	91.9 %	90.7 %
NoVA Defense/IT	13	1,992	87.0 %	85.5 %	82.4 %	82.3 %	87.6 %
Lackland Air Force Base	7	953	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Navy Support	21	1,241	93.9 %	94.0 %	92.5 %	91.7 %	90.9 %
Redstone Arsenal	7	651	99.6 %	99.6 %	99.2 %	99.2 %	98.6 %
Data Center Shells (2)	9	1,477	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Total Defense/IT Locations	143	14,445	92.6 %	93.1 %	92.5 %	92.2 %	92.2 %
Regional Office	7	1,959	92.0 %	91.4 %	88.1 %	88.6 %	89.3 %
Core Portfolio Same Properties	**150**	**16,404**	**92.5%**	**92.9%**	**92.0%**	**91.8%**	**91.9%**
Other Same Properties	2	157	68.4 %	64.6 %	73.0 %	72.1 %	72.1 %
Total Same Properties	**152**	**16,561**	**92.3%**	**92.7%**	**91.8%**	**91.6%**	**91.7%**

(1) Includes office and data center shell properties stably owned and 100% operational since at least 1/1/19.
(2) Properties owned through an unconsolidated real estate joint venture. See page 32 for additional disclosure.

Corporate Office Properties Trust
Same Properties Real Estate Revenues and NOI by Segment
(dollars in thousands)

	Three Months Ended					Six Months Ended	
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	6/30/20	6/30/19
Same Properties real estate revenues							
Defense/IT Locations:							
Fort Meade/BW Corridor	$ 61,507	$ 63,216	$ 63,974	$ 62,809	$ 61,044	$ 124,723	$ 123,031
NoVA Defense/IT	14,447	13,678	13,448	13,551	13,912	28,125	28,743
Lackland Air Force Base	13,257	12,076	14,773	12,702	12,104	25,333	23,665
Navy Support	8,119	8,341	8,135	8,183	8,185	16,460	16,340
Redstone Arsenal	3,534	3,808	3,895	3,868	3,793	7,342	7,578
Data Center Shells-Consolidated	2,208	2,111	1,943	2,045	2,130	4,319	4,171
Total Defense/IT Locations	103,072	103,230	106,168	103,158	101,168	206,302	203,528
Regional Office	15,162	15,460	14,251	15,509	15,018	30,622	29,851
Other Properties	677	698	753	704	741	1,375	1,501
Same Properties real estate revenues	**$ 118,911**	**$ 119,388**	**$ 121,172**	**$ 119,371**	**$ 116,927**	**$ 238,299**	**$ 234,880**
Same Properties NOI							
Defense/IT Locations:							
Fort Meade/BW Corridor	$ 41,030	$ 42,403	$ 43,745	$ 42,317	$ 41,938	$ 83,433	$ 81,817
NoVA Defense/IT	9,112	8,494	8,619	8,586	9,219	17,606	18,758
Lackland Air Force Base	5,472	5,281	5,487	5,554	5,456	10,753	11,058
Navy Support	4,949	5,056	4,828	4,602	4,899	10,005	9,650
Redstone Arsenal	2,219	2,232	2,295	2,236	2,264	4,451	4,585
Data Center Shells:							
Consolidated properties	1,993	1,893	1,810	1,896	1,999	3,886	3,867
COPT’s share of unconsolidated real estate JV (1)	1,220	1,207	1,214	1,214	1,205	2,427	2,424
Total Defense/IT Locations	65,995	66,566	67,998	66,405	66,980	132,561	132,159
Regional Office	8,274	7,923	6,918	8,163	7,430	16,197	14,847
Other Properties	375	461	325	381	384	836	795
Same Properties NOI	**$ 74,644**	**$ 74,950**	**$ 75,241**	**$ 74,949**	**$ 74,794**	**$ 149,594**	**$ 147,801**

(1) See page 32 for additional disclosure regarding our unconsolidated real estate joint ventures.

Corporate Office Properties Trust
Same Properties Cash NOI by Segment
(dollars in thousands)

	Three Months Ended					Six Months Ended	
	6/30/20	**3/31/20**	**12/31/19**	**9/30/19**	**6/30/19**	**6/30/20**	**6/30/19**
Same Properties cash NOI							
Defense/IT Locations:							
Fort Meade/BW Corridor	$ 41,283	$ 41,848	$ 43,546	$ 42,456	$ 41,836	$ 83,131	$ 81,632
NoVA Defense/IT	9,610	9,118	8,963	8,064	8,771	18,728	17,528
Lackland Air Force Base	5,904	5,701	5,907	5,839	5,731	11,605	11,114
Navy Support	5,248	5,146	4,987	4,808	5,113	10,394	9,898
Redstone Arsenal	2,350	2,310	2,311	2,291	2,359	4,660	4,750
Data Center Shells:							
Consolidated properties	1,821	1,724	1,627	1,706	1,790	3,545	3,453
COPT's share of unconsolidated real estate JV (1)	1,185	1,179	1,180	1,171	1,160	2,364	2,320
Total Defense/IT Locations	67,401	67,026	68,521	66,335	66,760	134,427	130,695
Regional Office	8,078	7,479	7,606	7,355	7,368	15,557	14,358
Other Properties	358	457	327	381	456	815	939
Same Properties cash NOI	**75,837**	**74,962**	**76,454**	**74,071**	**74,584**	**150,799**	**145,992**
Straight line rent adjustments and lease incentive amortization	(1,513)	(567)	(2,592)	(572)	(701)	(2,080)	(15)
Amortization of acquired above- and below-market rents	97	96	197	82	73	193	33
Amortization of below-market cost arrangements	(23)	(23)	(23)	(23)	(23)	(46)	(46)
Lease termination fees, gross	358	85	417	823	285	443	806
Tenant funded landlord assets and lease incentives	(147)	369	754	526	530	222	926
Cash NOI adjustments in unconsolidated real estate JV (1)	35	28	34	42	46	63	105
Same Properties NOI	**$ 74,644**	**$ 74,950**	**$ 75,241**	**$ 74,949**	**$ 74,794**	**$ 149,594**	**$ 147,801**
Percentage change in total Same Properties cash NOI (2)	**1.7%**					**3.3%**	
Percentage change in Defense/IT Locations Same Properties cash NOI (2)	**1.0%**					**2.9%**	

(1) See page 32 for additional disclosure regarding our unconsolidated real estate joint ventures.
(2) Represents the change between the current period and the same period in the prior year.

Corporate Office Properties Trust
Leasing - Office and Data Center Shell Portfolio (1)
Quarter Ended 6/30/20
(square feet in thousands)

	Defense/IT Locations								
	Ft Meade/ BW Corridor	**NoVA Defense/IT**	**Navy Support**	**Redstone Arsenal**	**Data Center Shells**	**Total Defense/IT Locations**	**Regional Office**	**Other**	**Total**
Renewed Space									
Leased Square Feet	139	88	37	21	297	581	26	6	613
Expiring Square Feet	304	88	50	21	297	760	45	6	811
Vacating Square Feet	165	—	14	—	—	179	19	—	198
Retention Rate (% based upon square feet)	45.8 %	100.0 %	72.9 %	100.0 %	100.0 %	76.5 %	57.0 %	100.0 %	75.6 %
Statistics for Completed Leasing:									
Per Annum Average Committed Cost per Square Foot (2)	$ 1.64	$ 6.67	$ 2.53	$ 11.03	$ —	$ 1.95	$ 5.99	$ 0.51	$ 2.11
Weighted Average Lease Term in Years	5.1	7.3	3.8	1.0	5.0	5.2	7.5	3.5	5.2
Average Rent Per Square Foot									
Renewal Average Rent	$ 30.81	$ 30.42	$ 25.47	$ 23.89	$ 14.19	$ 21.68	$ 38.30	$ 24.74	$ 22.41
Expiring Average Rent	$ 31.22	$ 28.55	$ 23.28	$ 21.84	$ 12.38	$ 20.36	$ 34.33	$ 27.39	$ 21.02
Change in Average Rent	(1.3)%	6.5 %	9.4 %	9.4 %	14.6 %	6.5 %	11.6 %	(9.7)%	6.6 %
Cash Rent Per Square Foot									
Renewal Cash Rent	$ 30.97	$ 29.65	$ 24.57	$ 23.89	$ 13.66	$ 21.27	$ 37.47	$ 23.61	$ 21.98
Expiring Cash Rent	$ 34.13	$ 29.64	$ 24.94	$ 23.39	$ 13.42	$ 21.91	$ 38.69	$ 29.72	$ 22.69
Change in Cash Rent	(9.3)%	— %	(1.5)%	2.1 %	1.8 %	(2.9)%	(3.1)%	(20.6)%	(3.2)%
Average Escalations Per Year	2.5 %	2.5 %	2.9 %	— %	2.3 %	2.4 %	2.6 %	3.1 %	2.4 %
New Leases									
Development and Redevelopment Space									
Leased Square Feet	11	—	—	218	42	271	5	—	276
Statistics for Completed Leasing:									
Per Annum Average Committed Cost per Square Foot (2)	$ 7.98	$ —	$ —	$ 4.57	$ —	$ 3.99	$ 23.77	$ —	$ 4.35
Weighted Average Lease Term in Years	10.7	—	—	17.4	13.3	16.5	6.5	—	16.3
Average Rent Per Square Foot	$ 32.03	$ —	$ —	$ 20.81	$ 37.92	$ 23.93	$ 76.61	$ —	$ 24.90
Cash Rent Per Square Foot	$ 30.00	$ —	$ —	$ 20.22	$ 34.18	$ 22.80	$ 80.20	$ —	$ 23.85
Vacant Space (3)									
Leased Square Feet	35	—	18	3	—	56	8	6	70
Statistics for Completed Leasing:									
Per Annum Average Committed Cost per Square Foot (2)	$ 3.33	$ —	$ 7.92	$ 2.88	$ —	$ 4.80	$ 1.98	$ 3.06	$ 4.33
Weighted Average Lease Term in Years	5.3	—	5.4	5.2	—	5.3	2.0	5.3	4.9
Average Rent Per Square Foot	$ 37.54	$ —	$ 36.16	$ 20.96	$ —	$ 36.26	$ 32.99	$ 22.15	$ 34.65
Cash Rent Per Square Foot	$ 36.05	$ —	$ 36.10	$ 19.22	$ —	$ 35.22	$ 32.50	$ 21.50	$ 33.71
Total Square Feet Leased	**185**	**88**	**55**	**241**	**340**	**908**	**39**	**12**	**959**
Average Escalations Per Year	2.5 %	2.5 %	2.8 %	0.7 %	2.1 %	1.5 %	2.6 %	3.3 %	1.6 %
Average Escalations Excl. Data Center Shells									1.4 %

(1) Activity is exclusive of owner occupied space, leases with less than a one-year term and expirations associated with space removed from service. Weighted average lease term is based on the lease term defined in the lease assuming no exercise of early termination rights. Committed costs for leasing are reported above in the period of lease execution. Actual capital expenditures for leasing are reported on page 9 in the period such costs are incurred.

(2) Committed costs include tenant improvements and leasing commissions and exclude free rent concessions.

(3) Vacant space includes acquired first generation space, vacated second generation space and leases executed on developed and redeveloped space previously placed in service.

Corporate Office Properties Trust
Leasing - Office and Data Center Shell Portfolio (1)
Six Months Ended 6/30/20
(square feet in thousands)

	Defense/IT Locations								
	Ft Meade/ BW Corridor	NoVA Defense/IT	Navy Support	Redstone Arsenal	Data Center Shells	Total Defense/IT Locations	Regional Office	Other	Total
Renewed Space									
Leased Square Feet	497	120	121	21	297	1,056	39	6	1,101
Expiring Square Feet	701	122	140	21	297	1,280	60	19	1,359
Vacating Square Feet	204	1	18	—	—	224	21	13	258
Retention Rate (% based upon square feet)	70.9 %	98.9 %	86.8 %	100.0%	100.0%	82.5 %	65.0 %	31.7 %	81.0 %
Statistics for Completed Leasing:									
Per Annum Average Committed Cost per Square Foot (2)	$ 2.18	$ 5.77	$ 4.28	$ 11.03	$ —	$ 2.39	$ 6.23	$ 0.51	$ 2.51
Weighted Average Lease Term in Years	5.3	6.8	3.0	1.0	5.0	5.0	6.4	3.5	5.1
Average Rent Per Square Foot									
Renewal Average Rent	$ 33.29	$ 29.79	$ 23.30	$ 23.89	$ 14.19	$ 26.18	$ 39.87	$ 24.74	$ 26.66
Expiring Average Rent	$ 30.87	$ 27.74	$ 21.71	$ 21.84	$ 12.38	$ 24.08	$ 34.85	$ 27.39	$ 24.48
Change in Average Rent	7.8 %	7.4 %	7.3 %	9.4%	14.6%	8.7 %	14.4 %	(9.7)%	8.9 %
Cash Rent Per Square Foot									
Renewal Cash Rent	$ 33.36	$ 29.00	$ 22.81	$ 23.89	$ 13.66	$ 25.93	$ 39.09	$ 23.61	$ 26.38
Expiring Cash Rent	$ 34.50	$ 29.16	$ 22.98	$ 23.39	$ 13.42	$ 26.42	$ 39.89	$ 29.72	$ 26.91
Change in Cash Rent	(3.3)%	(0.6)%	(0.7)%	2.1%	1.8%	(1.9)%	(2.0)%	(20.6)%	(2.0)%
Average Escalations Per Year	2.4 %	2.5 %	2.8 %	—%	2.3%	2.4 %	2.6 %	3.1 %	2.4 %
New Leases									
Development and Redevelopment Space									
Leased Square Feet	11	—	—	218	42	271	5	—	276
Statistics for Completed Leasing:									
Per Annum Average Committed Cost per Square Foot (2)	$ 7.98	$ —	$ —	$ 4.57	$ —	$ 3.99	$ 23.77	$ —	$ 4.35
Weighted Average Lease Term in Years	10.7	—	—	17.4	13.3	16.5	6.5	—	16.3
Average Rent Per Square Foot	$ 32.03	$ —	$ —	$ 20.81	$ 37.92	$ 23.93	$ 76.61	$ —	$ 24.90
Cash Rent Per Square Foot	$ 30.00	$ —	$ —	$ 20.22	$ 34.18	$ 22.80	$ 80.20	$ —	$ 23.85
Vacant Space (3)									
Leased Square Feet	96	17	45	3	—	160	46	6	213
Statistics for Completed Leasing:									
Per Annum Average Committed Cost per Square Foot (2)	$ 8.03	$ 9.34	$ 5.09	$ 2.88	$ —	$ 7.25	$ 8.20	$ 3.06	$ 7.34
Weighted Average Lease Term in Years	7.2	8.8	5.6	5.2	—	6.9	6.1	5.3	6.7
Average Rent Per Square Foot	$ 36.20	$ 32.42	$ 28.32	$ 20.96	$ —	$ 33.33	$ 30.92	$ 22.15	$ 32.49
Cash Rent Per Square Foot	$ 33.99	$ 30.61	$ 28.30	$ 19.22	$ —	$ 31.79	$ 30.15	$ 21.50	$ 31.14
Total Square Feet Leased	**604**	**137**	**166**	**241**	**340**	**1,488**	**90**	**12**	**1,590**
Average Escalations Per Year	2.4 %	2.6 %	2.8 %	0.7%	2.1%	1.8 %	2.7 %	3.3 %	1.8 %
Average Escalations Excl. Data Center Shells									1.8 %

(1) Activity is exclusive of owner occupied space, leases with less than a one-year term and expirations associated with space removed from service. Weighted average lease term is based on the lease term defined in the lease assuming no exercise of early termination rights. Committed costs for leasing are reported above in the period of lease execution. Actual capital expenditures for leasing are reported on page 9 in the period such costs are incurred.
(2) Committed costs include tenant improvements and leasing commissions and exclude free rent concession.
(3) Vacant space includes acquired first generation space, vacated second generation space and leases executed on developed and redeveloped space previously placed in service.

Corporate Office Properties Trust
Lease Expiration Analysis as of 6/30/20 (1)
(dollars and square feet in thousands, except per square foot amounts)

Office and Data Center Shells

Segment of Lease and Year of Expiration (2)	Square Footage of Leases Expiring	Annualized Rental Revenue of Expiring Leases (3)	% of Core/Total Annualized Rental Revenue Expiring (3)(4)	Annualized Rental Revenue of Expiring Leases per Occupied Sq. Foot (3)
Core Portfolio				
Ft Meade/BW Corridor	267	$ 9,218	1.8 %	$ 34.59
NoVA Defense/IT	9	276	0.1 %	31.45
Lackland Air Force Base	250	11,834	2.3 %	47.34
Navy Support	23	531	0.1 %	21.01
Redstone Arsenal	11	265	0.1 %	23.78
Regional Office	30	914	0.2 %	30.57
2020	**590**	**23,039**	**4.4%**	**38.94**
Ft Meade/BW Corridor	1,061	36,544	7.0 %	34.45
NoVA Defense/IT	100	2,992	0.6 %	29.89
Navy Support	340	9,829	1.9 %	28.92
Redstone Arsenal	397	9,102	1.8 %	22.93
Regional Office	69	2,354	0.5 %	34.10
2021	**1,967**	**60,821**	**11.8%**	**30.92**
Ft Meade/BW Corridor	826	27,637	5.3 %	33.44
NoVA Defense/IT	148	5,097	1.0 %	34.45
Navy Support	157	4,234	0.8 %	26.89
Redstone Arsenal	29	680	0.1 %	23.25
Regional Office	492	17,243	3.3 %	34.94
2022	**1,652**	**54,891**	**10.6%**	**33.17**
Ft Meade/BW Corridor	1,374	49,482	9.5 %	35.98
NoVA Defense/IT	143	4,790	0.9 %	33.41
Navy Support	200	5,723	1.1 %	28.59
Redstone Arsenal	7	169	— %	24.21
Regional Office	143	4,279	0.8 %	29.87
2023	**1,867**	**64,443**	**12.4%**	**34.48**
Ft Meade/BW Corridor	1,149	41,511	8.0 %	36.09
NoVA Defense/IT	459	15,399	3.0 %	33.57
Navy Support	216	4,455	0.9 %	20.67
Redstone Arsenal	58	1,410	0.3 %	24.17
Data Center Shells-Unconsolidated JV Properties	546	3,246	0.6 %	11.89
Regional Office	89	2,681	0.5 %	29.91
2024	**2,517**	**68,703**	**13.2%**	**30.60**
Thereafter				
Consolidated Properties	**7,889**	**243,335**	**46.9%**	**30.47**
Unconsolidated JV Properties	**1,889**	**4,702**	**0.9%**	**13.21**
Core Portfolio	**18,371**	**$ 519,934**	**100.0%**	**$ 31.20**

Segment of Lease and Year of Expiration (2)	Square Footage of Leases Expiring	Annualized Rental Revenue of Expiring Leases (3)	% of Core/Total Annualized Rental Revenue Expiring (3)(4)	Annualized Rental Revenue of Expiring Leases per Occupied Sq. Foot (3)
Core Portfolio	**18,371**	**$ 519,934**	**99.5%**	**$ 31.20**
Other Properties	**108**	**2,639**	**0.5%**	**24.52**
Total Portfolio	**18,479**	**$ 522,573**	**100.0%**	**$ 31.15**
Consolidated Portfolio	**16,044**	**$ 514,625**		
Unconsolidated JV Properties	**2,435**	**$ 7,948**		

Note: As of 6/30/20, the weighted average lease term was 5.3 years for the core and total portfolio and 5.1 years for the consolidated portfolio.

Wholesale Data Center

Year of Expiration	Critical Load (MW)	Annualized Rental Revenue of Expiring Leases (3)
2020	12.00	$ 15,545
2021	0.31	764
2022	1.11	2,166
2023	0.92	1,671
2024	—	10
Thereafter	0.20	434
	14.54	**$ 20,590**

(1) This expiration analysis reflects occupied space of our total portfolio (including consolidated and unconsolidated properties) and includes the effect of early renewals completed on existing leases but excludes the effect of new tenant leases on square feet yet to commence as of 6/30/20 of 216,000 for the core portfolio. With regard to properties owned through unconsolidated real estate joint ventures, the amounts reported above reflect 100% of the properties' square footage but only reflect the portion of Annualized Rental Revenue that was allocable to COPT's ownership interest.

(2) A number of our leases are subject to certain early termination provisions. The year of lease expiration is based on the lease term determined in accordance with GAAP.

(3) Total Annualized Rental Revenue is the monthly contractual base rent as of 6/30/20 (ignoring free rent then in effect) multiplied by 12 plus the estimated annualized expense reimbursements under existing leases. The amounts reported above for Annualized Rental Revenue include the portion of properties owned through unconsolidated real estate joint ventures that was allocable to COPT's ownership interest.

(4) Amounts reported represent the percentage of our core portfolio for components of such portfolio while other amounts represent the percentage of our total portfolio.

Corporate Office Properties Trust
2020 Core Portfolio Quarterly Lease Expiration Analysis as of 6/30/20 (1)
(dollars and square feet in thousands, except per square foot amounts)

Segment of Lease and Quarter of Expiration (2)	Square Footage of Leases Expiring	Annualized Rental Revenue of Expiring Leases (3)	% of Core Annualized Rental Revenue Expiring (3)(4)	Annualized Rental Revenue of Expiring Leases per Occupied Sq. Foot
Ft Meade/BW Corridor	184	$ 6,125	1.2 %	$ 33.33
Navy Support	16	255	— %	15.62
Regional Office	17	484	0.1 %	29.00
Q3 2020	**217**	**6,864**	**1.3%**	**31.37**
Ft Meade/BW Corridor	83	3,095	0.6 %	37.37
NoVA Defense/IT	9	276	0.1 %	31.45
Lackland Air Force Base	250	11,834	2.3 %	47.34
Navy Support	7	276	0.1 %	40.02
Redstone Arsenal	11	265	0.1 %	23.78
Regional Office	13	429	0.1 %	32.56
Q4 2020	**373**	**16,175**	**3.3%**	**43.39**
	590	**$ 23,039**	**4.4%**	**$ 38.94**

(1) This expiration analysis reflects occupied space of our total portfolio (including consolidated and unconsolidated properties) and includes the effect of early renewals completed on existing leases but excludes the effect of new tenant leases on square feet yet to commence as of 6/30/20.

(2) A number of our leases are subject to certain early termination provisions. The period of lease expiration is based on the lease term determined in accordance with GAAP.

(3) Total Annualized Rental Revenue is the monthly contractual base rent as of 6/30/20 (ignoring free rent then in effect) multiplied by 12 plus the estimated annualized expense reimbursements under existing leases.

(4) Amounts reported represent the percentage of our core portfolio.

Corporate Office Properties Trust
Top 20 Tenants as of 6/30/20 (1)
(dollars and square feet in thousands)

Tenant		Total Annualized Rental Revenue (2)	% of Total Annualized Rental Revenue (2)	Occupied Square Feet in Office and Data Center Shells	Weighted Average Remaining Lease Term in Office and Data Center Shells (3)
United States Government	(4)	$ 186,346	34.3 %	4,480	4.4
Fortune 500 Company		48,743	9.0 %	4,190	9.2
General Dynamics Corporation		27,084	5.0 %	752	3.5
The Boeing Company		17,449	3.2 %	614	1.4
CACI International Inc		13,216	2.4 %	339	4.8
Northrop Grumman Corporation		12,639	2.3 %	417	3.5
Booz Allen Hamilton, Inc.		11,281	2.1 %	297	1.3
CareFirst Inc.		11,121	2.0 %	312	2.6
Wells Fargo & Company		6,909	1.3 %	172	8.2
AT&T Corporation		6,781	1.2 %	321	9.3
Miles and Stockbridge, PC		5,941	1.1 %	160	7.2
Raytheon Technologies Corporation		5,650	1.0 %	157	2.1
Science Applications International Corp.		5,230	1.0 %	136	1.9
Jacobs Engineering Group Inc.		5,180	1.0 %	165	5.6
Transamerica Life Insurance Company		5,123	0.9 %	140	1.5
Mantech International Corp.		4,751	0.9 %	165	4.2
Peraton Inc.		4,589	0.8 %	134	6.6
University of Maryland		4,041	0.7 %	131	4.9
The MITRE Corporation		3,889	0.7 %	118	4.6
Pandora A/S		3,810	0.7 %	144	5.7
Subtotal Top 20 Tenants		**389,773**	**71.6%**	**13,344**	**5.8**
All remaining tenants		153,390	28.4 %	5,135	4.2
Total/Weighted Average		**$ 543,163**	**100.0%**	**18,479**	**5.3**

(1) Includes Annualized Rental Revenue ("ARR") in our portfolio of operating office and data center shells and our wholesale data center. For properties owned through unconsolidated real estate joint ventures, includes COPT's share of those properties' ARR of $7.9 million (see page 32 for additional information).
(2) Total ARR is the monthly contractual base rent as of 6/30/20, multiplied by 12, plus the estimated annualized expense reimbursements under existing leases. With regard to properties owned through unconsolidated real estate joint ventures, the amounts reported above reflect 100% of the properties' square footage but only reflect the portion of ARR that was allocable to COPT's ownership interest.
(3) Weighted average remaining lease term is based on the lease term determined in accordance with GAAP for our office and data center shell properties (i.e., excluding the effect of our wholesale data center leases). The weighting of the lease term was computed based on occupied square feet.
(4) Substantially all of our government leases are subject to early termination provisions which are customary in government leases. As of 6/30/20, $6.1 million in ARR (or 3.3% of our ARR from the United States Government and 1.1% of our total ARR) was through the General Services Administration (GSA).

Corporate Office Properties Trust
Summary of Development Projects as of 6/30/20 (1)
(dollars and square feet in thousands)

Property and Segment	Location	Total Rentable Square Feet	% Leased as of 7/7/20	as of 6/30/20 (2) Anticipated Total Cost	Cost to Date	Cost to Date Placed in Service	Actual or Anticipated Shell Completion Date	Anticipated Operational Date (3)
Fort Meade/BW Corridor:								
4600 River Road	College Park, Maryland	102	27%	$ 30,735	$ 17,344	$ —	3Q 20	3Q 21
Redstone Arsenal:								
100 Secured Gateway (4)	Huntsville, Alabama	250	84%	72,404	52,974	10,550	2Q 20	2Q 21
7600 Advanced Gateway	Huntsville, Alabama	126	100%	14,883	11,993	—	3Q 20	3Q 20
8600 Advanced Gateway	Huntsville, Alabama	105	100%	28,857	12,227	—	4Q 20	4Q 20
8000 Rideout Road	Huntsville, Alabama	100	0%	26,078	9,129	—	4Q 20	4Q 21
6000 Redstone Gateway	Huntsville, Alabama	40	79%	10,523	3,072	—	4Q 20	4Q 21
7100 Redstone Gateway	Huntsville, Alabama	46	100%	10,668	1,644	—	1Q 21	1Q 21
Subtotal / Average		667	78%	163,413	91,039	10,550		
Data Center Shells:								
P2 B	Northern Virginia	274	100%	64,636	56,623	—	3Q 20	3Q 20
Southpoint Annex (5)	Northern Virginia	14	100%	6,022	1,512	—	3Q 20	3Q 20
Oak Grove Annex (5)	Northern Virginia	14	100%	7,617	2,049	—	4Q 20	4Q 20
Paragon Annex (5)	Northern Virginia	14	100%	5,466	1,396	—	4Q 20	4Q 20
P2 C	Northern Virginia	230	100%	51,120	32,016	—	1Q 21	1Q 21
Subtotal / Average		546	100%	134,861	93,596	—		
NoVA Defense/IT:								
NoVA Office C	Chantilly, Virginia	348	100%	106,219	35,891	2,794	2Q 22	2Q 22
Regional Office:								
2100 L Street	Washington, DC	190	56%	177,000	141,234	—	2Q 20	2Q 21
Total Under Development		**1,853**	84%	**$ 612,228**	**$ 379,104**	**$ 13,344**		

(1) Includes properties under, or contractually committed for, development as of 6/30/20.
(2) Cost includes land, development, leasing costs and allocated portion of structured parking and other shared infrastructure, if applicable.
(3) Anticipated operational date is the earlier of the estimated date when leases have commenced on 100% of a property's space or one year from the cessation of major construction activities.
(4) Although classified as under development, 40,000 square feet were operational as of 6/30/20.
(5) Represent expansions of existing properties.

Corporate Office Properties Trust
Development and Redevelopment Placed in Service as of 6/30/20
(square feet in thousands)

		Total Property		Square Feet Placed in Service				
					2020			
Property and Location	**Property Segment**	**% Leased as of 6/30/20**	**Rentable Square Feet**	**Prior Year**	**1st Quarter**	**2nd Quarter**	**Total 2020**	**Space Placed in Service % Leased as of 6/30/20**
P2 A Northern Virginia	Data Center Shells	100%	230	—	230	—	230	100%
Oak Grove A Northern Virginia	Data Center Shells	100%	216	—	—	216	216	100%
7500 Advanced Gateway Huntsville, Alabama	Redstone Arsenal	100%	135	—	—	135	135	100%
6950 Columbia Gateway Columbia, Maryland	Ft Meade/ BW Corridor	91%	106	85	—	21	21	91%
100 Secured Gateway Huntsville, Alabama	Redstone Arsenal	84%	250	—	—	40	40	100%
Total Development/Redevelopment Placed in Service		95%	**937**	**85**	**230**	**412**	**642**	99%

Corporate Office Properties Trust
Summary of Land Owned/Controlled as of 6/30/20 (1)
(square feet in thousands)

Location	Acres	Estimated Developable Square Feet	Carrying Amount
Land owned/controlled for future development			
Defense/IT Locations:			
Fort Meade/BW Corridor:			
National Business Park	196	2,106	
Howard County	19	290	
Other	126	1,338	
Total Fort Meade/BW Corridor	341	3,734	
NoVA Defense/IT	52	1,618	
Lackland AFB	49	785	
Navy Support	44	109	
Redstone Arsenal (2)	361	3,127	
Data Center Shells	53	1,180	
Total Defense/IT Locations	**900**	**10,553**	
Regional Office	**10**	**900**	
Total land owned/controlled for future development	**910**	**11,453**	**$ 305,702**
Other land owned/controlled	**43**	**638**	**3,413**
Land held, net	**953**	**12,091**	**$ 309,115**

(1) This land inventory schedule includes properties under ground lease to us and excludes all properties listed as development or redevelopment as detailed on page 24. The costs associated with the land included on this summary are reported on our consolidated balance sheet in the line entitled "land held."
(2) This land is controlled under a long-term master lease agreement to LW Redstone Company, LLC, a consolidated joint venture (see page 31). As this land is developed in the future, the joint venture will execute site-specific leases under the master lease agreement. Rental payments will commence under the site-specific leases as cash rents under tenant leases commence at the respective properties.

Corporate Office Properties Trust
Capitalization Overview
(dollars, shares and units in thousands)

	Wtd. Avg. Maturity (Years)	Stated Rate	Effective Rate (1)(2)	Gross Debt Balance at 6/30/20
Debt				
Secured debt	3.5	3.31%	3.45%	$ 252,940
Unsecured debt	2.9	3.31%	3.69%	1,770,161
Total Consolidated Debt	3.0	3.31%	3.66%	$2,023,101
Fixed rate debt (2)	3.2	4.30%	3.93%	$1,789,695
Variable rate debt	2.6	1.35%	1.57%	233,406
Total Consolidated Debt				$2,023,101
Preferred Equity				
3.5% Series I Convertible Preferred Units (3)				$ 8,800
Common Equity				
Common Shares				112,183
Common Units (4)				1,331
Total Common Shares and Units				113,514
Closing Common Share Price on 6/30/20				$ 25.34
Common Equity Market Capitalization				$2,876,445
Total Equity Market Capitalization				**$2,885,245**
Total Market Capitalization				**$4,908,346**

(1) Excludes the effect of deferred financing cost amortization.

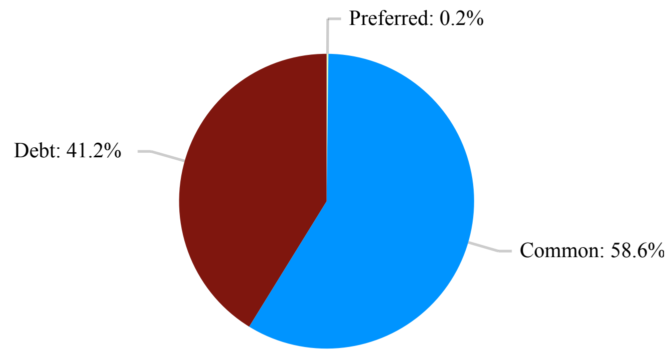
(2) Includes the effect of interest rate swaps with notional amounts of $446.4 million that hedge the risk of changes in interest rates on variable rate debt.

(3) 352,000 units outstanding with a liquidation preference of $25 per unit, convertible into 176,000 common units and redeemable by COPLP with six months notice.

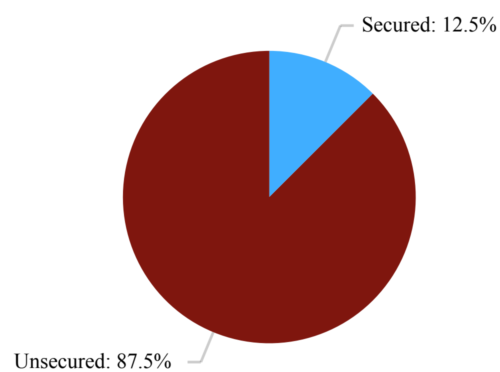
(4) Excludes unvested share-based compensation awards subject to market conditions.

Investment Grade Ratings & Outlook			Latest Affirmation
Fitch	BBB-	Stable	10/7/19
Moody's	Baa3	Stable	6/10/20
Standard & Poor's	BBB-	Stable	5/19/20

Total Market Capitalization



Unsecured/Secured Debt



Corporate Office Properties Trust
Summary of Outstanding Debt as of 6/30/20
(dollars in thousands)

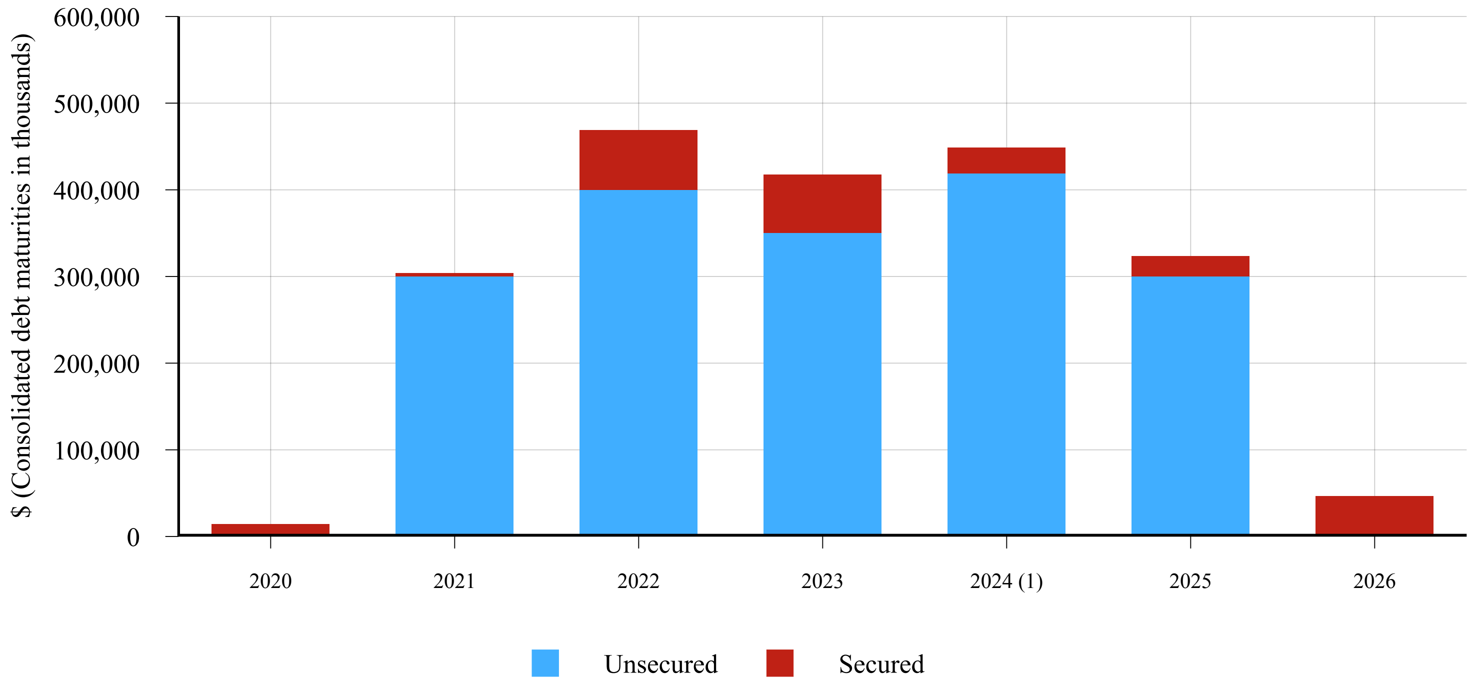
Unsecured Debt	**Stated Rate**	**Amount Outstanding**	**Maturity Date**	
Revolving Credit Facility	L + 1.10%	$ 169,000	Mar-23	(1)(2)
Senior Unsecured Notes				
3.70% due 2021	3.70 %	$ 300,000	Jun-21	
3.60% due 2023	3.60 %	350,000	May-23	
5.25% due 2024	5.25 %	250,000	Feb-24	
5.00% due 2025	5.00 %	300,000	Jul-25	
Subtotal - Senior Unsecured Notes	4.32 %	$ 1,200,000		
Unsecured Bank Term Loans				
2022 Maturity	L + 1.00%	$ 400,000	Dec-22	(2)
Other Unsecured Debt	0.00 %	1,161	May-26	
Total Unsecured Debt	**3.31%**	**$ 1,770,161**		

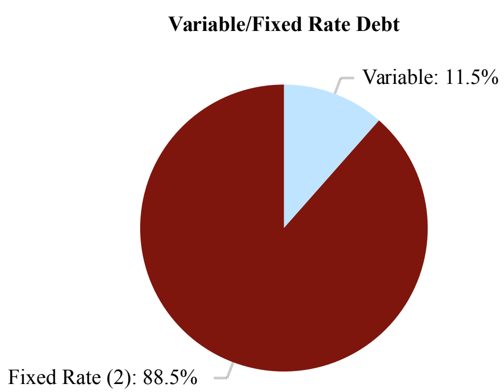
Debt Summary		
Total Unsecured Debt	3.31 %	$ 1,770,161
Total Secured Debt	3.31 %	252,940
Consolidated Debt	**3.31%**	**$ 2,023,101**
Net discounts and deferred financing costs		(11,082)
Debt, per balance sheet		**$ 2,012,019**
Consolidated Debt		**$ 2,023,101**
COPT's share of unconsolid. JV gross debt (7)		50,250
Gross debt		**$ 2,073,351**

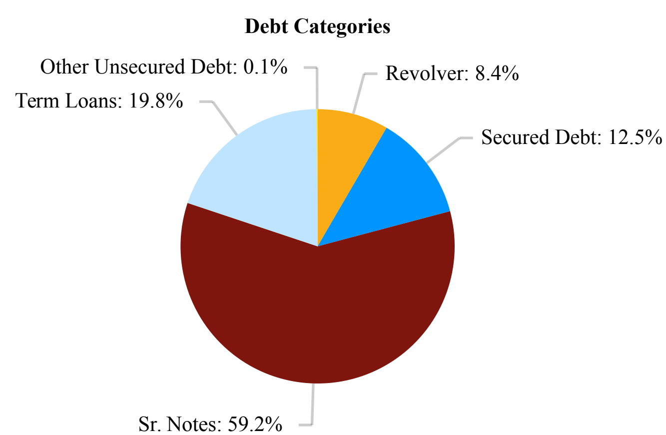
Secured Debt	**Stated Rate**	**Amount Outstanding**	**Balloon Payment Due Upon Maturity**	**Maturity Date**	
7740 Milestone Parkway	3.96 %	$ 17,129	$ 15,902	Feb-23	
100 & 30 Light Street	4.32 %	50,998	47,676	Jun-23	
LW Redstone:					
7200 & 7400 Redstone Gateway (3)	L + 1.85%	12,234	12,132	Oct-20	
1000, 1200 & 1100 Redstone Gateway (3)	4.47 % (4)	32,334	27,649	Jun-24	
4000 & 4100 Market Street and 8800 Redstone Gateway (2)(3)	L + 1.55%	23,000	22,100	Mar-25	(5)
M Square:					
5825 & 5850 University Research Court (3)	3.82 %	41,639	35,603	Jun-26	
5801 University Research Court (2)(3)	L + 1.45%	11,200	10,020	Aug-26	
2100 L Street (2)(3)	L + 2.35%	64,406	64,406	Sept-22	(6)
Total Secured Debt	**3.31%**	**$ 252,940**			

(1) The Company's $800 million Revolving Credit Facility matures in March 2023 and may be extended for two six-month periods, at our option.
(2) Pre-payable anytime without penalty.
(3) These properties are owned through consolidated joint ventures.
(4) Represents the weighted average rate of three loans on the properties.
(5) The loan maturity may be extended for two one-year periods, provided certain conditions are met.
(6) The loan maturity may be extended by one year, provided certain conditions are met.
(7) See page 32 for additional disclosure regarding our unconsolidated real estate joint ventures.

Corporate Office Properties Trust
Summary of Outstanding Debt as of 6/30/20 (continued)







(1) Revolving Credit Facility maturity of $169.0 million scheduled for 2023 is presented assuming our exercise of two six-month extension options.
(2) Includes the effect of $446.4 million in interest rate swaps that hedge the risk of changes in interest rates on variable rate debt.

Corporate Office Properties Trust
Debt Analysis
(dollars and square feet in thousands)

Senior Note Covenants (1)	Required	As of and for Three Months Ended 6/30/20
Total Debt / Total Assets	< 60%	39.4%
Secured Debt / Total Assets	< 40%	5.3%
Debt Service Coverage	> 1.5x	4.4x
Unencumbered Assets / Unsecured Debt	> 150%	259.1%

Line of Credit & Term Loan Covenants (1)	Required	As of and for Three Months Ended 6/30/20
Total Debt / Total Assets	< 60%	36.1%
Secured Debt / Total Assets	< 40%	4.9%
Adjusted EBITDA / Fixed Charges	> 1.5x	3.9x
Unsecured Debt / Unencumbered Assets	< 60%	35.3%
Unencumbered Adjusted NOI / Unsecured Interest Expense	> 1.75x	4.3x

Debt Ratios	Page Refer.		
Gross debt	28	$	2,073,351
Adjusted book	35	$	5,309,778
Net debt / adjusted book ratio			**38.6%**
Net debt plus pref. equity / adj. book ratio			**38.8%**
Net debt	35	$	2,051,128
Net debt plus preferred equity	35	$	2,059,928
In-place adjusted EBITDA	10	$	80,548
Net debt / in-place adjusted EBITDA ratio			**6.4x**
Net debt plus pref. equity / in-place adj. EBITDA ratio			**6.4x**
Denominator for debt service coverage	34	$	17,230
Denominator for fixed charge coverage	34	$	20,481
Adjusted EBITDA	10	$	78,582
Adjusted EBITDA debt service coverage ratio			**4.6x**
Adjusted EBITDA fixed charge coverage ratio			**3.8x**

Unencumbered Portfolio Analysis		
# of unencumbered properties		146
% of total portfolio		84%
Unencumbered square feet in-service		15,686
% of total portfolio		79%
NOI from unencumbered real estate operations	$	75,228
% of total NOI from real estate operations		89%
Adjusted EBITDA from unencumbered real estate operations	$	69,932
% of total adjusted EBITDA from real estate operations		89%
Unencumbered adjusted book	$	4,664,000
% of total adjusted book		88%

(1) The covenants are calculated as defined in the applicable agreements, and the calculations differ between those agreements.

Corporate Office Properties Trust
Consolidated Real Estate Joint Ventures as of 6/30/20
(dollars and square feet in thousands)

Operating Properties	Operational Square Feet	% Occupied	% Leased	NOI for the Three Months Ended 6/30/20 (1)	NOI for the Six Months Ended 6/30/20 (1)	Total Assets (2)	Venture Level Debt	% COPT Owned
Suburban Maryland:								
M Square Associates, LLC (3 properties)	313	99.2%	99.2%	$ 1,579	$ 2,937	$ 67,803	$ 52,839	50%
Huntsville, Alabama:								
LW Redstone Company, LLC (11 properties)	843	100.0%	100.0%	2,675	5,156	206,122	67,568	85%
Total/Average	**1,156**	**99.8%**	**99.8%**	**$ 4,254**	**$ 8,093**	**$ 273,925**	**$ 120,407**	

Non-operating Properties	Estimated Developable Square Feet	Total Assets (2)	Venture Level Debt	% COPT Owned
Suburban Maryland:				
M Square Research Park	450	$ 25,143	$ —	50%
Huntsville, Alabama:				
Redstone Gateway (3)	3,754	128,918	—	85%
Washington, DC:				
Stevens Place	190	141,952	64,406	95%
Total	**4,394**	**$ 296,013**	**$ 64,406**	

(1) Represents NOI of the joint venture operating properties before allocation to joint venture partners.
(2) Total assets includes the assets of the consolidated joint venture plus any outside investment basis.
(3) Total assets include $62.2 million in amortized cost basis pertaining to amounts due from the City of Huntsville (including accrued interest) in connection with infrastructure costs funded by the joint venture.

Corporate Office Properties Trust
Unconsolidated Real Estate Joint Ventures as of 6/30/20
(dollars and square feet in thousands)

Joint venture information	DC Shell JV formed in 2016	DC Shell JV formed in 2019
COPT ownership %	50%	10%
COPT's investment	$ 36,720	$ 13,737
# of Properties	6	9
Square Feet	964	1,471
% Occupied	100%	100%
COPT's share of annualized rental revenue	$ 5,832	$ 2,116

Balance sheet information	DC Shell JV formed in 2016	DC Shell JV formed in 2019	Total	COPT's Share (1)
Operating properties, net	$ 119,688	$ 312,344	$432,032	$ 91,078
Total assets	$ 133,864	$ 345,087	$478,951	$101,441
Debt	$ 59,717	$ 200,821	$260,538	$ 49,941
Total liabilities	$ 60,424	$ 207,717	$268,141	$ 50,984

	Three Months Ended 6/30/20				Six Months Ended 6/30/20			
Operating information	DC Shell JV formed in 2016	DC Shell JV formed in 2019	Total	COPT's Share (1)	DC Shell JV formed in 2016	DC Shell JV formed in 2019	Total	COPT's Share (1)
Revenue	$ 3,007	$ 5,768	$ 8,775	$ 2,081	$ 5,948	$ 11,487	$ 17,435	$ 4,123
Operating expenses	(567)	(713)	(1,280)	(356)	(1,094)	(1,374)	(2,468)	(685)
NOI and EBITDA	2,440	5,055	7,495	1,725	4,854	10,113	14,967	3,438
Interest expense	(532)	(1,862)	(2,394)	(452)	(1,063)	(3,724)	(4,787)	(904)
Depreciation and amortization	(1,132)	(2,519)	(3,651)	(818)	(2,265)	(5,038)	(7,303)	(1,636)
Net income	$ 776	$ 674	$ 1,450	$ 455	$ 1,526	$ 1,351	$ 2,877	$ 898
NOI (per above)	$ 2,440	$ 5,055	$ 7,495	$ 1,725	$ 4,854	$ 10,113	$ 14,967	$ 3,438
Straight line rent adjustments	(70)	(351)	(421)	(70)	(125)	(737)	(862)	(136)
Amortization of acquired above- and below-market rents	—	(142)	(142)	(14)	—	(283)	(283)	(28)
Cash NOI	$ 2,370	$ 4,562	$ 6,932	$ 1,641	$ 4,729	$ 9,093	$ 13,822	$ 3,274

(1) Represents the portion allocable to our ownership interest.

Corporate Office Properties Trust
Supplementary Reconciliations of Non-GAAP Measures
(dollars in thousands)

	Three Months Ended					Six Months Ended	
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	6/30/20	6/30/19
NOI from real estate operations (1)							
Real estate revenues	$ 132,538	$ 132,116	$ 131,968	$ 130,734	$ 132,771	$ 264,654	$ 264,761
Property operating expenses	(50,204)	(49,999)	(51,098)	(49,714)	(47,886)	(100,203)	(97,331)
COPT's share of NOI in unconsolidated real estate JVs (2)	1,725	1,713	1,634	1,601	1,251	3,438	2,470
NOI from real estate operations	**84,059**	**83,830**	**82,504**	**82,621**	**86,136**	**167,889**	**169,900**
General and administrative expenses	(6,511)	(5,303)	(7,043)	(6,105)	(7,650)	(11,814)	(14,369)
Leasing expenses	(1,647)	(2,183)	(2,293)	(1,824)	(1,736)	(3,830)	(3,768)
Business development expenses and land carry costs	(1,262)	(1,118)	(1,292)	(964)	(870)	(2,380)	(1,983)
NOI from construction contracts and other service operations	525	560	985	895	1,297	1,085	1,921
Equity in loss of unconsolidated non-real estate entities	(1)	(2)	(2)	(3)	(1)	(3)	(2)
Interest and other income	2,282	1,205	1,917	1,842	1,849	3,487	4,135
Credit loss expense (3)	(615)	(689)	—	—	—	(1,304)	—
Interest expense	(16,797)	(16,840)	(16,777)	(17,126)	(18,475)	(33,637)	(37,149)
COPT's share of interest expense of unconsolidated real estate JVs (2)	(452)	(452)	(425)	(412)	(264)	(904)	(525)
Income tax (expense) benefit	(30)	(49)	104	131	176	(79)	(18)
FFO - per Nareit (1)	**$ 59,551**	**$ 58,959**	**$ 57,678**	**$ 59,055**	**$ 60,462**	**$ 118,510**	**$ 118,142**
Real estate revenues							
Lease revenue							
Fixed contractual payments	$ 103,993	$ 104,109	$ 101,116	$ 102,389	$ 104,193	$ 208,102	$ 208,837
Variable lease payments							
Lease termination fees	376	104	436	841	2,458	480	2,979
Other variable lease payments (4)	27,778	26,799	29,141	26,231	24,764	54,577	50,502
Lease revenue	**132,147**	**131,012**	**130,693**	**129,461**	**131,415**	**263,159**	**262,318**
Other property revenue	391	1,104	1,275	1,273	1,356	1,495	2,443
Real estate revenues	**$ 132,538**	**$ 132,116**	**$ 131,968**	**$ 130,734**	**$ 132,771**	**$ 264,654**	**$ 264,761**
Provision for credit losses (recoveries) on billed lease revenue	$ 591	$ (355)	$ 579	$ 39	$ (2)	$ 236	$ 68

(1) Refer to section entitled "Definitions" for a definition of this measure.
(2) See page 32 for a schedule of the related components.
(3) Excludes credit losses on lease revenue, which are included in lease revenue.
(4) Represents primarily lease revenue associated with property operating expense reimbursements from tenants.

Corporate Office Properties Trust
Supplementary Reconciliations of Non-GAAP Measures (continued)
(dollars in thousands)

	Three Months Ended					Six Months Ended	
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	6/30/20	6/30/19
Total interest expense	**$ 16,797**	**$ 16,840**	**$ 16,777**	**$ 17,126**	**$ 18,475**	**$ 33,637**	**$ 37,149**
Less: Amortization of deferred financing costs	(642)	(575)	(541)	(538)	(529)	(1,217)	(1,057)
Less: Amortization of net debt discounts, net of amounts capitalized	(390)	(386)	(382)	(377)	(374)	(776)	(744)
Less: Accum. other comprehensive loss on derivatives amortized to expense	—	—	—	(12)	(33)	—	(67)
COPT's share of interest expense of unconsolidated real estate JVs, excluding deferred financing costs	442	441	416	403	258	883	513
Denominator for interest coverage	**16,207**	**16,320**	**16,270**	**16,602**	**17,797**	**32,527**	**35,794**
Scheduled principal amortization	1,023	1,021	1,010	1,107	1,095	2,044	2,193
Denominator for debt service coverage	**17,230**	**17,341**	**17,280**	**17,709**	**18,892**	**34,571**	**37,987**
Capitalized interest	3,174	3,358	3,467	2,927	2,388	6,532	4,392
Preferred unit distributions	77	77	77	157	165	154	330
Denominator for fixed charge coverage	**$ 20,481**	**$ 20,776**	**$ 20,824**	**$ 20,793**	**$ 21,445**	**$ 41,257**	**$ 42,709**
Preferred unit distributions	$ 77	$ 77	$ 77	$ 157	$ 165	$ 154	$ 330
Common share dividends - unrestricted shares and deferred shares	30,761	30,754	30,724	30,721	30,693	61,515	61,378
Common share dividends - restricted shares and deferred shares	94	84	102	103	63	178	131
Common unit distributions - unrestricted units	341	339	337	338	365	680	730
Common unit distributions - restricted units	25	25	22	22	23	50	43
Total dividends/distributions	**$ 31,298**	**$ 31,279**	**$ 31,262**	**$ 31,341**	**$ 31,309**	**$ 62,577**	**$ 62,612**
Common share dividends - unrestricted shares and deferred shares	**$ 30,761**	**$ 30,754**	**$ 30,724**	**$ 30,721**	**$ 30,693**	**$ 61,515**	**$ 61,378**
Common unit distributions - unrestricted units	341	339	337	338	365	680	730
Distributions on dilutive preferred units	77	—	77	—	—	154	—
Dividends and distributions for diluted FFO payout ratio	**31,179**	**31,093**	**31,138**	**31,059**	**31,058**	**62,349**	**62,108**
Distributions on dilutive preferred units	—	77	—	—	—	—	—
Dividends and distributions for other payout ratios	**$ 31,179**	**$ 31,170**	**$ 31,138**	**$ 31,059**	**$ 31,058**	**$ 62,349**	**$ 62,108**

Corporate Office Properties Trust
Supplementary Reconciliations of Non-GAAP Measures (continued)
(dollars in thousands)

	Three Months Ended				
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19
Total assets	**$4,011,325**	**$4,054,457**	**$3,854,453**	**$3,855,369**	**$3,803,469**
Accumulated depreciation	1,065,094	1,035,703	1,007,120	979,353	949,111
Accumulated depreciation included in assets held for sale	—	—	—	1,397	1,397
Accumulated amort. of real estate intangibles and deferred leasing costs	216,267	214,693	212,547	212,222	210,183
Accumulated amortization of real estate intangibles and deferred leasing costs included in assets held for sale	—	—	—	4	4
COPT's share of liabilities of unconsolidated real estate JVs	50,984	50,966	50,734	46,061	30,588
COPT's share of accumulated depreciation and amortization of unconsolidated real estate JVs	9,815	8,990	8,164	7,376	6,578
Less: Property - operating lease liabilities	(20,796)	(17,365)	(17,317)	(16,686)	(16,640)
Less: Property - finance lease liabilities	(688)	(702)	(702)	(702)	(712)
Less: Cash and cash equivalents	(21,596)	(159,061)	(14,733)	(34,005)	(46,282)
Less: COPT's share of cash of unconsolidated real estate JVs	(627)	(593)	(498)	(505)	(406)
Adjusted book	**$5,309,778**	**$5,187,088**	**$5,099,768**	**$5,049,884**	**$4,937,290**
Gross debt (page 28)	**$2,073,351**	**$2,139,130**	**$1,893,057**	**$1,920,179**	**$1,827,304**
Less: Cash and cash equivalents	(21,596)	(159,061)	(14,733)	(34,005)	(46,282)
Less: COPT's share of cash of unconsolidated real estate JVs	(627)	(593)	(498)	(505)	(406)
Net debt	**$2,051,128**	**$1,979,476**	**$1,877,826**	**$1,885,669**	**$1,780,616**
Preferred equity	8,800	8,800	8,800	8,800	8,800
Net debt plus preferred equity	**$2,059,928**	**$1,988,276**	**$1,886,626**	**$1,894,469**	**$1,789,416**

Non-GAAP Measures

We believe that the measures defined below that are not determined in accordance with generally accepted accounting principles ("GAAP") are helpful to investors in measuring our performance and comparing it to that of other real estate investment trusts ("REITs"). Since these measures exclude certain items includable in their respective most comparable GAAP measures, reliance on the measures has limitations; management compensates for these limitations by using the measures simply as supplemental measures that are weighed in balance with other GAAP and non-GAAP measures. These measures should not be used as an alternative to the respective most comparable GAAP measures when evaluating our financial performance or to cash flow from operating, investing and financing activities when evaluating our liquidity or ability to make cash distributions or pay debt service.

Adjusted book

Defined as total assets presented on our consolidated balance sheet, net of lease liabilities associated with property right-of-use assets, and excluding the effect of cash and cash equivalents, accumulated depreciation on real estate properties, accumulated amortization of intangible assets on real estate acquisitions, accumulated amortization of deferred leasing costs, disposed properties included in assets held for sale, unconsolidated real estate joint ventures ("JVs") cash and cash equivalents, liabilities and accumulated depreciation and amortization (of real estate intangibles and deferred leasing costs) allocable to our ownership interest in the JVs and the effect of properties serving as collateral for debt in default that we extinguished (or intend to extinguish) via conveyance of such properties.

Adjusted earnings before interest, income taxes, depreciation and amortization ("Adjusted EBITDA")

Adjusted EBITDA is net income adjusted for the effects of interest expense, depreciation and amortization, gain on sales and impairment losses of real estate, gain or loss on early extinguishment of debt, net gain or loss on other investments, credit loss expense, operating property acquisition costs, income taxes, business development expenses, demolition costs on redevelopment and nonrecurring improvements, executive transition costs and certain other expenses that we believe are not closely correlated with our operating performance. Adjusted EBITDA also includes adjustments to net income for the effects of the items noted above pertaining to unconsolidated real estate JVs that were allocable to our ownership interest in the JV. While EBITDA (earnings before interest, taxes, depreciation and amortization) is a universally-defined supplemental measure, Adjusted EBITDA incorporates additional adjustments for gains and losses from investing and financing activities and certain other items that we believe are not closely correlated to (or associated with) our operating performance. We believe that adjusted EBITDA is a useful supplemental measure for assessing our un-levered performance. We believe that net income is the most directly comparable GAAP measure to this non-GAAP measure.

Amortization of acquisition intangibles included in NOI

Represents the amortization of intangible asset and liability categories that is included in net operating income, including amortization of above- or below-market leases and above- or below-market cost arrangements.

Basic FFO available to common share and common unit holders ("Basic FFO")

This measure is FFO adjusted to subtract (1) preferred share dividends, (2) income attributable to noncontrolling interests through ownership of preferred units in Corporate Office Properties, L.P. (the "Operating Partnership") or interests in other consolidated entities not owned by us, (3) depreciation and amortization allocable to noncontrolling interests in other consolidated entities, (4) Basic FFO allocable to share-based compensation awards and (5) issuance costs associated with redeemed preferred shares. With these adjustments, Basic FFO represents FFO available to common shareholders and holders of common units in the Operating Partnership ("common units"). Common units are substantially similar to our common shares of beneficial interest ("common shares") and are exchangeable into common shares, subject to certain conditions. We believe that Basic FFO is useful to investors due to the close correlation of common units to common shares. We believe that net income is the most directly comparable GAAP measure to this non-GAAP measure.

Cash net operating income ("Cash NOI")

Defined as NOI from real estate operations adjusted to eliminate the effects of: straight-line rental adjustments, amortization of tenant incentives, amortization of acquisition intangibles included in FFO and NOI (including above- and below-market leases and above- or below-market cost arrangements), lease termination fees from tenants to terminate their lease obligations prior to the end of the agreed upon lease terms and rental revenue recognized under GAAP resulting from landlord assets and lease incentives funded by tenants. Cash NOI also includes adjustments to NOI from real estate operations for the effects of the items noted above pertaining to unconsolidated real estate JVs that were allocable to our ownership interest in the JVs. Under GAAP, rental revenue is recognized evenly over the term of tenant leases (through straight-line rental adjustments and amortization of tenant incentives), which, given the long term nature of our leases, does not align with the economics of when tenant payments are due to us under the arrangements. Also under GAAP, when a property is acquired, we allocate the acquisition to certain intangible components, which are then amortized into NOI over their estimated lives, even though the resulting revenue adjustments are not reflective of our lease economics. In addition, revenue from lease termination fees and tenant-funded landlord improvements, absent an adjustment from us, would result in large one-time lump sum amounts in Cash NOI that we do not believe are reflective of a property's long-term value. We believe that Cash NOI is a useful supplemental measure of operating performance for a REIT's operating real estate because it makes adjustments to NOI for the above stated items to be more reflective of the economics of when tenant payments are due to us under our leases and the value of our properties. As is the case with NOI, the measure is useful in our opinion in evaluating and comparing the performance of geographic segments, Same Properties groupings and individual properties. We believe that NOI from real estate operations, our segment performance measure, is the most directly comparable GAAP measure to this non-GAAP measure.

COPT's share of NOI from unconsolidated real estate JVs

Represents the net of revenues and property operating expenses of real estate operations owned through unconsolidated JVs that are allocable to COPT's ownership interest. This measure is included in the computation of NOI, our segment performance measure, as discussed below.

Diluted adjusted funds from operations available to common share and common unit holders ("Diluted AFFO")

Defined as Diluted FFO, as adjusted for comparability, adjusted for the following: (1) the elimination of the effect of (a) noncash rental revenues and property operating expenses (comprised of straight-line rental adjustments, which includes the amortization of recurring tenant incentives, and amortization of acquisition intangibles included in FFO and NOI, both of which are described under "Cash NOI" above), (b) share-based compensation, net of amounts capitalized, (c) amortization of deferred financing costs, (d) amortization of debt discounts and premiums and (e) amortization of settlements of debt hedges; and (2) replacement capital expenditures (defined below). Diluted AFFO also includes adjustments to Diluted FFO, as adjusted for comparability for the effects of the items noted above pertaining to unconsolidated real estate JVs that were allocable to our ownership interest in the JVs. We believe that Diluted AFFO is a useful supplemental measure of operating performance for a REIT because it incorporates adjustments for: certain revenue and expenses that are not associated with cash to or from us during the period; and certain capital expenditures for operating properties incurred during the period that do require cash outlays. We believe that net income is the most directly comparable GAAP measure to this non-GAAP measure.

Diluted FFO available to common share and common unit holders ("Diluted FFO")

Diluted FFO is Basic FFO adjusted to add back any changes in Basic FFO that would result from the assumed conversion of securities that are convertible or exchangeable into common shares. The computation of Diluted FFO assumes the conversion of common units but does not assume the conversion of other securities that are convertible into common shares if the conversion of those securities would increase Diluted FFO per share in a given period. We believe that Diluted FFO is useful to investors because it is the numerator used to compute Diluted FFO per share, discussed below. We believe that net income is the most directly comparable GAAP measure to this non-GAAP measure.

Diluted FFO available to common share and common unit holders, as adjusted for comparability ("Diluted FFO, as adjusted for comparability")

Defined as Diluted FFO or FFO adjusted to exclude: operating property acquisition costs; gain or loss on early extinguishment of debt; FFO associated with properties that secured non-recourse debt on which we defaulted and, subsequently, extinguished via conveyance of such properties (including property NOI, interest expense and gains on debt extinguishment); loss on interest rate derivatives; demolition costs on redevelopment and nonrecurring improvements; executive transition costs, accounting charges for original issuance costs associated with redeemed preferred shares; allocations of FFO to holders of noncontrolling interests resulting from capital events; and certain other expenses that we believe are not closely correlated with our operating performance. Diluted FFO, as adjusted for comparability also includes adjustments to Diluted FFO for the effects of the items noted above pertaining to unconsolidated real estate JVs that were allocable to our ownership interest in the JVs. We believe this to be a useful supplemental measure alongside Diluted FFO as it excludes gains and losses from certain investing and financing activities and certain other items that we believe are not closely correlated to (or associated with) our operating performance. The adjustment for FFO associated with properties securing non-recourse debt on which we defaulted pertains to the periods subsequent to our default on the loan's payment terms, which was the result of our decision to not support payments on the loan since the estimated fair value of the properties was less than the loan balance. While we continued as the legal owner of the properties during this period, all cash flows produced by them went directly to the lender and we did not fund any debt service shortfalls, which included incremental additional interest under the default rate. We believe that net income is the most directly comparable GAAP measure to this non-GAAP measure.

Diluted FFO per share

Diluted FFO per share is (1) Diluted FFO divided by (2) the sum of the (a) weighted average common shares outstanding during a period, (b) weighted average common units outstanding during a period and (c) weighted average number of potential additional common shares that would have been outstanding during a period if other securities that are convertible or exchangeable into common shares were converted or exchanged. The computation of Diluted FFO per share assumes the conversion of common units but does not assume the conversion of other securities that are convertible into common shares if the conversion of those securities would increase Diluted FFO per share in a given period. We believe that Diluted FFO per share is useful to investors because it provides investors with a further context for evaluating our FFO results in the same manner that investors use earnings per share ("EPS") in evaluating net income available to common shareholders. We believe that diluted EPS is the most directly comparable GAAP measure to this non-GAAP measure.

Diluted FFO per share, as adjusted for comparability

Defined as (1) Diluted FFO available to common share and common unit holders, as adjusted for comparability divided by (2) the sum of the (a) weighted average common shares outstanding during a period, (b) weighted average common units outstanding during a period and (c) weighted average number of potential additional common shares that would have been outstanding during a period if other securities that are convertible or exchangeable into common shares were converted or exchanged. The computation of this measure assumes the conversion of common units but does not assume the conversion of other securities that are convertible into common shares if the conversion of those securities would increase the per share measure in a given period. We believe this to be a useful supplemental measure alongside Diluted FFO per share as it excludes gains and losses from investing and financing activities and certain other items that we believe are not closely correlated to (or associated with) our operating performance. We believe that diluted EPS is the most directly comparable GAAP measure to this non-GAAP measure.

Earnings before interest, income taxes, depreciation and amortization for real estate ("EBITDAre")

Defined as net income adjusted for the effects of interest expense, depreciation and amortization, gains on sales and impairment losses of real estate and income taxes. EBITDAre also includes adjustments to net income for the effects of the items noted above pertaining to unconsolidated real estate JVs that were allocable to our ownership interest in the JVs. While EBITDA (earnings before interest, taxes, depreciation and amortization) is a universally-defined supplemental measure, EBITDAre incorporates additional adjustments for gains and losses from investing activities related to our investments in operating properties. We believe that EBITDAre is a useful supplemental measure for assessing our un-levered performance. We believe that net income is the most directly comparable GAAP measure to this non-GAAP measure.

Funds from operations ("FFO" or "FFO per Nareit")

Defined as net income computed using GAAP, excluding gains on sales and impairment losses of real estate (net of associated income tax) and real estate-related depreciation and amortization. FFO also includes adjustments to net income for the effects of the items noted above pertaining to unconsolidated real estate JVs that were allocable to our ownership interest in the JVs. We believe that we use the National Association of Real Estate Investment Trust's ("Nareit") definition of FFO, although others may interpret the definition differently and, accordingly, our presentation of FFO may differ from those of other REITs. We believe that FFO is useful to management and investors as a supplemental measure of operating performance because, by excluding gains on sales and impairment losses of real estate (net of associated income tax) and real estate-related depreciation and amortization, FFO can help one compare our operating performance between periods. We believe that net income is the most directly comparable GAAP measure to this non-GAAP measure.

Gross debt

Defined as total consolidated outstanding debt, which is debt reported per our balance sheet adjusted to exclude net discounts and premiums and deferred financing costs, as further adjusted to include outstanding debt of unconsolidated real estate JVs that were allocable to our ownership interest in the JVs.

In-place adjusted EBITDA

Defined as Adjusted EBITDA, as further adjusted for: (1) the removal of NOI pertaining to properties in the quarterly periods in which such properties were disposed or removed from service; (2) the addition of pro forma adjustments to NOI for (a) properties acquired or placed in service subsequent to the commencement of a quarter made in order to reflect a full quarter of ownership/operations and (b) significant mid-quarter occupancy changes associated with properties recently placed in service with no occupancy; and (3) certain adjustments to deferred rental revenue associated with changes in our assessment of collectability that we believe are not closely correlated with our operating performance. The measure also includes adjustments to Adjusted EBITDA for the effects of the items noted above pertaining to unconsolidated real estate JVs that were allocable to our ownership interest in the JVs. We believe that in-place adjusted EBITDA is a useful supplemental measure of performance for assessing our un-levered performance, as further adjusted for changes in operating properties subsequent to the commencement of a quarter. We believe that net income is the most directly comparable GAAP measure to this non-GAAP measure.

Net debt

Defined as Gross debt (total outstanding debt reported per our balance sheet as adjusted to exclude net discounts and premiums and deferred financing costs), as adjusted to subtract cash and cash equivalents as of the end of the period and debt in default that was extinguished via conveyance of properties. The measure also includes adjustments to Gross debt for the effects of the items noted above pertaining to unconsolidated real estate JVs that were allocable to our ownership interest in the JVs.

Net debt plus preferred equity

Defined as Net debt plus the total liquidation preference of our outstanding preferred equity.

Net debt to Adjusted book and Net debt plus preferred equity to Adjusted book

These measures divide either Net debt or Net debt plus preferred equity (defined above) by Adjusted book (defined above).

Net debt to in-place adjusted EBITDA ratio and Net debt plus preferred equity to in-place adjusted EBITDA ratio

Defined as Net debt or Net debt plus preferred equity (as defined above) divided by in-place adjusted EBITDA (defined above) for the three month period that is annualized by multiplying by four.

Net operating income from real estate operations ("NOI")

NOI, which is our segment performance measure, includes: consolidated real estate revenues; consolidated property operating expenses; and the net of revenues and property operating expenses of real estate operations owned through unconsolidated real estate JVs that are allocable to COPT's ownership interest in the JVs. We believe that NOI is an important supplemental measure of operating performance for a REIT's operating real estate because it provides a measure of the core real estate operations that is unaffected by depreciation, amortization, financing and general, administrative and leasing expenses; we believe this measure is particularly useful in evaluating the performance of geographic segments, Same Properties groupings and individual properties.

NOI debt service coverage ratio and Adjusted EBITDA debt service coverage ratio

These measures divide either NOI from real estate operations or Adjusted EBITDA by the sum of interest expense (excluding amortization of deferred financing costs and amortization of debt discounts and premiums, net of amounts capitalized, gains or losses on interest rate derivatives and interest expense on debt in default to be extinguished via conveyance of properties) and scheduled principal amortization on mortgage loans.

NOI fixed charge coverage ratio and Adjusted EBITDA fixed charge coverage ratio

These measures divide either NOI from real estate operations or Adjusted EBITDA by the sum of (1) interest expense (excluding amortization of deferred financing costs and amortization of debt discounts and premiums, net of amounts capitalized, gains or losses on interest rate derivatives and interest expense on debt in default to be extinguished via conveyance of properties), (2) scheduled principal amortization on mortgage loans, (3) capitalized interest, (4) dividends on preferred shares and (5) distributions on preferred units in the Operating Partnership not owned by us.

NOI interest coverage ratio and Adjusted EBITDA interest coverage ratio

These measures divide either NOI from real estate operations or Adjusted EBITDA by interest expense (excluding amortization of deferred financing costs and amortization of debt discounts and premiums, net of amounts capitalized, gains on losses on interest rate derivatives and interest expense on debt in default to be extinguished via conveyance of properties).

Payout ratios based on: Diluted FFO; Diluted FFO, as adjusted for comparability; and Diluted AFFO

These payout ratios are defined as (1) the sum of dividends on unrestricted common shares and distributions to holders of interests in the Operating Partnership (excluding unvested share-based compensation awards) and dividends on convertible preferred shares when such distributions and dividends are included in Diluted FFO divided by (2) the respective non-GAAP measures on which the payout ratios are based.

Replacement capital expenditures

Replacement capital expenditures are defined as tenant improvements and incentives, building improvements and leasing costs incurred during the period for operating properties that are not (1) items contemplated prior to the acquisition of a property, (2) improvements associated with the expansion of a building or its improvements, (3) renovations to a building which change the underlying classification of the building (for example, from industrial to office or Class C office to Class B office), (4) capital improvements that represent the addition of something new to the property rather than the replacement of something (for example, the addition of a new heating and air conditioning unit that is not replacing one that was previously there) or (5) replacements of significant components of a building after the building has reached the end of its original useful life. Replacement capital expenditures excludes expenditures of operating properties included in disposition plans during the period that were already sold or are held for future disposition. For cash tenant incentives not due to the tenant for a period exceeding three months past the date on which such incentives were incurred, we recognize such incentives as replacement capital expenditures in the periods such incentives are due to the tenant. Replacement capital expenditures, which is included in the computation of Diluted AFFO, is intended to represent non-transformative capital expenditures of existing properties held for long-term investment. We believe that the excluded expenditures are more closely associated with our investing activities than the performance of our operating portfolio.

Same Properties NOI and Same Properties cash NOI

Defined as NOI, or Cash NOI, from real estate operations of Same Properties. We believe that these are important supplemental measures of operating performance of Same Properties for the same reasons discussed above for NOI from real estate operations and Cash NOI.

Other Definitions

Acquisition Costs — Transaction costs expensed in connection with executed or anticipated acquisitions of operating properties.

Annualized Rental Revenue — The monthly contractual base rent as of the reporting date multiplied by 12, plus the estimated annualized expense reimbursements under existing leases for occupied space. With regard to properties owned through unconsolidated real estate JVs, we include the portion of Annualized Rental Revenue allocable to COPT's ownership interest.

Average escalations — Leasing statistic used to report average increase in rental rates over lease terms for leases with a term of greater than one-year.

Development Properties — Properties under, or contractually committed for, development.

Core Portfolio — Represents Defense/IT Locations and Regional Office properties.

Defense/IT Locations — Represents properties in locations that support the United States Government and its contractors, most of whom are engaged in national security, defense and IT related activities servicing what we believe are growing, durable, priority missions.

First Generation Space — Newly-developed or redeveloped space that has never been occupied.

Operational Space — The portion of a property in operations (excludes portion under development or redevelopment).

Redevelopment Properties — Properties previously in operations on which activities to substantially renovate such properties were underway or approved.

Regional Office Properties — Includes office properties located in select urban/urban-like submarkets in the Greater Washington, DC/Baltimore region with durable Class-A office fundamentals and characteristics.

Same Properties — Operating office and data center shell properties stably owned and 100% operational since at least 1/1/19.

Second Generation Space — Space leased that has been previously occupied.

Total Portfolio — Operating properties, including ones owned through unconsolidated real estate JVs.

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COPT Reports Strong Second Quarter 2020 Results

2Q20 Results Outperform Expectations

FFO per share of $0.51 in 2Q Exceeded High-End of Guidance by $0.01

Solid Same-Property Cash NOI Growth of 1.7% in 2Q Outperformed Guidance

Core Portfolio 93.6% Occupied & 94.7% Leased

412,000 SF of 97.5% Leased Developments Placed in Service during 2Q; 642,000 SF of 99% Leased Developments Placed in Service During First Half of 2020

Solid Leasing Volumes

Total Leasing in 2Q of 959,000 SF included 276,000 SF of Development Leasing and 70,000 SF of Vacancy Leasing

Continued Strong Tenant Retention of 76% in 2Q; 81% for First Half of 2020

1.9 Million SF Under Development are 84% Leased

Executed a New, 3.1MW Lease with Defense Contractor at DC-6

COVID-19 Impact on Operations Continues to be Minimal

Maintaining Mid-Point of Full-Year Guidance for FFO per Share, As Adjusted for Comparability, of $2.07

Monthly Rent Collections, Net of Rent Accommodations, Continue to Exceed 99%

COLUMBIA, MD (BUSINESS WIRE) July 30, 2020 - Corporate Office Properties Trust ("COPT" or the "Company") (NYSE: OFC) announced financial and operating results for the second quarter ended June 30, 2020.

Management Comments

Stephen E. Budorick, COPT's President & Chief Executive Officer, commented, "The Company delivered strong second quarter results, with FFO per share exceeding the high-end of our guidance range by 1-cent. Cost savings and the timing of repair and maintenance costs more than offset the reserves we took on tenants impacted by the shutdowns and drove same-property cash NOI growth of 1.7%." He continued, "Our operations and ability to execute development and renewal leasing continue to be minimally impacted by the pandemic due to the high concentration of U.S. Government national security activity in our portfolio. Accordingly, we affirm the $2.07 mid-point of our updated 2020 guidance for FFO per share, as adjusted for comparability."

Financial Highlights

2nd Quarter Financial Results:

- Diluted earnings per share ("EPS") was $0.21 for the quarter ended June 30, 2020 as compared to $0.95 for the second quarter of 2019.
- Diluted funds from operations per share ("FFOPS"), as calculated in accordance with Nareit's definition and as adjusted for comparability, was $0.51 for the second quarter of 2020 as compared to $0.52 for second quarter 2019 results.

Operating Performance Highlights

Operating Portfolio Summary:

- At June 30, 2020, the Company's core portfolio of 172 operating office and data center shell properties was 93.6% occupied and 94.7% leased.
- During the quarter, the Company placed into service 412,000 square feet that were 97.5% leased.

Same-Property Performance:

- At June 30, 2020, COPT's same-property portfolio of 152 buildings was 92.3% occupied and 93.5% leased.
- For the quarter and six months ended June 30, 2020, the Company's same-property cash NOI increased 1.7% and 3.3%, respectively, over the prior year's comparable periods.

Leasing:

- Total Square Feet Leased: For the quarter ended June 30, 2020, the Company leased 959,000 total square feet, including 613,000 square feet of renewals, 70,000 square feet of new leases on vacant space, and 276,000 square feet in development projects. For the six months ended June 30, 2020, the Company executed 1.6 million square feet of total leasing.
- Renewal Rates: During the quarter and six months ended June 30, 2020, the Company respectively renewed 75.6% and 81.0% of total expiring square feet.
- Cash Rent Spreads & Average Escalations on Renewing Leases: For the quarter and six months ended June 30, 2020, cash rents on renewed space decreased 3.2% and 2.0%, respectively. For the same time periods, annual escalations on renewing leases averaged 2.4%.
- Lease Terms: In the second quarter, lease terms averaged 5.2 years on renewing leases, 4.9 years on new leasing of vacant space, and 16.3 years on development leasing. For the first six months, lease terms averaged 5.1 years on renewing leases, 6.7 years on vacancy leasing, and 16.3 years on development leasing.
- DC-6: At the Company's wholesale data center, COPT executed a new, 3.1 megawatt lease with a defense contractor in April, increasing DC-6 to 90.6% leased.

Investment Activity Highlights

Development & Redevelopment Projects:

- Development Pipeline: At July 7, 2020, the Company's development pipeline consisted of 11 properties and expansions in three fully-operational properties totaling 1.9 million square feet that were 84% leased. These projects have a total estimated cost of $612.2 million, of which $379.1 million had been incurred as of June 30, 2020.

Balance Sheet and Capital Transaction Highlights

- As of June 30, 2020, the Company's net debt plus preferred equity to adjusted book ratio was 38.8% and its net debt plus preferred equity to in-place adjusted EBITDA ratio was 6.4x. For the quarter ended June 30, 2020, the Company's adjusted EBITDA fixed charge coverage ratio was 3.8x.
- As of June 30, 2020, and including the effect of interest rate swaps, the Company's weighted average effective interest rate on its consolidated debt portfolio was 3.66% with a weighted average maturity of 3.0 years; additionally, 88.5% of the Company's debt was subject to fixed interest rates.

2020 Guidance

Management is increasing its prior full-year guidance ranges of $0.65-$0.69 for EPS to a new range of $0.76-$0.80. Management is maintaining its full-year guidance ranges for FFOPS per Nareit and FFOPS, as adjusted for comparability, at $1.95-$1.99 and $2.05-$2.09, respectively.

Management also is establishing guidance for EPS and FFOPS, per Nareit and as adjusted for comparability, for the third quarter ending September 30, 2020 at ranges of $0.16-$0.18 and $0.51-$0.53, respectively; and for the fourth quarter ending December 31, 2020, management is establishing guidance ranges for EPS and FFOPS, per Nareit and as adjusted for comparability, at $0.17-$0.19 and $0.52-$0.54, respectively. Reconciliations of projected diluted EPS to projected FFOPS are as follows:

Reconciliation of EPS to FFOPS, per Nareit and As Adjusted for Comparability	Quarter ending September 30, 2020		Quarter ending December 31, 2020		Year ending December 31, 2020	
	Low	High	Low	High	Low	High
EPS	$ 0.16	$ 0.18	$ 0.17	$ 0.19	$ 0.76	$ 0.80
Real estate-related depreciation and amortization	0.35	0.35	0.35	0.35	1.29	1.29
FFO allocation to other noncontrolling interests resulting from capital event	—	—	—	—	(0.10)	(0.10)
FFOPS, Nareit definition	0.51	0.53	0.52	0.54	1.95	1.99
FFO allocation to other noncontrolling interests resulting from capital event	—	—	—	—	0.10	0.10
FFOPS, as adjusted for comparability	$ 0.51	$ 0.53	$ 0.52	$ 0.54	$ 2.05	$ 2.09

Associated Supplemental Presentation

Prior to the call, the Company will post a slide presentation to accompany management's prepared remarks for its second quarter 2020 conference call, the details of which are provided below. The accompanying slide presentation can be viewed on and downloaded from the 'Latest Updates' section of COPT's Investors website: https://investors.copt.com/

Conference Call Information

Management will discuss second quarter 2020 results on its conference call tomorrow at 12:00 p.m. Eastern Time, details of which are listed below:

Conference Call Date:	Friday, July 31, 2020
Time:	12:00 p.m. Eastern Time
Telephone Number: (within the U.S.)	855-463-9057
Telephone Number: (outside the U.S.)	661-378-9894
Passcode:	4686936

The conference call will also be available via live webcast in the 'Latest Updates' section of COPT's Investors website: https://investors.copt.com/

Replay Information

A replay of the conference call will be immediately available via webcast on the Investors website. Additionally, a telephonic replay of this call will be available beginning at 3:00 p.m. Eastern Time on Friday, July 31, through 3:00 p.m. Eastern Time on Friday, August 14. To access the replay within the United States, please call 855-859-2056; to access it from outside the United States, please call 404-537-3406. In either case, use passcode 4686936.

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 it believes are growing, durable, priority missions ("Defense/IT Locations"). The Company also owns a portfolio of office properties located in select urban/urban-like submarkets in the Greater Washington, DC/Baltimore region with durable Class-A office fundamentals and characteristics ("Regional Office Properties"). As of June 30, 2020, the Company derived 88% of its core portfolio annualized rental revenue from Defense/IT Locations and 12% from its Regional Office Properties. As of the same date and including 15 properties owned through unconsolidated joint ventures, COPT's core portfolio of 172 office and data center shell properties encompassed 19.6 million square feet and was 94.7% leased; the Company also owned one wholesale data center with a critical load of 19.25 megawatts that was 90.6% 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, 2019 and Quarterly Report on Form 10-Q for the quarter ended March 31, 2020.

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2020	2019	2020	2019
Revenues				
Revenues from real estate operations	$ 132,538	$ 132,771	$ 264,654	$ 264,761
Construction contract and other service revenues	12,236	42,299	25,917	59,249
Total revenues	144,774	175,070	290,571	324,010
Operating expenses				
Property operating expenses	50,204	47,886	100,203	97,331
Depreciation and amortization associated with real estate operations	33,612	34,802	66,208	69,598
Construction contract and other service expenses	11,711	41,002	24,832	57,328
General and administrative expenses	6,511	7,650	11,814	14,369
Leasing expenses	1,647	1,736	3,830	3,768
Business development expenses and land carry costs	1,262	870	2,380	1,983
Total operating expenses	104,947	133,946	209,267	244,377
Interest expense	(16,797)	(18,475)	(33,637)	(37,149)
Interest and other income	2,282	1,849	3,487	4,135
Credit loss expense	(615)	—	(1,304)	—
Gain on sales of real estate	—	84,469	5	84,469
Income before equity in income of unconsolidated entities and income taxes	24,697	108,967	49,855	131,088
Equity in income of unconsolidated entities	454	420	895	811
Income tax (expense) benefit	(30)	176	(79)	(18)
Net income	25,121	109,563	50,671	131,881
Net income attributable to noncontrolling interests:				
Common units in the Operating Partnership (“OP”)	(284)	(1,339)	(571)	(1,596)
Preferred units in the OP	(77)	(165)	(154)	(330)
Other consolidated entities	(1,263)	(1,268)	(2,395)	(2,305)
Net income attributable to COPT common shareholders	$ 23,497	$ 106,791	$ 47,551	$ 127,650
Earnings per share (“EPS”) computation:				
Numerator for diluted EPS:				
Net income attributable to COPT common shareholders	$ 23,497	$ 106,791	$ 47,551	$ 127,650
Distributions on dilutive convertible preferred units	—	165	—	—
Redeemable noncontrolling interests	—	902	—	66
Common units in the OP	—	—	—	1,515
Amount allocable to share-based compensation awards	(109)	(346)	(206)	(391)
Numerator for diluted EPS	$ 23,388	$ 107,512	$ 47,345	$ 128,840
Denominator:				
Weighted average common shares - basic	111,800	111,557	111,762	110,759
Dilutive convertible preferred units	—	176	—	—
Dilutive effect of redeemable noncontrolling interests	—	1,062	—	130
Common units in the OP	—	—	—	1,329
Dilutive effect of share-based compensation awards	321	310	280	289
Weighted average common shares - diluted	112,121	113,105	112,042	112,507
Diluted EPS	$ 0.21	$ 0.95	$ 0.42	$ 1.15

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2020	2019	2020	2019
Net income	$ 25,121	$ 109,563	$ 50,671	$ 131,881
Real estate-related depreciation and amortization	33,612	34,802	66,208	69,598
Gain on sales of real estate	—	(84,469)	(5)	(84,469)
Depreciation and amortization on unconsolidated real estate JVs	818	566	1,636	1,132
Funds from operations (“FFO”)	59,551	60,462	118,510	118,142
Noncontrolling interests - preferred units in the OP	(77)	(165)	(154)	(330)
FFO allocable to other noncontrolling interests	(1,525)	(1,188)	(13,540)	(2,159)
Basic FFO allocable to share-based compensation awards	(254)	(229)	(447)	(414)
Basic FFO available to common share and common unit holders (“Basic FFO”)	57,695	58,880	104,369	115,239
Dilutive preferred units in the OP	77	—	154	—
Redeemable noncontrolling interests	37	33	69	942
Diluted FFO available to common share and common unit holders (“Diluted FFO”)	57,809	58,913	104,592	116,181
Demolition costs on redevelopment and nonrecurring improvements	9	—	52	44
Executive transition costs	—	—	—	4
Non-comparable professional and legal expenses	—	311	—	311
FFO allocation to other noncontrolling interests resulting from capital event	—	—	11,090	—
Diluted FFO comparability adjustments allocable to share-based compensation awards	(1)	(2)	(51)	(2)
Diluted FFO available to common share and common unit holders, as adjusted for comparability	57,817	59,222	115,683	116,538
Straight line rent adjustments and lease incentive amortization	2,523	1,051	1,671	(616)
Amortization of intangibles included in net operating income	(73)	(50)	(147)	12
Share-based compensation, net of amounts capitalized	1,638	1,623	3,027	3,296
Amortization of deferred financing costs	642	529	1,217	1,057
Amortization of net debt discounts, net of amounts capitalized	390	374	776	744
Accum. other comprehensive loss on derivatives amortized to expense	—	33	—	67
Replacement capital expenditures	(16,132)	(16,002)	(33,886)	(27,175)
Other diluted AFFO adjustments associated with real estate JVs	(115)	181	(156)	214
Diluted adjusted funds from operations available to common share and common unit holders (“Diluted AFFO”)	$ 46,690	$ 46,961	$ 88,185	$ 94,137
Diluted FFO per share	$ 0.51	$ 0.52	$ 0.92	$ 1.02
Diluted FFO per share, as adjusted for comparability	$ 0.51	$ 0.52	$ 1.02	$ 1.03
Dividends/distributions per common share/unit	$ 0.275	$ 0.275	$ 0.550	$ 0.550

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

	June 30, 2020	December 31, 2019
Balance Sheet Data		
Properties, net of accumulated depreciation	$ 3,513,099	$ 3,340,886
Total assets	4,011,325	3,854,453
Debt, per balance sheet	2,012,019	1,831,139
Total liabilities	2,331,253	2,105,777
Redeemable noncontrolling interests	23,148	29,431
Equity	1,656,924	1,719,245
Net debt to adjusted book	38.6%	36.8%
Core Portfolio Data (as of period end) (1)		
Number of operating properties	172	168
Total operational square feet (in thousands)	19,624	19,016
% Occupied	93.6%	93.1%
% Leased	94.7%	94.6%

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2020	2019	2020	2019
Payout ratios				
Diluted FFO	53.9%	52.7%	59.6%	53.5%
Diluted FFO, as adjusted for comparability	53.9%	52.4%	53.9%	53.3%
Diluted AFFO	66.8%	66.1%	70.7%	66.0%
Adjusted EBITDA fixed charge coverage ratio	3.8x	3.7x	3.8x	3.7x
Net debt to in-place adjusted EBITDA ratio (2)	6.4x	5.7x	N/A	N/A
Net debt plus preferred equity to in-place adjusted EBITDA ratio (3)	6.4x	5.7x	N/A	N/A
Reconciliation of denominators for per share measures				
Denominator for diluted EPS	112,121	113,105	112,042	112,507
Weighted average common units	1,237	1,327	1,232	—
Redeemable noncontrolling interests	157	(926)	133	907
Dilutive convertible preferred units	176	(176)	176	—
Denominator for diluted FFO per share and as adjusted for comparability	113,691	113,330	113,583	113,414

(1) Represents Defense/IT Locations and Regional Office properties.
(2) Represents net debt as of period end divided by in-place adjusted EBITDA for the period, as annualized (i.e. three month periods are multiplied by four).
(3) Represents net debt plus the total liquidation preference of preferred equity as of period end divided by in-place adjusted EBITDA for the period, as annualized (i.e. three month periods are multiplied by four).

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2020	2019	2020	2019
Reconciliation of common share dividends to dividends and distributions for payout ratios				
Common share dividends - unrestricted shares and deferred shares	$ 30,761	$ 30,693	$ 61,515	$ 61,378
Common unit distributions - unrestricted units	341	365	680	730
Distributions on dilutive preferred units	77	—	154	—
Dividends and distributions for payout ratios	$ 31,179	$ 31,058	$ 62,349	$ 62,108
Reconciliation of GAAP net income to earnings before interest, income taxes, depreciation and amortization for real estate (“EBITDAre”), adjusted EBITDA and in-place adjusted EBITDA				
Net income	$ 25,121	$ 109,563	$ 50,671	$ 131,881
Interest expense	16,797	18,475	33,637	37,149
Income tax expense (benefit)	30	(176)	79	18
Depreciation of furniture, fixtures and equipment	448	496	867	929
Real estate-related depreciation and amortization	33,612	34,802	66,208	69,598
Gain on sales of real estate	—	(84,469)	(5)	(84,469)
Adjustments from unconsolidated real estate JVs	1,270	830	2,540	1,657
EBITDAre	77,278	79,521	153,997	156,763
Net loss (gain) on other investments	2	(12)	2	(400)
Credit loss expense	615	—	1,304	—
Business development expenses	678	460	1,216	1,008
Non-comparable professional and legal expenses	—	311	—	311
Demolition costs on redevelopment and nonrecurring improvements	9	—	52	44
Executive transition costs	—	—	—	4
Adjusted EBITDA	78,582	80,280	$ 156,571	$ 157,730
Proforma net operating income adjustment for property changes within period	959	(1,981)		
Change in collectability of deferred rental revenue	1,007	—		
In-place adjusted EBITDA	$ 80,548	$ 78,299		
Reconciliation of interest expense to the denominators for fixed charge coverage-Adjusted EBITDA				
Interest expense	$ 16,797	$ 18,475	$ 33,637	$ 37,149
Less: Amortization of deferred financing costs	(642)	(529)	(1,217)	(1,057)
Less: Amortization of net debt discounts, net of amounts capitalized	(390)	(374)	(776)	(744)
Less: Accum. other comprehensive loss on derivatives amortized to expense	—	(33)	—	(67)
COPT’s share of interest expense of unconsolidated real estate JVs, excluding deferred financing costs	442	258	883	513
Scheduled principal amortization	1,023	1,095	2,044	2,193
Capitalized interest	3,174	2,388	6,532	4,392
Preferred unit distributions	77	165	154	330
Denominator for fixed charge coverage-Adjusted EBITDA	$ 20,481	$ 21,445	$ 41,257	$ 42,709

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2020	2019	2020	2019
Reconciliations of tenant improvements and incentives, building improvements and leasing costs for operating properties to replacement capital expenditures				
Tenant improvements and incentives	$ 8,870	$ 8,568	$ 20,227	$ 15,720
Building improvements	13,662	4,333	16,137	8,864
Leasing costs	2,222	2,761	4,984	5,943
Net additions to tenant improvements and incentives	329	1,759	2,355	290
Excluded building improvements and leasing costs	(8,951)	(1,419)	(9,817)	(3,642)
Replacement capital expenditures	$ 16,132	$ 16,002	$ 33,886	$ 27,175
Same Properties cash NOI	$ 75,837	$ 74,584	$ 150,799	$ 145,992
Straight line rent adjustments and lease incentive amortization	(1,513)	(701)	(2,080)	(15)
Amortization of acquired above- and below-market rents	97	73	193	33
Amortization of below-market cost arrangements	(23)	(23)	(46)	(46)
Lease termination fees, gross	358	285	443	806
Tenant funded landlord assets and lease incentives	(147)	530	222	926
Cash NOI adjustments in unconsolidated real estate JV	35	46	63	105
Same Properties NOI	$ 74,644	$ 74,794	$ 149,594	$ 147,801

	June 30, 2020	December 31, 2019
Reconciliation of total assets to adjusted book		
Total assets	$ 4,011,325	$ 3,854,453
Accumulated depreciation	1,065,094	1,007,120
Accumulated amortization of real estate intangibles and deferred leasing costs	216,267	212,547
COPT's share of liabilities of unconsolidated real estate JVs	50,984	50,734
COPT's share of accumulated depreciation and amortization of unconsolidated real estate JVs	9,815	8,164
Less: Property - operating lease liabilities	(20,796)	(17,317)
Less: Property - finance lease liabilities	(688)	(702)
Less: Cash and cash equivalents	(21,596)	(14,733)
Less: COPT's share of cash of unconsolidated real estate JVs	(627)	(498)
Adjusted book	$ 5,309,778	$ 5,099,768
Reconciliation of debt outstanding to net debt and net debt plus preferred equity		
Debt outstanding (excluding net debt discounts and deferred financing costs)	$ 2,073,351	$ 1,893,057
Less: Cash and cash equivalents	(21,596)	(14,733)
Less: COPT's share of cash of unconsolidated real estate JVs	(627)	(498)
Net debt	$ 2,051,128	$ 1,877,826
Preferred equity	8,800	8,800
Net debt plus preferred equity	$ 2,059,928	$ 1,886,626