

The background of the slide is a close-up, slightly blurred image of the American flag, showing the stars and stripes in a wavy pattern.

# **CORPORATE OFFICE PROPERTIES TRUST**

**Nareit REIT Week:  
2022 Investor Conference**

**June 2022**

The Preferred Provider of Mission Critical Real Estate Solutions



**OFC**  
**LISTED**  
**NYSE**

# COPT: Positioned for Long-Term Growth + Value Creation

- » Concentrate assets in locations to serve high priority defense + cybersecurity missions of the U.S. Government
- » Defense oriented tenant portfolio achieves steady growth from:
  - » High occupancy + tenant retention
  - » Lower CapX
  - » Best-in-class tenant credit quality
- » Create value + FFO growth completing low-risk development at Defense/IT Locations
- » Maintain strong investment grade balance sheet to support growth + create stability
- » Strong growth in defense spending driving both operating + development demand

# Portfolio Supports Priority DOD Missions

- » Since 2012, COPT has deeply concentrated capital allocation to Defense/IT Locations that support priority U.S. Defense Missions
- » 90% of ARR from Defense/IT Locations\*†
  - » Concentration of revenues among high credit tenants generates resilient cash flows
- » Only public REIT for secured, specialized space + credentialed personnel

## Core Portfolio by Demand Driver\*

Demand Driver	Total SF (000s)	% Leased	% ARR†
▪ Ft. Meade/BW Corridor	8,513	94%	47%
▪ NoVA Defense/IT	2,501	91%	14%
▪ Lackland AFB	1,060	100%	11%
▪ Navy Support	1,260	94%	6%
▪ Redstone Arsenal	1,532	93%	6%
▪ Data Center Shells**	5,004	100%	6%
▪ Regional Office	1,979	83%	10%
<b>Core Portfolio</b>	<b>21,849</b>	<b>94%</b>	



\* As of March 31, 2022.

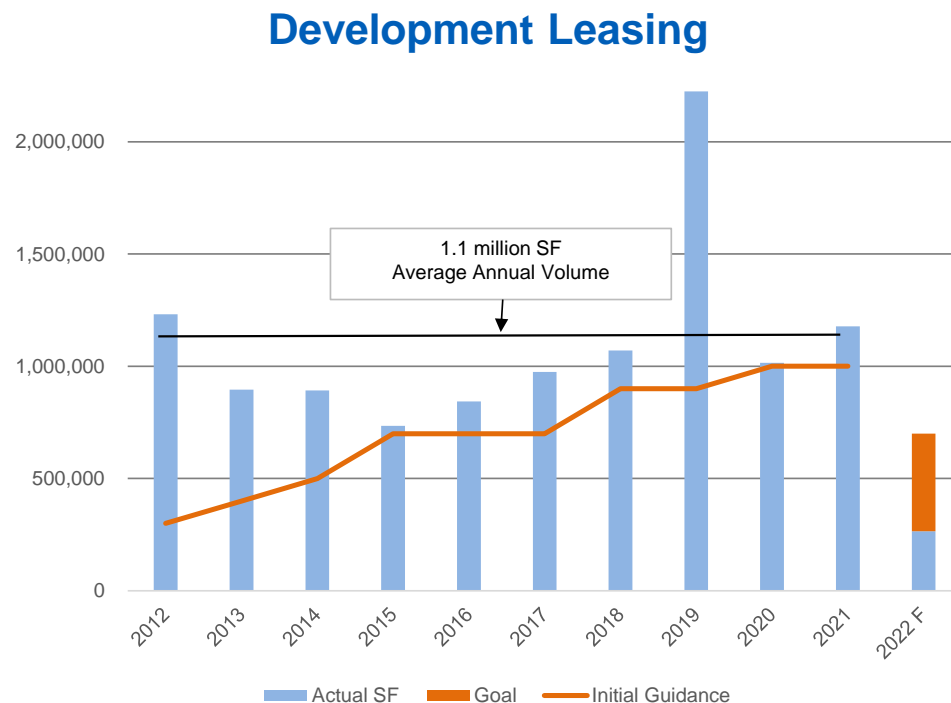
† ARR = annualized rental revenues from the core portfolio.

\*\* SF reflect 100% of 19 joint ventured data centers; % of Core ARR is based on COPT's share.

# Growth from Development Leasing



## Robust Development Leasing is the foundation for future growth in NOI

- » Average annual development leasing of 1.1 million SF since 2012
- » Active developments of 1.7 million SF that are 96% leased will drive incremental FFO per share growth going forward
- » Development Leasing Pipeline<sup>†</sup> of 1.2 million SF\* supports our goal of leasing 700,000 SF of developments in 2022



# COPT's Value Creation

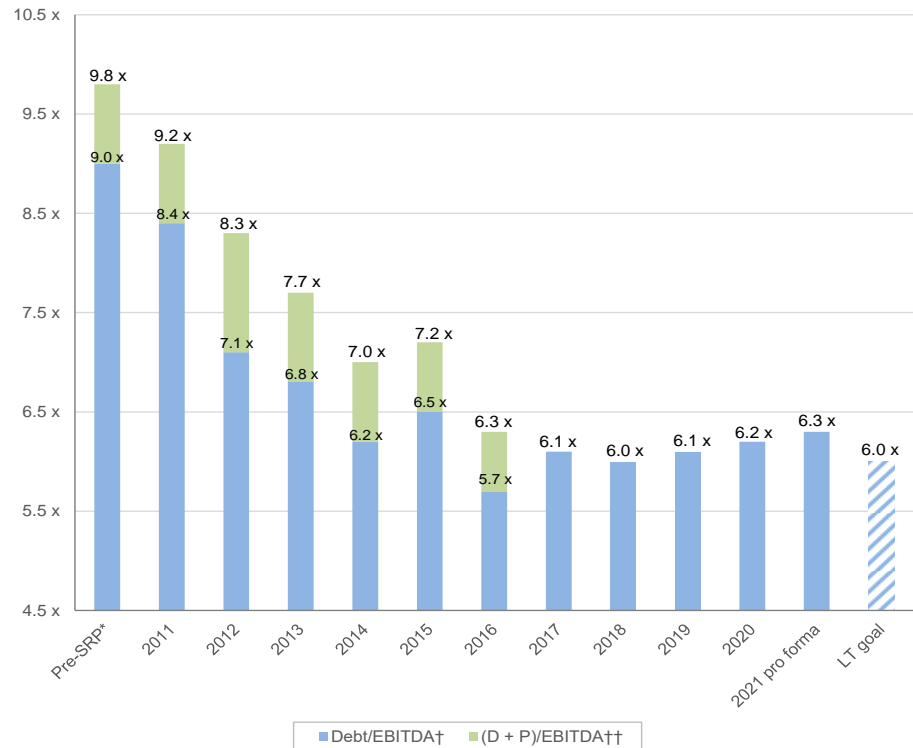
## Value Creation Through Low-Risk Development of Mission Critical Facilities

Facility Type		Typical Initial Cash Yield on Our Cost	Expected Cap Rate if Sold*	Value Created
<ul style="list-style-type: none"><li>Secure + High-Security Offices for U.S. Government + Defense Contractors</li></ul>		~8%+	~4-5% USG ~5-7% Contractors	60-100%+ 15-60%+
<ul style="list-style-type: none"><li>Data Center Shells for Cloud Computing</li></ul>		~6.5%	~4-5%	30-62.5%

# Strong Balance Sheet Supports Growth

- » Since September 2020, issued \$1.8 billion of Senior Unsecured Notes
  - » Weighted average interest rate of 2.51%
  - » Weighted average maturity of ~8 years
- » 97% of consolidated debt is fixed rate
- » Recycled \$223 million of equity with January sale of DC-6
- » Expect to raise cash through additional asset sales later in 2022 to maintain conservative leverage levels

## Maintaining Our Strong Balance Sheet



Current Status	Fitch	Moody's	S&P
Rating	BBB-	Baa3	BBB-
Outlook	Stable	Stable	Stable



\* COPT launched its Strategic Reallocation Plan ("SRP") in April 2011 and completed its programmatic selling in October 2017.

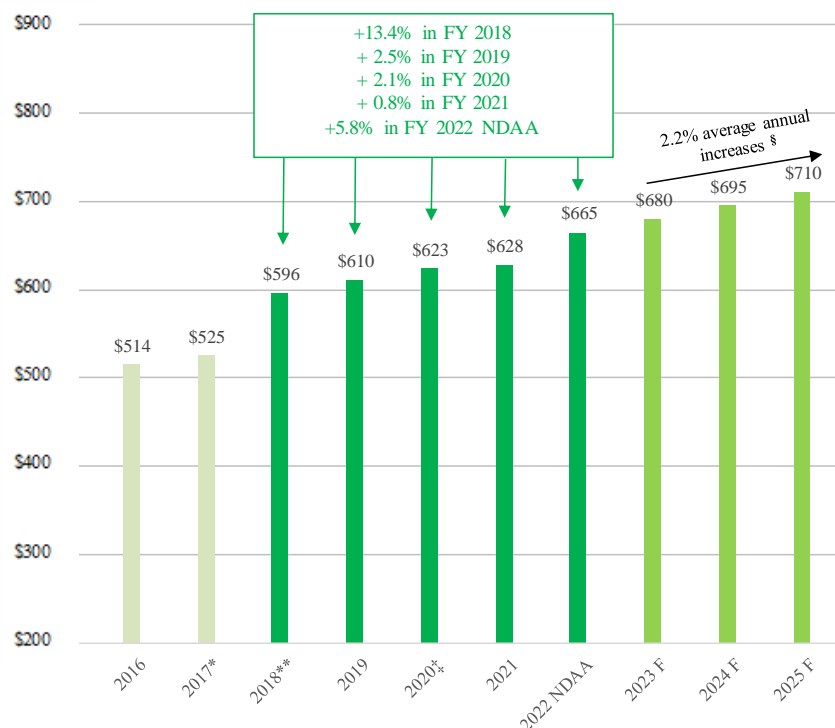
† Net debt to in-place adjusted EBITDA ratio.

†† Net debt plus preferred equity to in-place adjusted EBITDA ratio. Note that COPT redeemed its Series I preferred units in 4Q20 and has no preferred equity outstanding.

# Healthy DOD Spending

- » FY 2017–FY 2021, DOD's Base Budget grew at a compound annual rate of 4%
- » Healthy defense budget trends + inability to WFH support strong demand for COPT's Defense/IT Locations

## DOD's Discretionary Budget Authority ("Base Budget")<sup>†</sup>

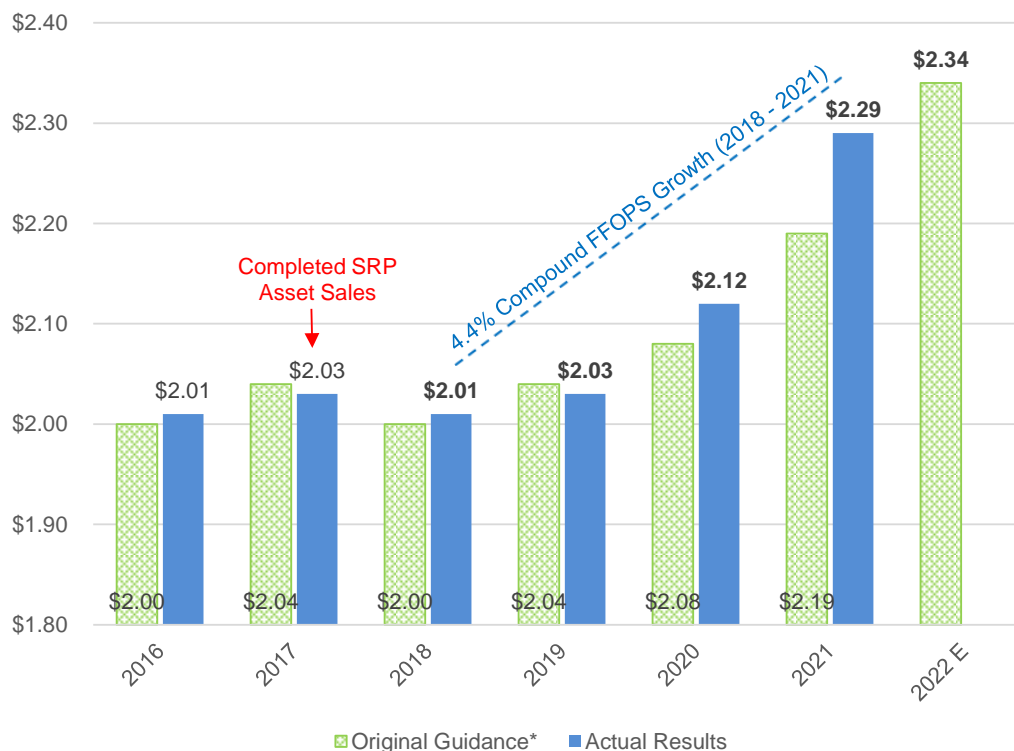


# FFO Growth

## COPT's FFOPS has compounded at 4.4% per year since 2018

- » Positioned to continue generating compound annual growth of 4% or more from 2023–2026

### COPT's Historical FFOPS, as Adjusted for Comparability



\* The midpoint of COPT's current FFOPS, per NAREIT and as adjusted for comparability. See Appendix for reconciliations of EPS to FFOPS.



# Strong 1Q22 Results

## On-Track to Achieve 2022 Full-Year Plan

- » FFO per share of \$0.58 exceeded high-end of guidance
  - » Eighth of past nine quarters that met or exceeded midpoint of guidance
- » 1.2% same-property NOI growth was 70 bps above midpoint of guidance
- » Strong 1Q22 leasing:
  - » 871,000 SF of total leasing
  - » 265,000 SF Development Leasing is ~40% of full-year goal
    - On-Track to achieve full-year goal of 700,000 SF
  - » 157,000 SF of Vacancy Leasing is ~160% of trailing 5-year 1Q average volume
    - Virtually all Vacancy Leasing was at Defense/IT Locations

# Strong 1Q22 Results (Continued)

## On-Track to Achieve 2022 Full-Year Plan

- » Placed 283,000 SF into service during first quarter
  - » On-track to place ~800,000 total SF into service for the year
- » Sold DC-6 for \$223 million
  - » Equity funds a large portion of the development investment in 2022
  - » Concentrated capital allocation to Defense/IT Locations
- » Plan to recycle or JV additional assets later in year to maintain conservative leverage

# Overview of 1Q 2022 Results

1Q 2022			
	Guidance	Actual	
<b>FFOPS*</b>	\$0.55 – \$0.57	\$0.58	+
<b>Same-Property:</b> <ul style="list-style-type: none"> <li>Occupancy</li> <li>Cash NOI Growth</li> </ul>	91.5% – 92.5% 0% – 1%	92.0% 1.2%	✓ +
<b>Leasing:</b> <ul style="list-style-type: none"> <li>Retention</li> <li>Change in Cash Rents on Renewals</li> </ul>	-- --	64% (5.7%)	✓ ✓
<b>Development Leasing SF:</b>	--	265,000	✓
<b>Developments Placed in Service</b>	--	283,000	✓
<b>Equity (\$mm)</b>	Asset Sales or JV to maintain leverage levels	\$223	✓

# Updated 2022 Guidance Highlights

- » Narrowing 2022 full-year guidance for FFO per share\* at \$2.31–\$2.37
  - » \$2.34 midpoint continues to imply 2.2% growth over elevated 2021 results
- » Same-property operations:
  - » Change in cash NOI of (2%)–0% for the full-year
  - » Occupancy of 91%–93% at year-end
- » Invest \$275–\$300 million in developments throughout the year
- » Place ~800,000 SF of fully-leased developments into service
  - » \$15–\$17 million of cash NOI from developments in 2022 forecast
  - » 100% contractual

# 2022 FY Guidance – Summary

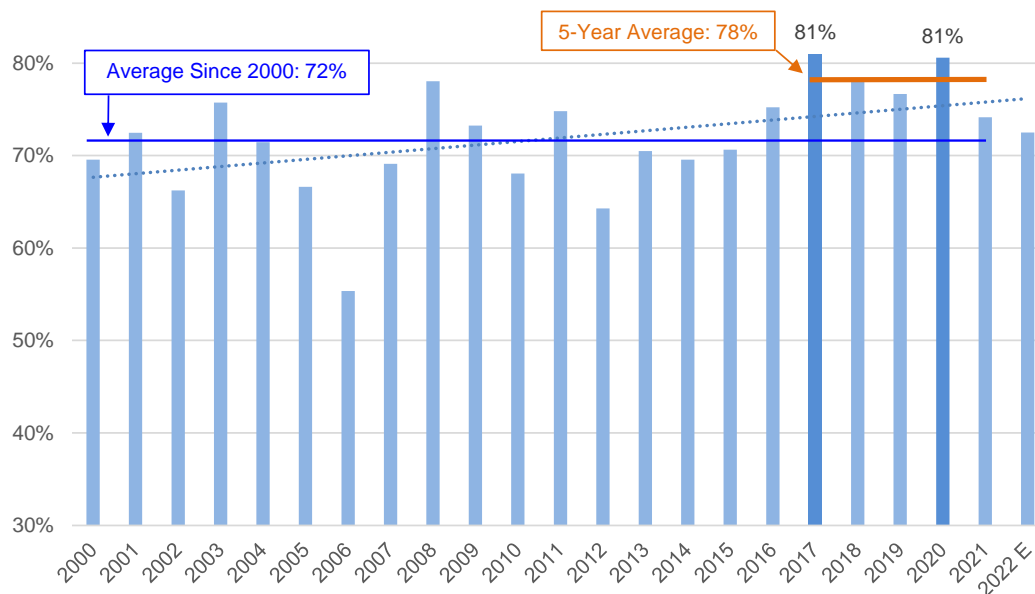
	FY 2022 Guidance
<b>Diluted EPS</b>	<b>\$1.16 – \$1.22</b>
<b>FFOPS*</b>	<b>\$2.31 – \$2.37</b>
<b>Portfolio Metrics</b>	
<ul style="list-style-type: none"> <li>Same-Property:                             <ul style="list-style-type: none"> <li>» Cash NOI Growth (2.0%) – 0%</li> <li>» Occupancy (End of Period) 91% – 93%</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li>Cash NOI from Developments PIS (\$mm) \$15 – \$17</li> </ul>	
<ul style="list-style-type: none"> <li>Diluted AFFO Payout Ratio 65% – 70%</li> </ul>	
<b>Leasing</b>	
<ul style="list-style-type: none"> <li>Tenant Retention 70% – 75%</li> </ul>	
<ul style="list-style-type: none"> <li>Change in Cash Rents on Renewals (3%) – (1%)</li> </ul>	
<ul style="list-style-type: none"> <li>Development 700,000 SF</li> </ul>	
<b>Investment Activity (\$mm)</b>	
<ul style="list-style-type: none"> <li>Development \$275 – \$300</li> </ul>	
<ul style="list-style-type: none"> <li>Acquisitions None</li> </ul>	
<ul style="list-style-type: none"> <li>Dispositions (Equity) Recycle assets to maintain leverage levels</li> </ul>	

# Sector-Leading Tenant Retention

**Tenant co-investment creates “stickiness” and supports COPT’s sector-leading tenant retention rates and low renewal CapX**

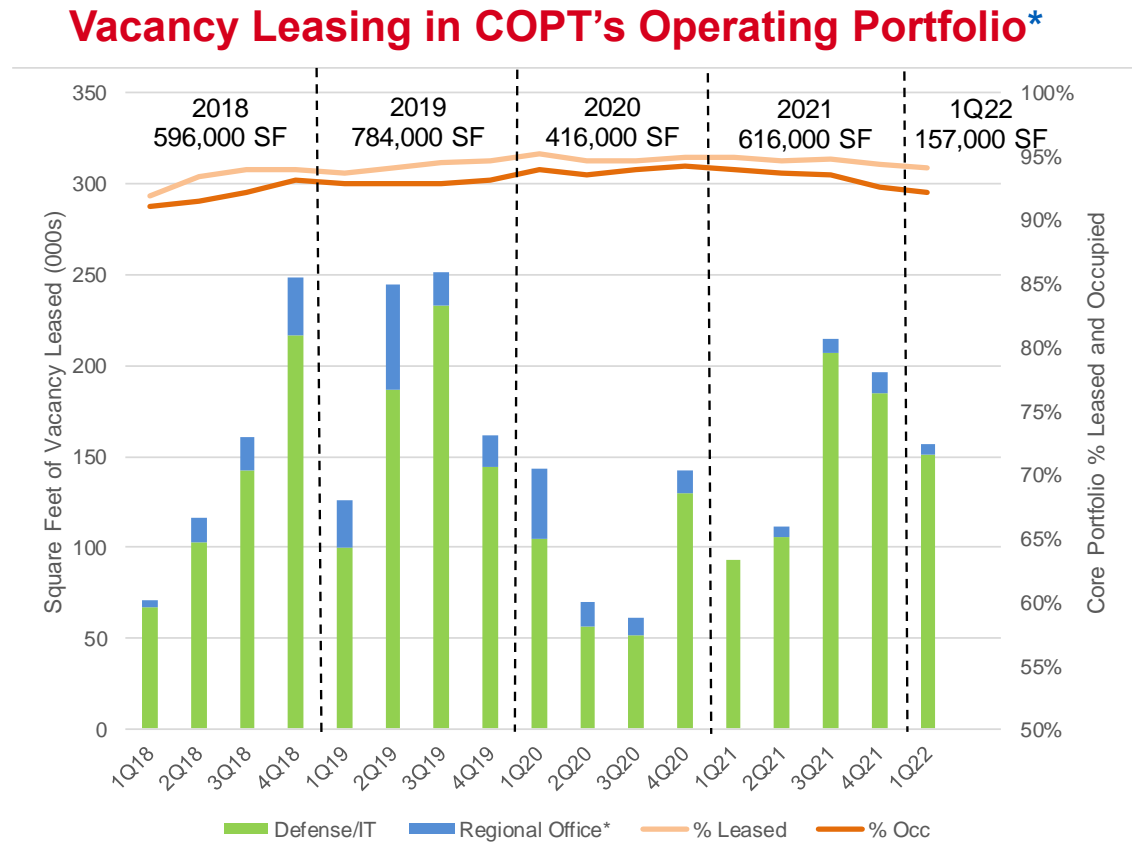
- » Proven track record of strong tenant retention rates, averaging:
  - » 74% between 2012–2021
  - » 78% between 2017–2021
- » 1Q22 retention rate of 64% reflects Transamerica non-renewal at 100 Light Street
- » Reiterate tenant retention guidance for the year at 70–75%

**COPT’s Renewal Rates Since 2000**



# Strong Vacancy Leasing

- » Core portfolio was 92.2% occupied + 94.1% leased at March 31, 2022
- » Strong Leasing Volume in 1Q22
  - » 157,000 SF of vacancy leasing achieved is ~160% of 5-year 1Q average
  - » 96% of volume at Defense/IT Locations



# Progress on Larger Vacancies

## 1200 Redstone Gateway

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- Demand ~3x available space
- Expect to be fully leased before year-end



## 2100 L Street

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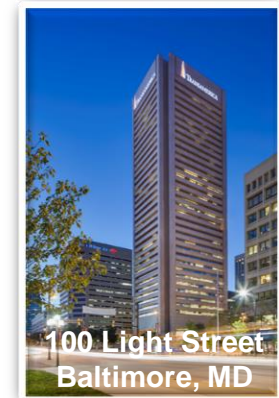
- Volume + pace of activity markedly improved during the quarter
- 165,000 SF of demand vs. 74,000 SF of availability



## 100 Light Street

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- Tracking 145,000 SF of demand
- 82% Activity Ratio\*

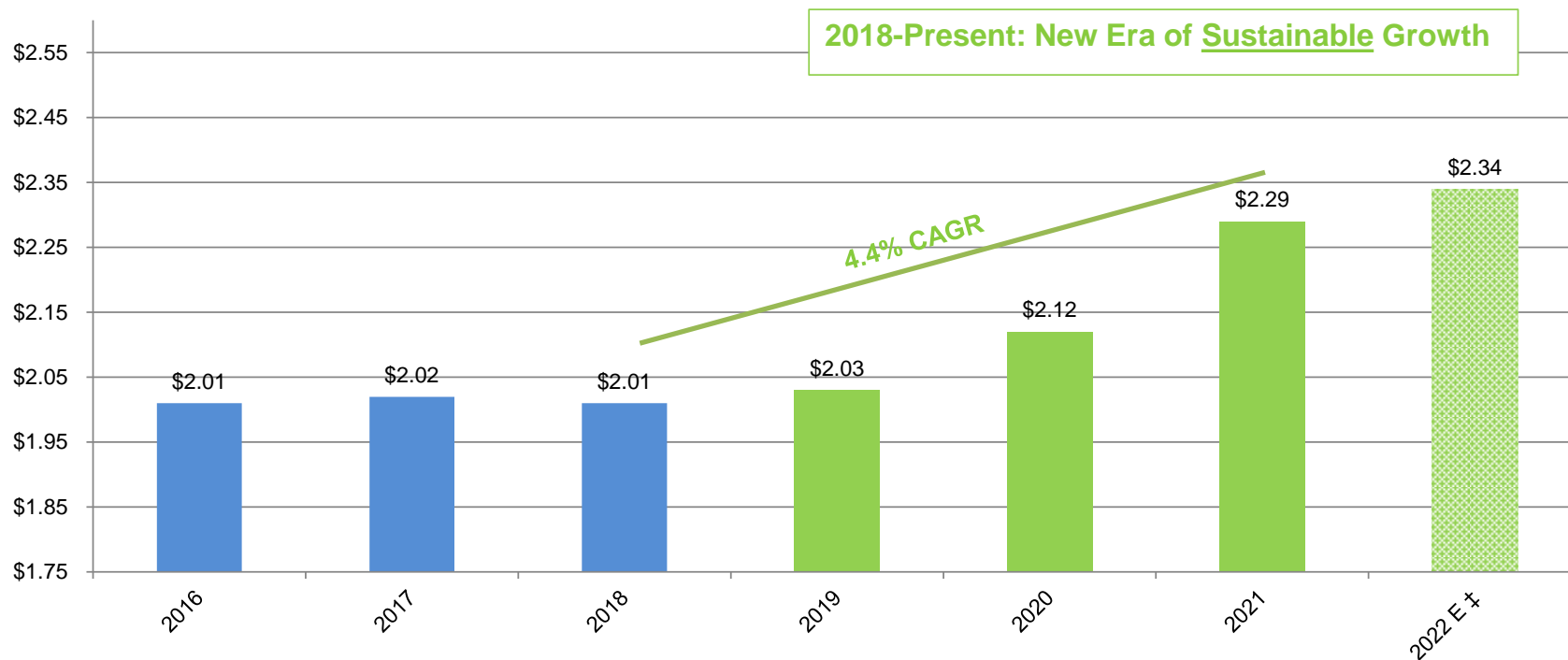




# New Era of Growth

- » Expect FFO per share to compound at 4% or more, beginning in 2023 through 2026

## COPT's FFOPS, As Adjusted for Comparability



‡ The midpoint of COPT's current FFOPS, per Nareit's definition, for 2022 is \$2.34.  
See Appendix for reconciliations.

# Safe Harbor

*Unless otherwise noted, information in this presentation represents the Company's consolidated portfolio as of or for the quarter ended March 31, 2022.*

This presentation 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. These statements may include, without limitation, statements regarding: our belief that we are well-positioned to maintain relative normal operations through the COVID-19 crisis; our expectations as to renewal leasing, rent relief requests, development leasing and development projects; our liquidity situation; and our dividend. 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 expectations, estimates and projections reflected in such forward-looking statements are based on reasonable assumptions at the time made, the Company can give no assurance that these expectations, estimates and projections will be achieved. Future events and actual results may differ materially from those discussed in the forward-looking statements and the Company undertakes no obligation to update or supplement any forward-looking statements.

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



# Definitions & Glossary

- » **Acquisition costs** – transaction costs expensed in connection with executed or anticipated acquisitions of operating properties.
- » **Adjusted Book** – 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 intangibles on property acquisitions and deferred leasing costs) allocable to our ownership interest in the joint ventures 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 EBITDA** – net income (loss) adjusted for the effects of interest expense, depreciation and amortization, gain on sales and impairment losses of real estate and investments in unconsolidated real estate JVs, gain or loss on early extinguishment of debt, gain (loss) on interest rate derivatives, net gain (or loss) on other investments, credit loss expense or recoveries, operating property acquisition costs, income taxes, business development expenses, demolition costs on redevelopment and nonrecurring improvements, executive transition costs, certain other expenses that we believe are not closely correlated with our operating performance, and excluding the effect of properties that served as collateral for debt in default that we extinguished via conveyance of such properties. 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.
- » **Annualized Rental Revenue (“ARR”)** – the monthly contractual base rent as of the reporting date (ignoring free rent then in effect and rent associated with tenant funded landlord assets) 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.
- » **ATFP** – Anti-terrorism force protection.
- » **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.
- » **Baltimore/Washington Region (or B/W Region)** – includes counties that comprise the Fort Meade/Baltimore Washington Corridor. As of March 31, 2022, 90 of COPT’s properties were located within this defined region. Please refer to page 11 of COPT’s Supplemental Information package dated March 31, 2022 for additional detail.

# Definitions & Glossary

- » **Basic FFO available to common share and common unit holders (“Basic FFO”)** – FFO adjusted to subtract (1) preferred share dividends, (2) income attributable to non-controlling 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 non-controlling 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.
- » **BRAC** – Base Realignment and Closure Commission of the United States Congress, the most recent of which Congress established in 2005 to ensure the integrity of the base closure and realignment process. The Commission provided an objective, non-partisan, and independent review and analysis of the list of military installation recommendations issued by the Department of Defense (“DOD”) on May 13, 2005. The Commission's mission was to assess whether the DOD recommendations substantially deviated from the Congressional criteria used to evaluate each military base. While giving priority to the criteria of military value, the Commission took into account the human impact of the base closures and considered the possible economic, environmental, and other effects on the surrounding communities.
- » **C4ISR** – Command, Control, Communications, Computers, Intelligence, Surveillance & Reconnaissance
- » **Cash net operating income (“Cash NOI”)** – NOI from real estate operations adjusted to eliminate the effects of: straight-line rental adjustments, amortization of tenant incentives, amortization of intangibles and other assets included in FFO and NOI, 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.

# Definitions & Glossary

- » **Cash Rent** – includes monthly contractual base rent (ignoring rent abatements and rent associated with tenant funded landlord assets) multiplied by 12, plus estimated annualized expense reimbursements (as of lease commencement for new or renewed leases or as of lease expiration for expiring leases).
- » **Core Portfolio** – Defense/IT Locations and Regional Office properties.
- » **Debt/Total Market Capitalization** – gross debt, divided by our total market capitalization.
- » **Defense/IT Locations** – properties 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.
- » **Development Leasing Pipeline** – formerly called the Shadow Development Pipeline, this internally maintained schedule tracks potential future development leasing transactions for which the Company is competing and believes it has a 50% or greater chance of winning within the next 24 months.
- » **Development profit or yield** – calculated as cash NOI divided by the estimated total investment, before the impact of cumulative real estate impairment losses.
- » **Diluted adjusted funds from operations available to common share and common unit holders (“Diluted AFFO”)** – 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.
- » **Diluted FFO available to common share and common unit holders (“Diluted FFO”)** – 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.

# Definitions & Glossary

- » **Diluted FFO available to common share and common unit holders, as adjusted for comparability (“Diluted FFO, as adjusted for comparability”)** – 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.
- » **Diluted FFO per share** – Defined as (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.
- » **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.
- » **DISA** – Defense Information Systems Agency
- » **EBITDA** – see Adjusted EBITDA
- » **EUL** – Enhanced Use Lease whereby the DOD grants a lease interest to a private developer in exchange for rent that the DOD can use to improve the related defense installation.



# Definitions & Glossary

- » **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 and investments in unconsolidated real estate JVs (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.
- » **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.
- » **GSA** – United States General Services Administration. In July 1949, President Harry Truman established the GSA to streamline the administrative work of the federal government. The GSA’s acquisition solutions supplies federal purchasers with cost-effective high-quality products and services from commercial vendors. GSA provides workplaces for federal employees, and oversees the preservation of historic federal properties. Its policies covering travel, property and management practices promote efficient government operations.
- » **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, placed in service or expanded upon 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 and other adjustments included in the period 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.
- » **Interest Duration** – The length of time for which an interest rate on debt is fixed.
- » **Market capitalization** – sum of (1) consolidated outstanding debt, excluding discounts, premiums and deferred financing costs, (2) liquidation value of preferred shares and preferred units in our operating partnership and (3) the product of the closing price of our common shares on the NYSE and the sum of (a) common shares outstanding and (b) common units outstanding.
- » **NGA** – National Geospatial Intelligence Agency

# Definitions & Glossary

- » **Net debt** – 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 to adjusted book and Net debt plus preferred equity to Adjusted book** – these measures divide either Net debt or Net debt plus preferred equity by Adjusted book.
- » **Net debt to in-place adjusted EBITDA ratio and Net debt plus preferred equity to in-place adjusted EBITDA ratio** – Net debt (defined above) or Net debt plus preferred equity 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”)** – Includes: consolidated real estate revenues from continuing and discontinued operations; consolidated property operating expenses from continuing and discontinued operations; 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.
- » **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 AFFO divided by (2) the respective non-GAAP measures on which the payout ratios are based.
- » **Portfolio:**

	3/31/22	12/31/21	9/30/21	6/30/21	3/31/21
<u># of Properties</u>					
Total Portfolio	188	186	186	184	182
Consolidated Portfolio	169	167	167	165	165
Core Portfolio	186	184	184	182	180
Same Properties	176	176	176	176	176
<u>% Occupied</u>					
Total Portfolio	92.0%	92.4%	93.3%	93.2%	93.8%
Consolidated Portfolio	90.7%	91.1%	92.2%	92.0%	92.9%
Core Portfolio	92.2%	92.6%	93.5%	93.4%	94.0%
Same Properties	92.0%	92.6%	93.3%	93.3%	93.6%
<u>% Leased</u>					
Total Portfolio	93.9%	94.2%	94.6%	94.1%	94.7%
Consolidated Portfolio	92.8%	93.2%	93.7%	93.0%	93.9%
Core Portfolio	94.1%	94.4%	94.8%	94.3%	94.9%
Same Properties	93.9%	94.4%	94.7%	94.2%	94.5%
<u>Square Feet (in thousands)</u>					
Total Portfolio	22,006	21,710	21,660	21,198	21,006
Consolidated Portfolio	18,824	18,529	18,479	18,016	18,257
Core Portfolio	21,849	21,553	21,503	21,041	20,849
Same Properties	20,333	20,333	20,333	20,333	20,333



# Definitions & Glossary

- » **Pro forma net debt, pro forma in-place adjusted EBITDA and associated ratios** – in connection with the sale on 1/25/22 of our wholesale data center, these measures and the ratios in which they are used adjust for our NOI from the property and the debt pay down resulting from its sale as of, and for the three months ended, 12/31/21.
- » **Redevelopment** – properties previously in operations on which activities to substantially renovate such properties are underway or approved.
- » **Regional Office Properties** – office properties located in select urban/urban-like submarkets in the Greater Washington, DC/Baltimore region with durable Class-A office fundamentals and characteristics.
- » **Replacement capital expenditures** – 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.
- » **Same-Properties** – Operating office and data center shell properties stably owned and 100% operational since at least the beginning of the prior year.
- » **Same-Properties NOI and Same-Properties cash NOI** – NOI, or Cash NOI, from real estate operations of Same- Properties.
- » **SCIF** – a Sensitive (or Secure) Compartmented Information Facility, or “SCIF,” in U.S. military, security and intelligence parlance is an enclosed area within a building that is used to process classified information within formal access controlled systems (as established by the Director of National Intelligence).
- » **Stabilization** – generally defined as properties that are at least 90% occupied.
- » **Straight-line Rent** – includes annual minimum base rents, net of abatements and lease incentives and excluding rent associated with tenant funded landlord assets, on a straight-line basis over the term of the lease, and estimated annual expense reimbursements (as of lease commencement for new or renewed leases or as of lease expiration for expiring leases).
- » **Under development** – This term includes properties under, or contractually committed for, development.

# Reconciliations

## Reconciliations of EPS to FFOPS

EPS to FFOPS per Nareit and as adjusted for comparability  
(in dollars per share)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Q1 2022</u>
Diluted EPS	\$ 0.15	\$ 0.56	\$ 0.69	\$ 1.71	\$ 0.87	\$ 0.68	\$ 0.52
Real estate-related depreciation and amortization	1.36	1.33	1.30	1.24	1.25	1.32	0.31
Gain on sales of real estate	(0.61)	(0.10)	(0.02)	(0.93)	(0.53)	(0.58)	(0.25)
Impairment losses, net of tax effect	1.03	0.15	0.02	-	0.01	-	-
FFO allocation to other noncontrolling interest resulting from capital event	-	-	-	-	(0.10)	-	-
Other FFO adjustments	-	-	-	-	-	(0.02)	-
Diluted FFOPS, Nareit definition	<u>\$ 1.93</u>	<u>\$ 1.94</u>	<u>\$ 1.99</u>	<u>\$ 2.02</u>	<u>\$ 1.50</u>	<u>\$ 1.40</u>	<u>\$ 0.58</u>
Loss on early extinguishment of debt and interest rate derivatives	0.01	-	-	-	0.53	0.89	-
Executive transition costs	0.07	0.01	0.01	0.00	-	-	-
Issuance costs associated with redeemed preferred shares	-	0.07	-	-	-	-	-
FFO allocation to other noncontrolling interest resulting from capital event	-	-	-	-	0.10	-	-
Other FFO, as adjusted for comparability, adjustments	-	-	0.01	0.01	(0.01)	-	-
Diluted FFOPS, as adjusted for comparability	<u>\$ 2.01</u>	<u>\$ 2.02</u>	<u>\$ 2.01</u>	<u>\$ 2.03</u>	<u>\$ 2.12</u>	<u>\$ 2.29</u>	<u>\$ 0.58</u>

# Reconciliations

## Reconciliations of EPS to FFOPS Guidance

EPS to FFOPS per Nareit and as adjusted for comparability  
(in dollars per share)

	Three Months Ending June 30, 2022		Year Ending December 31, 2022	
	Low	High	Low	High
EPS	\$ 0.22	\$ 0.24	\$ 1.16	\$ 1.22
Real estate-related depreciation and amortization	0.35	0.35	1.40	1.40
Gain on sales of real estate	-	-	(0.25)	(0.25)
FFOPS, Nareit definition and as adjusted for comparability	<u>\$ 0.57</u>	<u>\$ 0.59</u>	<u>\$ 2.31</u>	<u>\$ 2.37</u>

## Reconciliation of Developments Cash NOI to Property NOI

	Year Ending December 31, 2022
Cash NOI	\$ 16
Straight line rent adjustments	16
Property NOI	<u>\$ 32</u>

# Reconciliations

## EBITDA Reconciliation

(Dollars in thousands)

Reconciliations of GAAP net (loss) income to adjusted earnings before interest, income taxes, depreciation and amortization ("Adjusted EBITDA"):

Net (loss) income	\$	(18,566)	\$	(91,102)	\$	19,010	\$	92,672	\$	5,937	\$	62,617	\$	26,255	\$	11,008	\$	18,456	\$	44,877	\$	83,549	\$	14,965	\$	60,824
Interest expense		26,928		24,914		22,782		23,181		23,286		22,347		18,664		19,211		18,475		16,777		17,148		16,217		14,424
Income tax (benefit) expense		(544)		(38)		54		1,917		53		46		272		953		(190)		(104)		258		42		153
Depreciation and amortization		33,645		33,631		29,170		31,817		31,871		36,834		33,441		34,538		36,623		33,217		37,166		36,968		34,871
Impairment losses on real estate		27,742		78,674		2,140		921		48		19,744		1,554		13,659		2,367		2		-		-		-
Gain on sales of real estate		(2,701)		(3,362)		8		(9,004)		(41)		(64,047)		(6,885)		(4,452)		(2,367)		(20,761)		(30,204)		(25,879)		(28,579)
Gain on sale of investment in unconsolidated real estate JV		-		-		-		-		-		-		-		-		-		-		(29,416)		-		-
Adjustments from unconsolidated real estate joint ventures		-		-		-		-		-		-		830		829		832		1,206		1,306		763		758
Loss (gain) on early extinguishment of debt		-		3		6		(67,808)		9,106		402		1,073		-		258		-		4,069		41,073		342
Loss on interest rate derivatives		-		29,805		-		-		-		-		-		-		-		-		-		-		-
Net (gain) loss on other investments		(538)		(771)		(2,992)		221		(74)		6		(117)		-		(449)		(1)		(1,218)		-		(565)
Credit loss recoveries		-		-		-		-		-		-		-		-		-		-		(772)		(88)		(316)
Business development expenses		465		1,064		654		644		669		1,512		1,167		1,116		661		512		412		628		326
EBITDA from properties to be conveyed to extinguish debt in default		-		-		-		-		(828)		-		-		-		-		-		-		-		-
Demolition costs on redevelopment and nonrecurring improvements		-		-		-		-		225		-		-		-		163		104		-		(8)		-
Executive transition costs		-		-		-		-		1,056		-		431		-		371		-		-		-		-
Operating property acquisition costs		23		4		-		-		-		32		-		-		-		-		-		-		-
Non-comparable professional and legal expenses		-		-		-		-		-		-		-		-		-		195		-		-		-
Adjusted EBITDA	\$	66,454	\$	72,822	\$	70,832	\$	74,561	\$	71,083	\$	79,718	\$	76,685	\$	76,862	\$	75,200	\$	76,024	\$	82,298	\$	84,681	\$	82,238
Pro forma net operating income adjustment for property changes within period		562		(546)		-		(5,107)		-		(1,738)		39		(578)		2,052		463		1,459		-		579
Change in collectability of deferred rental revenue		-		-		-		-		-		-		-		-		928		678		-		-		-
Other		-		-		-		-		-		-		-		-		-		-		-		1,578		-
In-place adjusted EBITDA	\$	67,016	\$	72,276	\$	70,832	\$	69,454	\$	71,083	\$	77,980	\$	76,724	\$	76,284	\$	77,252	\$	77,415	\$	84,435	\$	86,259	\$	82,817
Pro forma NOI adjustment for sale of Wholesale Data Center		-		-		-		-		-		-		-		-		-		-		-		(3,074)		-
Pro forma in-place adjusted EBITDA		-		-		-		-		-		-		-		-		-		-		-		\$ 83,185		-
Annualized in-place adjusted EBITDA	\$	268,064	\$	289,104	\$	283,328	\$	277,816	\$	284,332	\$	311,920	\$	306,896	\$	305,136	\$	309,008	\$	309,660	\$	337,740	\$	345,036	\$	331,268
Annualized pro forma in-place adjusted EBITDA		-		-		-		-		-		-		-		-		-		-		-		\$ 332,740		-

A close-up, slightly wavy American flag with the stars and stripes clearly visible. The blue field with white stars is in the upper left, and the red and white stripes are in the lower right.

# **CORPORATE OFFICE PROPERTIES TRUST**

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