
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

**FORM 8-K
CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): **April 25, 2024**

COPT DEFENSE PROPERTIES

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

1-14023
(Commission File
Number)

23-2947217
(IRS Employer
Identification No.)

6711 Columbia Gateway Drive, Suite 300, Columbia, MD
(Address of principal executive offices)

21046
(Zip Code)

Registrant's telephone number, including area code: **(443) 285-5400**

Not applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions^{see} General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares of beneficial interest, \$0.01 par value	CDP	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging Growth Company

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

Item 2.02. Results of Operations and Financial Condition

On April 25, 2024, COPT Defense Properties (the "Company") issued a press release relating to its financial results for the period ended March 31, 2024 and, in connection with this release, is making available certain supplemental information pertaining to its properties and operations. The earnings release and supplemental information are included as Exhibit 99.1 to this report and are incorporated herein by reference.

The information included herein, including the exhibits, shall not be deemed "filed" for any purpose, including the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or subject to liabilities of that Section. The information included herein, including the exhibits, shall also not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act regardless of any general incorporation language in such filing.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

Exhibit Number	Exhibit Title
99.1	COPT Defense Properties earnings release and supplemental information for the period ended March 31, 2024.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

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

COPT DEFENSE PROPERTIES

/s/ Anthony Mifsud

Anthony Mifsud

Executive Vice President and Chief Financial Officer

Date: April 25, 2024

1Q 2024

SUPPLEMENTAL
INFORMATION PACKAGE



COPT DEFENSE
PROPERTIES



COPT Defense Properties
Supplemental Information + Earnings Release - Unaudited
For the Period Ended 3/31/24

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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 Defense Properties

Summary Description

THE COMPANY

COPT Defense Properties (the "Company" or "COPT Defense"), an S&P MidCap 400 Company, is a self-managed real estate investment trust ("REIT") focused on owning, operating and developing properties in locations proximate to, or sometimes containing, key U.S. Government ("USG") defense installations and missions (which we refer to herein as our Defense/IT Portfolio). Our tenants include the USG and their defense contractors, who are primarily engaged in priority national security activities, and who generally require mission-critical and high security property enhancements. The ticker symbol under which our common shares are publicly traded on the New York Stock Exchange is "CDP". As of March 31, 2024, our Defense/IT Portfolio of 193 properties, including 24 owned through unconsolidated joint ventures, encompassed 22.0 million square feet and was 96.8% leased.

MANAGEMENT

Stephen E. Budorick, President + CEO
Britt A. Snider, EVP + COO
Anthony Mifsud, EVP + CFO

INVESTOR RELATIONS

Venkat Kommineni, VP
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Michelle Layne, Manager
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CORPORATE CREDIT RATING

Fitch: BBB- Stable | Moody's: Baa3 Stable | 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, 2023.

COPT Defense Properties

Equity Research Coverage

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Evercore ISI	Steve Sakwa	212.446.9462	steve.sakwa@evercoreisi.com
Green Street	Dylan Burzinski	949.640.8780	dburzinski@greenstreet.com
Jefferies & Co.	Peter Abramowitz	212.336.7241	pabramowitz@jefferies.com
JP Morgan	Tony Paolone	212.622.6682	anthony.paolone@jpmorgan.com
Raymond James	Bill Crow	727.567.2594	bill.crow@raymondjames.com
Truist Securities	Michael Lewis	212.319.5659	michael.r.lewis@truist.com
Wedbush Securities	Richard Anderson	212.938.9949	richard.anderson@wedbush.com
Wells Fargo Securities	Blaine Heck	410.662.2556	blaine.heck@wellsfargo.com

With the exception of Green Street, 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 FactSet. Any opinions, estimates or forecasts the above analysts make regarding COPT Defense's future performance are their own and do not represent the views, estimates or forecasts of COPT Defense's management.

COPT Defense Properties
Selected Financial Summary Data
(in thousands, except per share data)

SUMMARY OF RESULTS	Page Refer.	Three Months Ended				
		3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
Net income (loss)	7	\$ 33,671	\$ 34,820	\$ (221,207)	\$ 31,642	\$ 80,398
NOI from real estate operations	13	\$ 101,657	\$ 98,656	\$ 96,494	\$ 95,024	\$ 93,903
Same Property NOI	17	\$ 95,403	\$ 94,854	\$ 95,039	\$ 94,223	\$ 92,723
Same Property cash NOI	18	\$ 91,619	\$ 89,493	\$ 88,793	\$ 87,989	\$ 86,391
Adjusted EBITDA	11	\$ 95,841	\$ 93,934	\$ 90,260	\$ 89,044	\$ 87,443
FFO per NAREIT	8	\$ 72,799	\$ 72,360	\$ 70,016	\$ 70,033	\$ 68,816
Diluted AFFO avail. to common share and unit holders	10	\$ 59,269	\$ 54,280	\$ 64,122	\$ 46,003	\$ 38,616
Dividend per common share	N/A	\$ 0.295	\$ 0.285	\$ 0.285	\$ 0.285	\$ 0.285
Per share - diluted:						
EPS	9	\$ 0.29	\$ 0.30	\$ (1.94)	\$ 0.27	\$ 0.70
FFO - Nareit	9	\$ 0.62	\$ 0.62	\$ 0.60	\$ 0.60	\$ 0.59
FFO - as adjusted for comparability	9	\$ 0.62	\$ 0.62	\$ 0.60	\$ 0.60	\$ 0.59
Numerators for diluted per share amounts:						
Diluted EPS	7	\$ 32,480	\$ 33,552	\$ (217,179)	\$ 30,138	\$ 78,467
Diluted FFO available to common share and unit holders	8	\$ 71,892	\$ 70,913	\$ 68,512	\$ 68,323	\$ 67,651
Diluted FFO available to common share and unit holders, as adjusted for comparability	8	\$ 71,969	\$ 71,100	\$ 68,593	\$ 68,569	\$ 67,651

COPT Defense Properties
Selected Financial Summary Data (continued)
(in thousands, except ratios)

PAYOUT RATIOS AND CAPITALIZATION	Page Refer.	As of or for Three Months Ended				
		3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
GAAP						
<u>Payout ratios:</u>						
Net income	N/A	100.7%	93.7%	N/A	103.1%	40.6%
<u>Capitalization and debt ratios:</u>						
Total assets	6	\$ 4,232,895	\$ 4,246,966	\$ 4,239,257	\$ 4,246,346	\$ 4,177,992
Total equity	6	\$ 1,526,046	\$ 1,523,755	\$ 1,525,873	\$ 1,776,695	\$ 1,768,814
Debt per balance sheet	6	\$ 2,416,873	\$ 2,416,287	\$ 2,415,783	\$ 2,176,174	\$ 2,123,012
Debt to assets	31	57.1%	56.9%	57.0%	51.2%	50.8%
Net income to interest expense ratio	31	1.6x	1.7x	N/A	1.9x	4.9x
Debt to net income ratio	31	17.9x	17.3x	N/A	17.2x	6.6x
Non-GAAP						
<u>Payout ratios:</u>						
Diluted FFO	N/A	46.8%	45.7%	47.3%	47.5%	47.9%
Diluted FFO - as adjusted for comparability	N/A	46.7%	45.6%	47.3%	47.3%	47.9%
Diluted AFFO	N/A	56.8%	59.7%	50.6%	70.5%	83.9%
<u>Capitalization and debt ratios:</u>						
Total Market Capitalization	28	\$ 5,218,681	\$ 5,377,815	\$ 5,172,058	\$ 4,914,516	\$ 4,856,761
Total Equity Market Capitalization	28	\$ 2,774,450	\$ 2,932,815	\$ 2,726,295	\$ 2,717,000	\$ 2,711,499
Net debt	36	\$ 2,372,747	\$ 2,328,941	\$ 2,293,005	\$ 2,234,633	\$ 2,181,408
Net debt to adjusted book	31	40.9%	40.6%	40.5%	38.4%	38.1%
Adjusted EBITDA fixed charge coverage ratio	31	4.5x	4.4x	4.6x	4.9x	5.0x
Net debt to in-place adj. EBITDA ratio	31	6.1x	6.1x	6.2x	6.3x	6.2x
Net debt adjusted for fully-leased development to in-place adj. EBITDA ratio	31	6.0x	6.0x	5.9x	5.7x	5.8x

COPT Defense Properties

Selected Portfolio Data (1)

	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
# of Properties					
Total Portfolio	201	198	196	194	194
Consolidated Portfolio	177	174	172	170	170
Defense/IT Portfolio	193	190	188	186	186
Same Property	189	189	189	189	189
% Occupied					
Total Portfolio	93.6 %	94.2 %	94.1 %	93.4 %	92.8 %
Consolidated Portfolio	92.2 %	92.9 %	92.7 %	91.9 %	91.2 %
Defense/IT Portfolio	95.6 %	96.2 %	95.9 %	95.3 %	94.4 %
Same Property	93.5 %	93.8 %	93.8 %	93.3 %	92.6 %
% Leased					
Total Portfolio	94.9 %	95.3 %	95.1 %	94.9 %	95.0 %
Consolidated Portfolio	93.8 %	94.3 %	94.0 %	93.7 %	93.9 %
Defense/IT Portfolio	96.8 %	97.2 %	97.0 %	96.8 %	96.7 %
Same Property	95.0 %	95.1 %	94.9 %	94.7 %	94.9 %
Square Feet (in thousands)					
Total Portfolio	24,137	23,859	23,479	23,035	23,020
Consolidated Portfolio	19,841	19,563	19,184	18,740	18,725
Defense/IT Portfolio	21,993	21,719	21,339	20,895	20,878
Same Property	22,227	22,227	22,227	22,227	22,227

(1) Except for the Consolidated Portfolio, includes properties owned through unconsolidated real estate joint ventures (see page 33).

COPT Defense Properties
Consolidated Balance Sheets
(in thousands)

	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
Assets					
Properties, net:					
Operating properties, net	\$ 3,272,452	\$ 3,246,806	\$ 3,148,434	\$ 3,272,670	\$ 3,272,873
Development and redevelopment in progress, including land (1)	76,931	82,972	141,854	206,130	151,910
Land held (1)	168,495	173,900	177,909	193,435	189,292
Total properties, net	3,517,878	3,503,678	3,468,197	3,672,235	3,614,075
Property - operating right-of-use assets	40,368	41,296	40,487	41,652	42,808
Cash and cash equivalents	123,144	167,820	204,238	14,273	15,199
Investment in unconsolidated real estate joint ventures	40,597	41,052	41,495	41,928	42,279
Accounts receivable, net	50,088	48,946	40,211	47,363	46,149
Deferred rent receivable	153,788	149,237	142,041	136,382	130,153
Lease incentives, net	61,150	61,331	60,506	59,541	49,679
Deferred leasing costs, net	70,902	70,057	68,033	69,218	68,930
Investing receivables, net	82,523	81,512	87,535	86,708	85,499
Prepaid expenses and other assets, net	92,457	82,037	86,514	77,046	83,221
Total assets	\$ 4,232,895	\$ 4,246,966	\$ 4,239,257	\$ 4,246,346	\$ 4,177,992
Liabilities and equity					
Liabilities:					
Debt	\$ 2,416,873	\$ 2,416,287	\$ 2,415,783	\$ 2,176,174	\$ 2,123,012
Accounts payable and accrued expenses	111,981	133,315	135,605	135,784	128,509
Rents received in advance and security deposits	37,557	35,409	32,063	32,021	34,653
Dividends and distributions payable	33,906	32,644	32,645	32,636	32,630
Deferred revenue associated with operating leases	34,019	29,049	24,590	9,199	9,022
Property - operating lease liabilities	33,141	33,931	32,940	33,923	34,896
Other liabilities	16,406	18,996	17,936	27,699	21,008
Total liabilities	2,683,883	2,699,631	2,691,562	2,447,436	2,383,730
Redeemable noncontrolling interests	22,966	23,580	21,822	22,215	25,448
Equity:					
COPT Defense's shareholders' equity:					
Common shares	1,126	1,126	1,125	1,125	1,125
Additional paid-in capital	2,487,468	2,489,989	2,489,717	2,486,996	2,484,501
Cumulative distributions in excess of net income	(1,009,964)	(1,009,318)	(1,010,885)	(762,617)	(760,820)
Accumulated other comprehensive income	3,849	2,115	6,094	5,224	1,353
Total COPT Defense's shareholders' equity	1,482,479	1,483,912	1,486,051	1,730,728	1,726,159
Noncontrolling interests in subsidiaries:					
Common units in the Operating Partnership	29,214	25,502	25,337	29,563	29,268
Other consolidated entities	14,353	14,341	14,485	16,404	13,387
Total noncontrolling interests in subsidiaries	43,567	39,843	39,822	45,967	42,655
Total equity	1,526,046	1,523,755	1,525,873	1,776,695	1,768,814
Total liabilities, redeemable noncontrolling interests and equity	\$ 4,232,895	\$ 4,246,966	\$ 4,239,257	\$ 4,246,346	\$ 4,177,992

(1) Refer to pages 25 and 27 for detail.

COPT Defense Properties
Consolidated Statements of Operations
(in thousands)

	Three Months Ended				
	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
Revenues					
Lease revenue	\$ 165,433	\$ 160,337	\$ 155,268	\$ 153,682	\$ 150,560
Other property revenue	1,230	1,225	1,339	1,271	1,121
Construction contract and other service revenues	26,603	18,167	11,949	14,243	15,820
Total revenues	193,266	179,729	168,556	169,196	167,501
Operating expenses					
Property operating expenses	66,746	64,577	61,788	61,600	59,420
Depreciation and amortization associated with real estate operations	38,351	36,735	37,620	37,600	36,995
Construction contract and other service expenses	26,007	17,167	11,493	13,555	15,201
Impairment losses	—	—	252,797	—	—
General and administrative expenses	8,378	8,240	7,582	7,287	7,996
Leasing expenses	2,187	2,308	2,280	2,345	1,999
Business development expenses and land carry costs	1,182	797	714	726	495
Total operating expenses	142,851	129,824	374,274	123,113	122,106
Interest expense	(20,767)	(20,383)	(17,798)	(16,519)	(16,442)
Interest and other income, net	4,122	5,659	2,529	2,143	2,256
Gain on sales of real estate	—	—	—	14	49,378
Income (loss) before equity in income (loss) of unconsolidated entities and income taxes	33,770	35,181	(220,987)	31,721	80,587
Equity in income (loss) of unconsolidated entities	69	(240)	(68)	111	(64)
Income tax expense	(168)	(121)	(152)	(190)	(125)
Net income (loss)	33,671	34,820	(221,207)	31,642	80,398
Net (income) loss attributable to noncontrolling interests:					
Common units in the Operating Partnership	(608)	(576)	3,691	(516)	(1,293)
Other consolidated entities	(454)	(592)	1,329	(839)	(326)
Net income (loss) attributable to common shareholders	\$ 32,609	\$ 33,652	\$ (216,187)	\$ 30,287	\$ 78,779
Amount allocable to share-based compensation awards	(129)	(100)	(992)	(98)	(248)
Redeemable noncontrolling interests	—	—	—	(51)	(64)
Numerator for diluted EPS	\$ 32,480	\$ 33,552	\$ (217,179)	\$ 30,138	\$ 78,467

COPT Defense Properties

Funds from Operations
(in thousands)

	Three Months Ended				
	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
Net income (loss)	\$ 33,671	\$ 34,820	\$ (221,207)	\$ 31,642	\$ 80,398
Real estate-related depreciation and amortization	38,351	36,735	37,620	37,600	36,995
Impairment losses on real estate	—	—	252,797	—	—
Gain on sales of real estate	—	—	—	(14)	(49,378)
Depreciation and amortization on unconsolidated real estate JVs (1)	777	805	806	805	801
FFO - per Nareit (2)	72,799	72,360	70,016	70,033	68,816
FFO allocable to other noncontrolling interests (3)	(836)	(972)	(1,059)	(1,239)	(708)
Basic FFO allocable to share-based compensation awards	(587)	(513)	(481)	(480)	(466)
Basic FFO available to common share and common unit holders (2)	71,376	70,875	68,476	68,314	67,642
Redeemable noncontrolling interests	469	—	—	(28)	(30)
Diluted FFO adjustments allocable to share-based compensation awards	47	38	36	37	39
Diluted FFO available to common share and common unit holders - per Nareit (2)	71,892	70,913	68,512	68,323	67,651
Executive transition costs	77	188	82	248	—
Diluted FFO comparability adjustments allocable to share-based compensation awards	—	(1)	(1)	(2)	—
Diluted FFO available to common share and common unit holders, as adjusted for comparability (2)	\$ 71,969	\$ 71,100	\$ 68,593	\$ 68,569	\$ 67,651

- (1) See page 33 for additional disclosure regarding our unconsolidated real estate JVs.
(2) Refer to the section entitled "Definitions" for a definition of this measure.
(3) Pertains to noncontrolling interests in consolidated real estate JVs reported on page 32.

COPT Defense Properties
Diluted Share + Unit Computations
(in thousands, except per share data)

	Three Months Ended				
	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
EPS Denominator:					
Weighted average common shares - basic	112,231	112,199	112,196	112,188	112,127
Dilutive effect of share-based compensation awards	509	432	—	426	410
Dilutive effect of redeemable noncontrolling interests	—	—	—	62	91
Weighted average common shares - diluted	112,740	112,631	112,196	112,676	112,628
Diluted EPS	\$ 0.29	\$ 0.30	\$ (1.94)	\$ 0.27	\$ 0.70
Weighted Average Shares for period ended:					
Common shares	112,231	112,199	112,196	112,188	112,127
Dilutive effect of share-based compensation awards	509	432	429	426	410
Common units	1,625	1,514	1,520	1,514	1,489
Redeemable noncontrolling interests	947	—	—	62	91
Denominator for diluted FFO per share and as adjusted for comparability	115,312	114,145	114,145	114,190	114,117
Weighted average common units	(1,625)	(1,514)	(1,520)	(1,514)	(1,489)
Redeemable noncontrolling interests	(947)	—	—	—	—
Dilutive effect of additional share-based compensation awards	—	—	(429)	—	—
Denominator for diluted EPS	112,740	112,631	112,196	112,676	112,628
Diluted FFO per share - Nareit (1)	\$ 0.62	\$ 0.62	\$ 0.60	\$ 0.60	\$ 0.59
Diluted FFO per share - as adjusted for comparability (1)	\$ 0.62	\$ 0.62	\$ 0.60	\$ 0.60	\$ 0.59

(1) Refer to the section entitled "Definitions" for a definition of this measure.

COPT Defense Properties
Adjusted Funds from Operations
(in thousands)

	Three Months Ended				
	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
Diluted FFO available to common share and common unit holders, as adjusted for comparability (1)	\$ 71,969	\$ 71,100	\$ 68,593	\$ 68,569	\$ 67,651
Straight line rent adjustments and lease incentive amortization	3,473	313	12,882	(3,161)	(3,516)
Amortization of intangibles and other assets included in NOI	122	26	26	17	(19)
Share-based compensation, net of amounts capitalized	2,645	2,318	2,280	2,213	1,733
Amortization of deferred financing costs	685	681	639	628	632
Amortization of net debt discounts, net of amounts capitalized	1,014	1,004	750	622	618
Replacement capital expenditures (1)	(20,776)	(21,498)	(21,122)	(22,664)	(28,210)
Other	137	336	74	(221)	(273)
Diluted AFFO available to common share and common unit holders ("diluted AFFO") (1)	\$ 59,269	\$ 54,280	\$ 64,122	\$ 46,003	\$ 38,616
Replacement capital expenditures (1)					
Tenant improvements and incentives	\$ 12,776	\$ 7,850	\$ 14,457	\$ 32,619	\$ 19,986
Building improvements	4,953	14,762	6,307	2,766	2,141
Leasing costs	3,590	2,440	1,902	3,542	1,750
Net additions to (exclusions from) tenant improvements and incentives	316	(189)	(813)	(16,007)	4,839
Excluded building improvements and leasing costs	(859)	(3,365)	(731)	(256)	(506)
Replacement capital expenditures	\$ 20,776	\$ 21,498	\$ 21,122	\$ 22,664	\$ 28,210

(1) Refer to the section entitled "Definitions" for a definition of this measure.

COPT Defense Properties

EBITDAre + Adjusted EBITDA
(in thousands)

	Three Months Ended				
	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
Net income (loss)	\$ 33,671	\$ 34,820	\$ (221,207)	\$ 31,642	\$ 80,398
Interest expense	20,767	20,383	17,798	16,519	16,442
Income tax expense	168	121	152	190	125
Real estate-related depreciation and amortization	38,351	36,735	37,620	37,600	36,995
Other depreciation and amortization	608	619	615	609	602
Impairment losses on real estate	—	—	252,797	—	—
Gain on sales of real estate	—	—	—	(14)	(49,378)
Adjustments from unconsolidated real estate JVs	1,671	1,911	1,743	1,559	1,704
EBITDAre (1)	95,236	94,589	89,518	88,105	86,888
Credit loss expense (recoveries)	22	(1,288)	372	238	67
Business development expenses	630	445	313	394	241
Executive transition costs	430	188	82	307	247
Net gain on other investments	(477)	—	(25)	—	—
Adjusted EBITDA (1)	95,841	93,934	90,260	89,044	87,443
Pro forma NOI adjustment for property changes within period	813	1,341	1,647	56	(318)
Change in collectability of deferred rental revenue	—	(198)	—	28	899
In-place adjusted EBITDA (1)	\$ 96,654	\$ 95,077	\$ 91,907	\$ 89,128	\$ 88,024

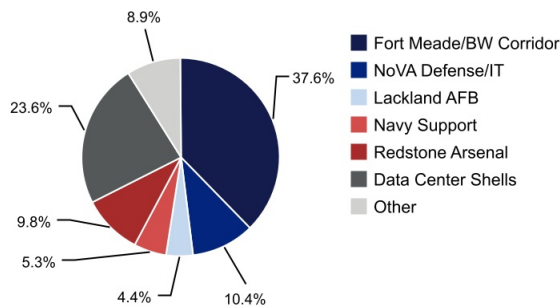
(1) Refer to the section entitled "Definitions" for a definition of this measure.

COPT Defense Properties
 Properties by Segment - 3/31/24
 (square feet in thousands)

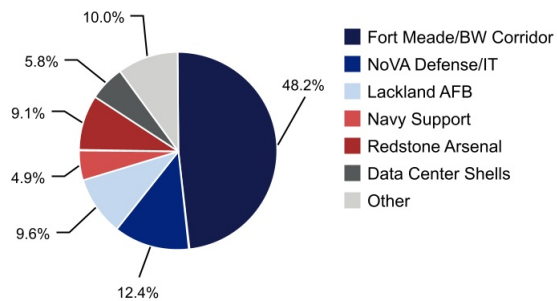
	# of Properties	Operational Square Feet	% Occupied	% Leased
Defense/IT Portfolio:				
Fort Meade/Baltimore Washington ("BW") Corridor:				
National Business Park	34	4,292	99.1%	99.1%
Howard County	36	3,064	91.4%	92.8%
Other	23	1,725	92.9%	96.5%
Total Fort Meade/BW Corridor	93	9,081	95.3%	96.5%
Northern Virginia ("NoVA") Defense/IT				
Lackland AFB (San Antonio, Texas)	8	1,062	100.0%	100.0%
Navy Support	22	1,273	85.9%	86.2%
Redstone Arsenal (Huntsville, Alabama)	24	2,374	97.4%	98.6%
Data Center Shells:				
Consolidated Properties	6	1,408	100.0%	100.0%
Unconsolidated JV Properties (1)	24	4,295	100.0%	100.0%
Total Defense/IT Portfolio	193	21,993	95.6%	96.8%
Other	8	2,144	72.5%	76.1%
Total Portfolio	201	24,137	93.6%	94.9%
Consolidated Portfolio	177	19,841	92.2%	93.8%

(1) See page 33 for additional disclosure regarding our unconsolidated real estate JVs.

Operational SF by Segment/Sub-segment



ARR (2) by Segment/Sub-segment



(2) Refer to the section entitled "Definitions" for a definition of this measure.

COPT Defense Properties
Consolidated Real Estate Revenues + NOI by Segment
(in thousands)

	Three Months Ended				
	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
Consolidated real estate revenues					
Defense/IT Portfolio:					
Fort Meade/BW Corridor	\$ 78,068	\$ 74,758	\$ 73,350	\$ 72,176	\$ 69,777
NoVA Defense/IT	21,426	20,410	20,333	19,841	19,829
Lackland Air Force Base	16,411	17,861	16,193	17,595	15,605
Navy Support	8,226	8,405	8,190	8,118	7,925
Redstone Arsenal	16,808	14,971	13,768	12,978	13,414
Data Center Shells-Consolidated	8,457	7,654	6,811	6,287	6,692
Total Defense/IT Portfolio	149,396	144,059	138,645	136,995	133,242
Other	17,267	17,503	17,962	17,958	18,439
Consolidated real estate revenues (1)	\$ 166,663	\$ 161,562	\$ 156,607	\$ 154,953	\$ 151,681
NOI from real estate operations (2)					
Defense/IT Portfolio:					
Fort Meade/BW Corridor	\$ 50,178	\$ 48,894	\$ 48,134	\$ 47,988	\$ 45,257
NoVA Defense/IT	12,164	11,972	12,433	12,158	12,257
Lackland Air Force Base	7,723	7,708	7,626	7,644	7,660
Navy Support	4,600	4,783	4,257	4,602	4,382
Redstone Arsenal	11,016	10,157	8,820	8,228	8,778
Data Center Shells:					
Consolidated properties	7,514	6,966	6,133	5,544	6,098
COPT Defense's share of unconsolidated real estate JVs	1,740	1,671	1,675	1,671	1,642
Total Defense/IT Portfolio	94,935	92,151	89,078	87,835	86,074
Other	6,722	6,505	7,416	7,189	7,829
NOI from real estate operations (1)	\$ 101,657	\$ 98,656	\$ 96,494	\$ 95,024	\$ 93,903

(1) Refer to the section entitled "Supplementary Reconciliations of Non-GAAP Measures" for reconciliation.

(2) Refer to the section entitled "Definitions" for a definition of this measure.

COPT Defense Properties

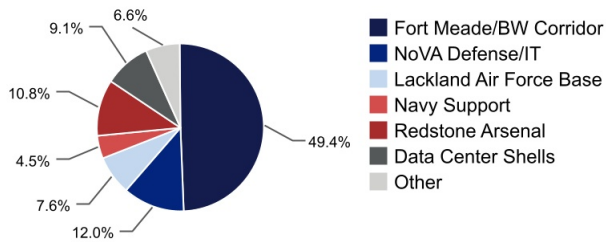
Cash NOI by Segment
(in thousands)

	Three Months Ended				
	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
Cash NOI from real estate operations (1)					
Defense/IT Portfolio:					
Fort Meade/BW Corridor	\$ 47,117	\$ 46,173	\$ 45,513	\$ 45,727	\$ 43,662
NoVA Defense/IT	12,933	12,881	12,765	12,642	11,423
Lackland Air Force Base	8,186	8,114	7,913	7,919	7,915
Navy Support	4,503	5,008	4,621	4,911	5,023
Redstone Arsenal	6,308	4,869	4,861	3,707	4,988
Data Center Shells:					
Consolidated properties	6,688	5,868	4,904	4,918	5,379
COPT Defense's share of unconsolidated real estate JVs	1,477	1,400	1,396	1,385	1,351
Total Defense/IT Portfolio	87,212	84,313	81,973	81,209	79,741
Other	6,723	6,536	7,400	7,350	7,583
Cash NOI from real estate operations (2)	\$ 93,935	\$ 90,849	\$ 89,373	\$ 88,559	\$ 87,324

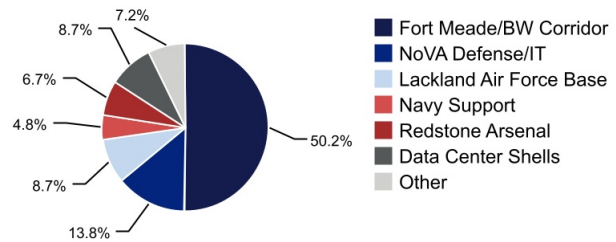
(1) Refer to the section entitled "Definitions" for a definition of this measure.

(2) Refer to the section entitled "Supplementary Reconciliations of Non-GAAP Measures" for reconciliation.

Q1 2024 NOI by Segment



Q1 2024 Cash NOI by Segment



COPT Defense Properties

NOI from Real Estate Operations + Occupancy by Property Grouping - 3/31/24
(dollars and square feet in thousands)

Property Grouping	As of Period End					Annualized Rental Revenue (2)	% of Total Annualized Rental Revenue (2)	NOI from Real Estate Operations (3) Three Months Ended
	# of Properties	Operational Square Feet	% Occupied (1)	% Leased (1)				
Defense/IT Portfolio:								
Same Property: (2)								
Consolidated properties	160	16,536	94.8%	96.4%	\$ 553,073	84.4 %	\$ 87,587	
Unconsolidated real estate JV	21	3,547	100.0%	100.0%	5,821	0.9 %	1,301	
Total Same Property in Defense/IT Portfolio	181	20,083	95.8%	97.0%	558,894	85.3 %	88,888	
Properties Placed in Service (4)	8	960	97.8%	97.8%	24,976	3.8 %	5,532	
Other unconsolidated JV properties (5)	3	748	100.0%	100.0%	1,360	0.2 %	444	
Acquired property (6)	1	202	55.6%	55.6%	4,070	0.6 %	71	
Total Defense/IT Portfolio	193	21,993	95.6%	96.8%	589,300	90.0 %	94,935	
Other	8	2,144	72.5%	76.1%	65,622	10.0 %	6,722	
Total Portfolio	201	24,137	93.6%	94.9%	\$ 654,922	100.0 %	\$ 101,657	
Consolidated Portfolio	177	19,841	92.2%	93.8%	\$ 647,741	98.9 %	\$ 99,917	

(1) Percentages calculated based on operational square feet.

(2) Refer to the section entitled "Definitions" for a definition of this measure.

(3) Refer to the section entitled "Supplementary Reconciliations of Non-GAAP Measures" for reconciliation.

(4) Newly developed or redeveloped properties placed in service that were not fully operational by 1/1/23.

(5) Includes three data center shell properties in which we sold ownership interests and retained 10% interests through unconsolidated real estate JVs in 2023.

(6) Includes an office property acquired on 3/15/24.

COPT Defense Properties

Same Property (1) Average Occupancy Rates by Segment
(square feet in thousands)

	# of Properties	Operational Square Feet	Three Months Ended				
			3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
Defense/IT Portfolio:							
Fort Meade/BW Corridor	91	8,693	96.2 %	96.2 %	95.8 %	94.8 %	93.0 %
NoVA Defense/IT	16	2,500	87.9 %	88.5 %	89.8 %	89.9 %	90.6 %
Lackland Air Force Base	8	1,062	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Navy Support	21	1,244	85.6 %	87.8 %	87.2 %	87.6 %	88.9 %
Redstone Arsenal	20	2,049	97.7 %	97.4 %	93.5 %	90.6 %	89.7 %
Data Center Shells:							
Consolidated properties	4	988	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Unconsolidated JV properties	21	3,547	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Total Defense/IT Portfolio	181	20,083	95.7 %	95.9 %	95.5 %	94.8 %	94.1 %
Other	8	2,144	72.0 %	73.9 %	75.2 %	75.0 %	78.6 %
Total Same Property	189	22,227	93.4 %	93.8 %	93.5 %	92.9 %	92.6 %

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

	# of Properties	Operational Square Feet	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
Defense/IT Portfolio:							
Fort Meade/BW Corridor	91	8,693	96.1 %	96.3 %	96.1 %	95.4 %	93.4 %
NoVA Defense/IT	16	2,500	88.2 %	88.9 %	89.5 %	89.9 %	90.7 %
Lackland Air Force Base	8	1,062	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Navy Support	21	1,244	86.4 %	88.0 %	87.4 %	87.4 %	88.4 %
Redstone Arsenal	20	2,049	97.5 %	97.7 %	95.7 %	92.3 %	89.7 %
Data Center Shells:							
Consolidated properties	4	988	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Unconsolidated JV properties	21	3,547	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Total Defense/IT Portfolio	181	20,083	95.8 %	96.0 %	95.8 %	95.2 %	94.2 %
Other	8	2,144	72.5 %	73.2 %	75.4 %	74.9 %	77.6 %
Total Same Property	189	22,227	93.5 %	93.8 %	93.8 %	93.3 %	92.6 %

(1) Includes properties stably owned and 100% operational since at least 1/1/23.

COPT Defense Properties
Same Property Real Estate Revenues + NOI by Segment
(in thousands)

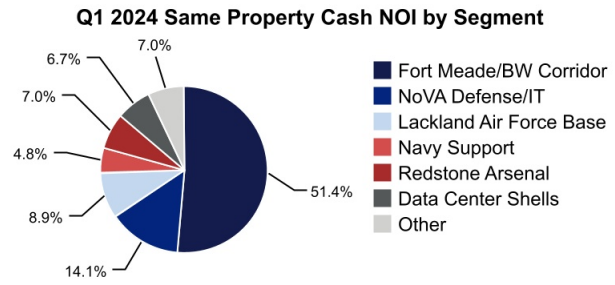
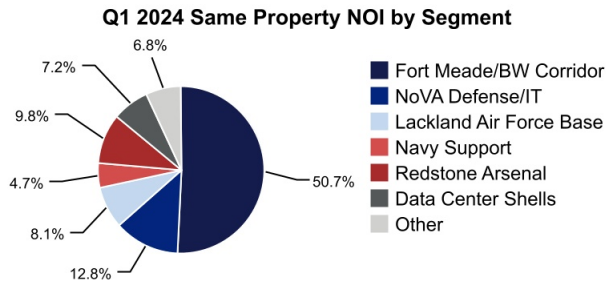
	Three Months Ended				
	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
Same Property real estate revenues					
Defense/IT Portfolio:					
Fort Meade/BW Corridor	\$ 76,082	\$ 74,008	\$ 73,350	\$ 72,177	\$ 69,769
NoVA Defense/IT	21,426	20,411	20,333	19,840	19,829
Lackland Air Force Base	16,411	17,860	16,193	17,596	15,605
Navy Support	8,073	8,251	8,035	7,964	7,771
Redstone Arsenal	14,311	13,861	13,520	12,820	13,292
Data Center Shells-Consolidated	6,427	6,186	6,205	6,285	6,293
Total Defense/IT Portfolio	142,730	140,577	137,636	136,682	132,559
Other	15,262	15,500	15,953	15,964	16,790
Same Property real estate revenues	\$ 157,992	\$ 156,077	\$ 153,589	\$ 152,646	\$ 149,349
Same Property NOI from real estate operations ("NOI")					
Defense/IT Portfolio:					
Fort Meade/BW Corridor	\$ 48,330	\$ 48,239	\$ 48,134	\$ 47,988	\$ 45,257
NoVA Defense/IT	12,164	11,972	12,433	12,158	12,257
Lackland Air Force Base	7,723	7,708	7,625	7,645	7,660
Navy Support	4,522	4,702	4,177	4,510	4,293
Redstone Arsenal	9,321	9,148	8,665	8,134	8,682
Data Center Shells:					
Consolidated properties	5,527	5,538	5,539	5,544	5,753
COPT Defense's share of unconsolidated real estate JVs	1,301	1,233	1,236	1,232	1,245
Total Defense/IT Portfolio	88,888	88,540	87,809	87,211	85,147
Other	6,515	6,314	7,230	7,012	7,576
Same Property NOI (1)	\$ 95,403	\$ 94,854	\$ 95,039	\$ 94,223	\$ 92,723

(1) Refer to the section entitled "Supplementary Reconciliations of Non-GAAP Measures" for reconciliation.

COPT Defense Properties
Same Property Cash NOI by Segment
(dollars in thousands)

	Three Months Ended				
	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
Same Property cash NOI from real estate operations ("cash NOI")					
Defense/IT Portfolio:					
Fort Meade/BW Corridor	\$ 47,052	\$ 46,267	\$ 45,513	\$ 45,727	\$ 43,662
NoVA Defense/IT	12,933	12,882	12,764	12,642	11,423
Lackland Air Force Base	8,186	8,114	7,913	7,919	7,915
Navy Support	4,429	4,932	4,545	4,825	4,940
Redstone Arsenal	6,412	4,966	4,953	3,771	5,015
Data Center Shells:					
Consolidated properties	4,984	4,960	4,865	4,918	5,101
COPT Defense's share of unconsolidated real estate JVs	1,183	1,108	1,106	1,095	1,092
Total Defense/IT Portfolio	85,179	83,229	81,659	80,897	79,148
Other	6,440	6,264	7,134	7,092	7,243
Same Property cash NOI (1)	\$ 91,619	\$ 89,493	\$ 88,793	\$ 87,989	\$ 86,391
Percentage change in total Same Property cash NOI (1)(2)	6.1%				
Percentage change in Defense/IT Portfolio Same Property cash NOI (2)	7.6%				

- (1) Refer to the section entitled "Supplementary Reconciliations of Non-GAAP Measures" for reconciliation.
(2) Represents the change between the current period and the same period in the prior year.



COPT Defense Properties

Leasing (1)(2)
Three Months Ended 3/31/24
(square feet in thousands)

	Defense/IT Portfolio						Total
	Ft Meade/BW Corridor	NoVA Defense/IT	Navy Support	Redstone Arsenal	Total Defense/IT Portfolio	Other	
Renewed Space							
Leased Square Feet	227	116	80	85	509	42	551
Expiring Square Feet	272	127	125	89	613	93	706
Vacating Square Feet	45	11	45	4	105	51	155
Retention Rate (% based upon square feet)	83.5 %	91.5 %	64.1 %	95.3 %	82.9 %	45.6 %	78.0 %
Statistics for Completed Leasing:							
Per Annum Average Committed Cost per Square Foot	\$ 2.89	\$ 5.77	\$ 0.63	\$ 0.19	\$ 2.75	\$ 3.10	\$ 2.77
Weighted Average Lease Term in Years	4.2	4.8	3.1	2.0	3.8	7.9	4.1
Straight-line Rent Per Square Foot							
Renewal Straight-line Rent	\$ 32.58	\$ 34.91	\$ 28.89	\$ 26.03	\$ 31.44	\$ 32.07	\$ 31.49
Expiring Straight-line Rent	\$ 30.44	\$ 37.87	\$ 24.78	\$ 25.11	\$ 30.36	\$ 30.35	\$ 30.36
Change in Straight-line Rent	7.0 %	(7.8 %)	16.6 %	3.6 %	3.6 %	5.7 %	3.7 %
Cash Rent Per Square Foot							
Renewal Cash Rent	\$ 32.20	\$ 37.16	\$ 28.71	\$ 25.82	\$ 31.72	\$ 30.83	\$ 31.65
Expiring Cash Rent	\$ 32.62	\$ 39.79	\$ 27.97	\$ 25.45	\$ 32.34	\$ 33.93	\$ 32.46
Change in Cash Rent	(1.3 %)	(6.6 %)	2.6 %	1.4 %	(1.9 %)	(9.2 %)	(2.5 %)
Compound Annual Growth Rate	2.4 %	1.4 %	2.5 %	1.7 %	2.1 %	2.2 %	2.1 %
Average Escalations Per Year	2.7 %	2.5 %	2.6 %	2.5 %	2.6 %	1.1 %	2.4 %
New Leases							
<u>Development and Redevelopment Space</u>							
Leased Square Feet	—	—	—	10	10	—	10
Statistics for Completed Leasing:							
Per Annum Average Committed Cost per Square Foot	\$ —	\$ —	\$ —	\$ 3.14	\$ 3.14	\$ —	\$ 3.14
Weighted Average Lease Term in Years	—	—	—	5.3	5.3	—	5.3
Straight-line Rent Per Square Foot	\$ —	\$ —	\$ —	\$ 23.81	\$ 23.81	\$ —	\$ 23.81
Cash Rent Per Square Foot	\$ —	\$ —	\$ —	\$ 23.50	\$ 23.50	\$ —	\$ 23.50
<u>Vacant Space</u>							
Leased Square Feet	80	20	13	—	113	47	160
Statistics for Completed Leasing:							
Per Annum Average Committed Cost per Square Foot	\$ 9.23	\$ 9.12	\$ 4.64	\$ —	\$ 8.68	\$ 6.14	\$ 7.93
Weighted Average Lease Term in Years	8.8	9.5	5.1	—	8.5	7.4	8.2
Straight-line Rent Per Square Foot	\$ 32.09	\$ 33.17	\$ 25.29	\$ —	\$ 31.50	\$ 28.03	\$ 30.48
Cash Rent Per Square Foot	\$ 30.77	\$ 34.40	\$ 25.96	\$ —	\$ 30.85	\$ 28.15	\$ 30.05
Total Square Feet Leased	307	136	93	95	632	89	721
Average Escalations Per Year	2.6 %	2.6 %	2.6 %	2.6 %	2.6 %	1.9 %	2.5 %
Average Escalations Excl. Data Center Shells							2.5 %

- (1) Activity excludes 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 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 10 in the period such costs are incurred.
- (2) Refer to the section entitled "Definitions" for definitions of certain terms on this schedule.

COPT Defense Properties

Lease Expiration Analysis as of 3/31/24 (1)
(dollars and square feet in thousands, except per square foot amounts)

Segment of Lease and Year of Expiration (2)	Square Footage of Leases Expiring	Annualized Rental Revenue of Expiring Leases (3)	% of Defense/IT Annualized Rental Revenue Expiring (3)	Annualized Rental Revenue of Expiring Leases per Occupied Sq. Foot (3)
Defense/IT Portfolio				
Ft Meade/BW Corridor	1,145	\$ 47,852	8.1 %	\$ 41.75
NoVA Defense/IT	130	3,987	0.7 %	30.71
Navy Support	234	6,275	1.1 %	26.79
Redstone Arsenal	49	1,019	0.2 %	20.81
Data Center Shells-Unconsolidated JV Properties	310	444	0.1 %	14.31
2024	1,868	59,577	10.1 %	37.47
Ft Meade/BW Corridor	1,870	71,284	12.1 %	38.06
NoVA Defense/IT	281	11,849	2.0 %	42.21
Lackland Air Force Base	703	39,803	6.8 %	56.64
Navy Support	212	4,968	0.8 %	23.41
Redstone Arsenal	288	6,860	1.2 %	23.82
Data Center Shells-Unconsolidated JV Properties	121	175	— %	14.48
2025	3,475	134,939	22.9 %	40.06
Ft Meade/BW Corridor	938	37,545	6.4 %	40.02
NoVA Defense/IT	66	2,250	0.4 %	33.84
Lackland Air Force Base	250	12,793	2.2 %	51.17
Navy Support	193	6,722	1.1 %	34.77
Redstone Arsenal	105	3,021	0.5 %	28.71
Data Center Shells-Unconsolidated JV Properties	446	814	0.1 %	18.26
2026	1,998	63,146	10.7 %	39.52
Ft Meade/BW Corridor	793	29,477	5.0 %	37.18
NoVA Defense/IT	190	6,443	1.1 %	33.86
Navy Support	212	8,231	1.4 %	38.80
Redstone Arsenal	163	4,394	0.7 %	26.94
Data Center Shells-Unconsolidated JV Properties	364	518	0.1 %	14.23
2027	1,722	49,063	8.3 %	35.18
Ft Meade/BW Corridor	1,421	48,015	8.1 %	33.76
NoVA Defense/IT	211	7,170	1.2 %	33.93
Navy Support	54	1,462	0.2 %	27.31
Data Center Shells-Unconsolidated JV Properties	515	867	0.1 %	16.82
2028	2,201	57,515	9.8 %	33.08
Thereafter				
Consolidated Properties	7,227	220,697	37.5 %	29.81
Unconsolidated JV Properties	2,539	4,363	0.7 %	17.18
Total Defense/IT Portfolio	21,030	\$ 589,300	100.0 %	\$ 34.01

COPT Defense Properties

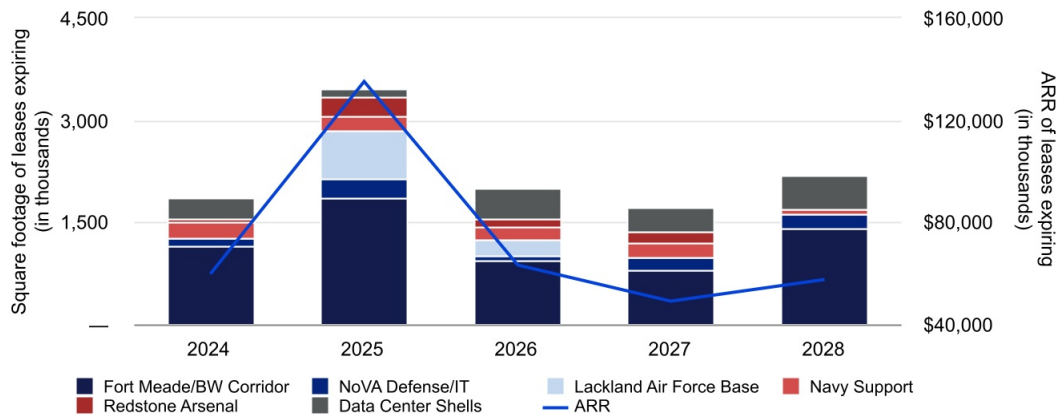
Lease Expiration Analysis as of 3/31/24 (1) (continued)
(dollars and square feet in thousands, except per square foot amounts)

Segment of Lease and Year of Expiration (2)	Square Footage of Leases Expiring	Annualized Rental Revenue of Expiring Leases (3)	% of Total Annualized Rental Revenue Expiring (3)	Annualized Rental Revenue of Expiring Leases per Occupied Sq. Foot (3)
Total Defense/IT Portfolio	21,030	\$ 589,300	90.0 %	\$ 34.01
Other				
2024	44	1,547	0.2 %	34.05
2025	173	11,027	1.7 %	29.40
2026	164	5,995	0.9 %	36.47
2027	124	4,622	0.7 %	36.93
2028	243	8,951	1.4 %	36.73
Thereafter	806	33,480	5.1 %	41.33
Total Other	1,554	65,622	10.0 %	38.21
Total Portfolio	22,584	\$ 654,922	100.0 %	\$ 34.36
Consolidated Portfolio	18,289	\$ 647,741		
Unconsolidated JV Properties	4,295	\$ 7,181		

Note: As of 3/31/24, the weighted average lease term was 5.2 years for both the Defense/IT and total portfolio and 5.1 years for the consolidated portfolio.

- (1) This expiration analysis reflects 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 3/31/24. 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 Defense's ownership interest.
- (2) The year of lease expiration is based on the lease term determined in accordance with GAAP.
- (3) Refer to the section entitled "Definitions" for a definition of annualized rental revenue.

Defense/IT Portfolio Annual Lease Expirations



COPT Defense Properties

2024 Defense/IT Portfolio Quarterly Lease Expiration Analysis as of 3/31/24 (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 Defense/IT Annualized Rental Revenue Expiring (3)	Annualized Rental Revenue of Expiring Leases per Occupied Sq. Foot (3)
Defense IT Portfolio				
Ft Meade/BW Corridor	663	\$ 27,421	4.7 %	\$ 41.38
NoVA Defense/IT	89	3,006	0.5 %	33.77
Navy Support	21	630	0.1 %	29.64
Redstone Arsenal	31	550	0.1 %	17.72
Q2 2024	804	31,607	5.4 %	39.32
Ft Meade/BW Corridor	240	8,605	1.5 %	35.73
NoVA Defense/IT	30	630	0.1 %	20.72
Navy Support	97	2,233	0.4 %	23.07
Data Center Shells-Unconsolidated JV Properties	310	444	0.1 %	14.31
Q3 2024	677	11,912	2.1 %	29.84
Ft Meade/BW Corridor	243	11,826	2.0 %	48.73
NoVA Defense/IT	10	351	0.1 %	33.78
Navy Support	116	3,412	0.6 %	29.37
Redstone Arsenal	18	469	0.1 %	26.15
Q4 2024	387	16,058	2.8 %	41.47
	1,868	\$ 59,577	10.1 %	\$ 37.47

- (1) This expiration analysis reflects 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 3/31/24.
- (2) The period of lease expiration is based on the lease term determined in accordance with GAAP.
- (3) Refer to the section entitled "Definitions" for a definition of annualized rental revenue.

COPT Defense Properties
Top 20 Tenants as of 3/31/24 (1)
(dollars and square feet in thousands)

Tenant		Total Annualized Rental Revenue (2)	% of Total Annualized Rental Revenue (2)	Occupied Square Feet	Weighted Average Remaining Lease Term (3)
United States Government	(4)	\$ 232,891	35.6 %	5,529	3.5
Fortune 100 Company		57,542	8.8 %	6,182	7.9
General Dynamics Corporation		32,844	5.0 %	703	3.6
Northrop Grumman Corporation		15,048	2.3 %	519	5.5
The Boeing Company		14,701	2.2 %	443	2.7
CACI International Inc		13,166	2.0 %	327	4.2
Peraton Corp.		12,858	2.0 %	330	4.5
Booz Allen Hamilton, Inc.		12,103	1.8 %	297	1.9
Fortune 100 Company		11,752	1.8 %	183	10.5
Morrison & Foerster, LLP		9,631	1.5 %	102	13.0
CareFirst, Inc.		9,067	1.4 %	264	10.4
KBR, Inc.		7,843	1.2 %	309	9.1
Yulista Holding, LLC		7,088	1.1 %	368	5.7
AT&T Corporation		6,774	1.0 %	321	5.5
Mantech International Corp.		6,584	1.0 %	200	1.5
Jacobs Solutions Inc.		6,474	1.0 %	185	5.2
Wells Fargo & Company		6,270	1.0 %	145	4.4
The University System of Maryland		6,054	0.9 %	172	5.8
Lockheed Martin Corporation		5,712	0.9 %	194	6.0
The Mitre Corporation		5,406	0.8 %	152	2.2
Subtotal Top 20 Tenants		479,808	73.3 %	16,925	5.6
All remaining tenants		175,114	26.7 %	5,659	4.1
Total / Weighted Average		\$ 654,922	100.0 %	22,584	5.2

- (1) For properties owned through unconsolidated real estate JVs, includes COPT Defense's share of those properties' ARR of \$7.2 million (see page 33 for additional information).
- (2) Refer to the section entitled "Definitions" for a definition of annualized rental revenue.
- (3) Weighted average remaining lease term is based on the lease term determined in accordance with GAAP. The weighting of the lease term was computed based on occupied square feet (excluding leases not associated with square feet, such as ground leases).
- (4) Substantially all of our government leases are subject to early termination provisions which are customary in government leases. As of 3/31/24, \$5.8 million of our ARR was through the General Services Administration (GSA), representing 2.5% of our ARR from the United States Government and 0.9% of our total ARR.

COPT Defense Properties

Operating Property Acquisition
(square feet in thousands)

<u>Property</u>	<u>Property Segment/Sub-Segment</u>	<u>Location</u>	<u># of Properties</u>	<u>Operational Square Feet</u>	<u>Transaction Date</u>	<u>% Occupied on Transaction Date</u>	<u>Transaction Value (in millions)</u>
6841 Benjamin Franklin Drive	Fort Meade/BW Corridor	Columbia, Maryland	<u>1</u>	<u>202</u>	3/15/24	55.6%	<u>\$ 15</u>

COPT Defense Properties

Summary of Development Projects as of 3/31/24 (1)
(dollars and square feet in thousands)

Property and Segment/Sub-Segment	Location	Total Rentable Square Feet	% Leased as of 3/31/24	as of 3/31/24 (2)			Actual or Anticipated Shell Completion Date	Anticipated Operational Date (3)
				Anticipated Total Cost	Cost to Date	Cost to Date Placed in Service		
Defense/IT Portfolio:								
Fort Meade/BW Corridor:								
400 National Business Parkway	Annapolis Junction, Maryland	138	0%	\$ 65,100	\$ 12,776	\$ —	1Q 25	1Q 26
Redstone Arsenal:								
8100 Rideout Road (4)	Huntsville, Alabama	128	42%	45,991	33,085	11,723	3Q 23	3Q 24
9700 Advanced Gateway	Huntsville, Alabama	50	20%	11,000	161	—	1Q 25	1Q 26
Subtotal / Average		178	35%	56,991	33,246	11,723		
Data Center Shells:								
Southpoint Phase 2 Bldg A	Northern Virginia	225	100%	82,500	27,222	—	3Q 24	3Q 24
Southpoint Phase 2 Bldg B	Northern Virginia	193	100%	65,000	5,410	—	3Q 25	3Q 25
MP 3	Northern Virginia	225	100%	111,800	10,402	—	4Q 25	4Q 25
Data Center Shells Subtotal / Average		643	100%	259,300	43,034	—		
Total Defense/IT Portfolio Under Development		959	74%	\$ 381,391	\$ 89,056	\$ 11,723		

(1) Includes properties under, or contractually committed for, development as of 3/31/24.

(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, 27,000 square feet were operational as of 3/31/24.

COPT Defense Properties

Development Placed in Service as of 3/31/24
(square feet in thousands)

Property and Location	Property Segment/Sub-Segment	Total Property		Square Feet Placed in Service	Total Space Placed in Service %
		% Leased as of 3/31/24	Rentable Square Feet	2024	Leased as of 3/31/24
				1st Quarter	
5300 Redstone Gateway Huntsville, Alabama	Redstone Arsenal	100%	46	46	100%
8100 Rideout Road Huntsville, Alabama	Redstone Arsenal	42%	128	27	100%
Total Development Placed in Service		57%	174	73	100%
% Leased as of 3/31/24				100%	

COPT Defense Properties

Summary of Land Owned/Controlled as of 3/31/24 (1)
(dollars and square feet in thousands)

Location	Acres	Estimated Developable Square Feet	Carrying Amount
Defense/IT Portfolio land owned/controlled for future development:			
Fort Meade/BW Corridor:			
National Business Park	144	1,483	
Howard County	19	290	
Other	126	1,338	
Total Fort Meade/BW Corridor	289	3,111	
NoVA Defense/IT	29	1,171	
Navy Support	38	64	
Redstone Arsenal (2)	295	3,350	
Total Defense/IT Portfolio land owned/controlled for future development	651	7,696	\$ 158,839
Other land owned/controlled	53	1,538	9,656
Land held, net	704	9,234	\$ 168,495

- (1) This land inventory schedule includes properties under ground lease to us and excludes all properties listed as development as detailed on page 25. 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 JV (see page 32). As this land is developed in the future, the JV will execute site-specific leases under the master lease agreement. Lease payments will commence under the site-specific leases as cash rents under tenant leases commence at the respective properties.

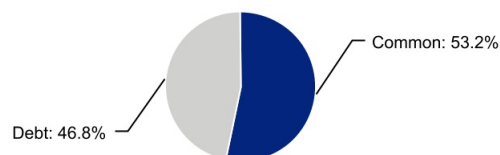
COPT Defense Properties
 Capitalization Overview
 (dollars, shares and units in thousands)

	Wtd. Avg. Maturity (Years) (1)	Stated Rate	Effective Rate (2)(3)	Amount Outstanding at 3/31/24
Debt				
Secured debt	1.4	5.04 %	3.54 %	\$ 98,820
Unsecured debt	5.6	3.26 %	3.34 %	2,345,411
Total Consolidated Debt	5.4	3.33 %	3.34 %	\$ 2,444,231
Common Equity				
Common Shares				112,641
Common Units (4)				2,148
Total Common Shares and Units				114,789
Closing Common Share Price on 3/28/24				\$ 24.17
Equity Market Capitalization (5)				\$ 2,774,450
Total Market Capitalization (5)				\$ 5,218,681

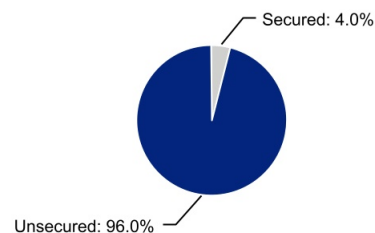
- (1) Calculated assuming exercise of extension options on our Revolving Credit Facility and term loan.
- (2) Excludes the effect of deferred financing cost amortization.
- (3) Includes the effect of interest rate swaps with notional amounts totaling \$233.0 million that hedge the risk of changes in interest rates on variable-rate debt. We had swaps in place for all of our variable-rate debt balances as of 3/31/24.
- (4) Includes certain unvested share-based compensation awards in the form of profit interest units.
- (5) Refer to the section entitled "Definitions" for a definition of this measure.

Investment Grade Ratings & Outlook			Latest Report
Fitch	BBB-	Stable	11/22/23
Moody's	Baa3	Stable	1/22/24
S&P	BBB-	Stable	9/7/23

Total Market Capitalization



Unsecured/Secured Debt

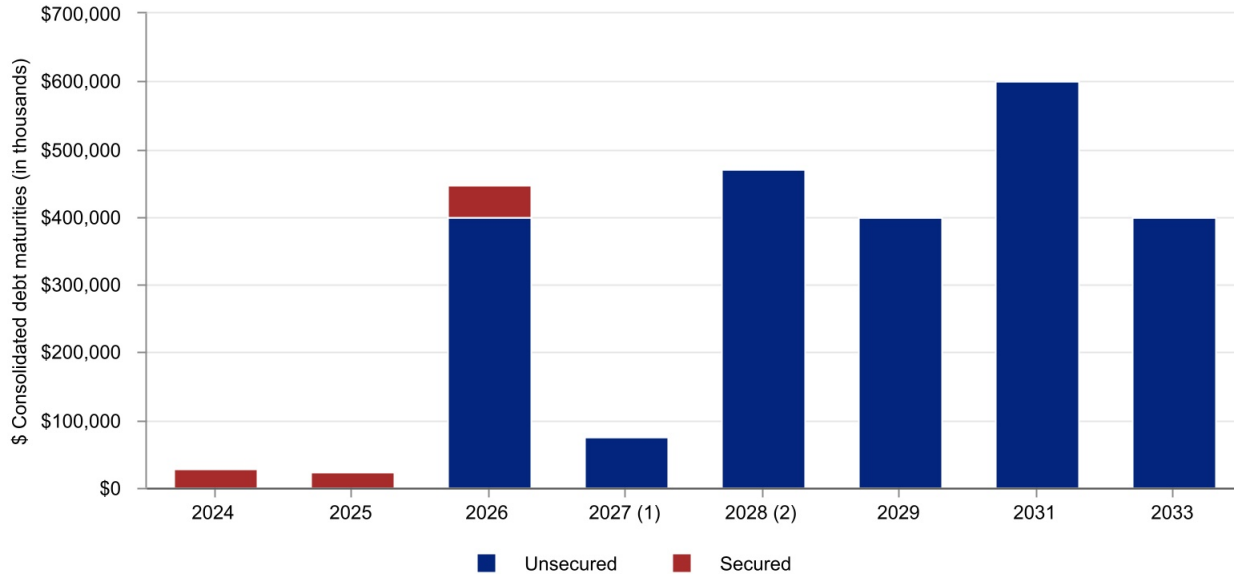


COPT Defense Properties
Summary of Outstanding Debt as of 3/31/24
(dollars in thousands)

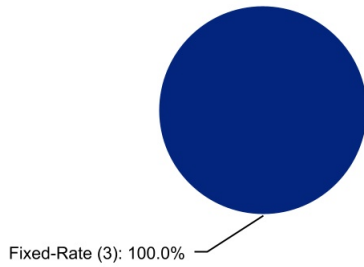
Unsecured Debt	Stated Rate	Amount Outstanding	Maturity Date	Secured Debt	Stated Rate	Amount Outstanding	Balloon Payment Due Upon Maturity	Maturity Date
Revolving Credit Facility	SOF ^R + 0.10%+1.05%	\$ 75,000	Oct-26 (1)(2)	<u>LW Redstone:</u>				
				1000, 1200 & 1100 Redstone Gateway (3)	4.47%	(4) \$ 27,865	\$ 27,649	Jun-24
<u>Senior Unsecured Notes</u>				4000 & 4100 Market Street and 8800 Redstone Gateway (2)(3)	SOF ^R +0.10%+1.55%	22,400	\$ 22,100	Mar-25 (6)
2.25% due 2026	2.25%	400,000	Mar-26	<u>M Square:</u>				
5.25% due 2028	5.25%	345,000	Sep-28 (5)	5825 & 5850 University Research Court (3)	3.82%	37,975	\$ 35,603	Jun-26
2.00% due 2029	2.00%	400,000	Jan-29	5801 University Research Court (2)(3)	SOF ^R +0.10%+1.45%	10,580	\$ 10,020	Aug-26
2.75% due 2031	2.75%	600,000	Apr-31	Total Secured Debt	5.04%	\$ 98,820		
2.90% due 2033	2.90%	400,000	Dec-33					
Subtotal - Senior Unsecured Notes	2.95%	\$ 2,145,000						
<u>Unsecured Bank Term Loans</u>								
2026 Maturity	SOF ^R + 0.10%+1.30%	\$ 125,000	Jan-26 (2)(7)					
Other Unsecured Debt	0.00%	411	May-26					
Total Unsecured Debt	3.26%	\$ 2,345,411						
Debt Summary								
Total Unsecured Debt	3.26%	\$ 2,345,411						
Total Secured Debt	5.04%	98,820						
Consolidated Debt	3.33%	\$ 2,444,231						
Debt per balance sheet		\$ 2,416,873						
Net discounts and deferred financing costs		27,358						
Consolidated Debt		2,444,231						
COPT Defense's share of unconsolidated JV gross debt (8)		52,819						
Gross debt		\$ 2,497,050						

- (1) The Company's \$600.0 million Revolving Credit Facility matures in October 2026 and may be extended by 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) These notes are due in 2028 unless earlier exchanged, redeemed or repurchased only in the event of certain circumstances and during certain periods defined under the terms of the notes. Upon exchange of the notes, the principal amount of notes exchanged is payable in cash, with the remainder of the exchange obligation, if any, payable in cash, common shares or a combination thereof at our election.
- (6) The loan maturity may be extended for two one-year periods, provided certain conditions are met.
- (7) The Company's term loan matures in January 2026 and may be extended by two 12-month periods at our option.
- (8) See page 33 for additional disclosure regarding our unconsolidated real estate joint ventures.

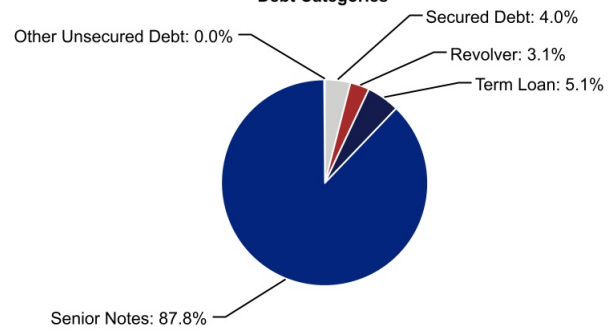
COPT Defense Properties
Summary of Outstanding Debt as of 3/31/24 (continued)



Fixed/Variable-Rate Debt



Debt Categories



- (1) Revolving Credit Facility maturity of \$75.0 million is included above in 2027 assuming our exercise of two six-month extension options.
- (2) Term loan balance of \$125.0 million is included in 2028 assuming our exercise of two 12-month extension options. Also includes \$345.0 million principal amount of exchangeable senior notes due in 2028 unless earlier exchanged, redeemed or repurchased only in the event of certain circumstances and during certain periods defined under the terms of the notes.
- (3) Includes the effect of interest rate swaps with notional amounts totaling \$233.0 million that hedge the risk of changes in interest rates on variable-rate debt.

COPT Defense Properties
Debt Analysis
(dollars and square feet in thousands)

Senior Note Covenants (1)	Required	As of and for Three Months Ended 3/31/24	Line of Credit & Term Loan Covenants (1)(2)	Required	As of and for Three Months Ended 3/31/24
Total Debt / Total Assets	< 60%	42.5%	Total Debt / Total Assets	< 60%	38.3%
Secured Debt / Total Assets	< 40%	1.7%	Secured Debt / Total Assets	< 40%	2.0%
Debt Service Coverage	> 1.5x	4.3x	Adjusted EBITDA / Fixed Charges	> 1.5x	4.6x
Unencumbered Assets / Unsecured Debt	> 150%	234.3%	Unsecured Debt / Unencumbered Assets	< 60%	38.0%
			Unencumbered Adjusted NOI / Unsecured Interest Expense	> 1.75x	4.6x
Debt Ratios			Unencumbered Portfolio Analysis		
	Page Refer.				
GAAP			# of unencumbered properties		
Debt per balance sheet	6	\$ 2,416,873			173
Total assets	6	\$ 4,232,895			86 %
Debt to assets		57.1 %	Unencumbered square feet in-service		20,124
Net income	7	\$ 33,671			83 %
Debt to net income ratio (2)		17.9 x	NOI from unencumbered real estate operations	\$	97,073
Interest expense	7	\$ 20,767			95 %
Net income to interest expense ratio (2)		1.6 x	Adjusted EBITDA from unencumbered real estate operations	\$	91,257
					95 %
Non-GAAP			Unencumbered adjusted book	\$	5,528,468
Net debt	36	\$ 2,372,747			95 %
Adjusted book	36	\$ 5,806,374			
Net debt to adjusted book		40.9 %			
Net debt adj. for fully-leased development	36	\$ 2,329,713			
In-place adjusted EBITDA	11	\$ 96,654			
Net debt to in-place adjusted EBITDA ratio		6.1 x			
Net debt adj. for fully-leased devel. to in-place adj. EBITDA ratio		6.0 x			
Denominator for debt service coverage	35	\$ 20,641			
Denominator for fixed charge coverage	35	\$ 21,230			
Adjusted EBITDA	11	\$ 95,841			
Adjusted EBITDA debt service coverage ratio		4.6 x			
Adjusted EBITDA fixed charge coverage ratio		4.5 x			

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

(2) Refer to the section entitled "Definitions" for a definition of this measure.

COPT Defense Properties

Consolidated Real Estate Joint Ventures as of 3/31/24
(dollars and square feet in thousands)

Operating Properties	Operational Square Feet	% Occupied	% Leased	NOI from Real Estate Operations (1)	Total Assets (2)	Venture Level Debt Outstanding (3)	COPT Defense Nominal Ownership %
				Three Months Ended			
Suburban Maryland:							
M Square Associates, LLC (4 properties)	414	88.8%	95.5%	\$ 1,565	\$ 92,514	\$ 48,555	50%
Huntsville, Alabama:							
LW Redstone Company, LLC (23 properties)	2,237	98.0%	99.2%	10,660	593,434	50,265	85% (4)
Washington, D.C.:							
Stevens Place (1 property)	188	60.6%	83.5%	1,255	130,123	—	95%
Total / Average	2,839	94.2%	97.7%	\$ 13,480	\$ 816,071	\$ 98,820	

Non-Operating Properties	Estimated Developable Square Feet	Total Assets (2)	Venture Level Debt Outstanding	COPT Defense Nominal Ownership %
Suburban Maryland:				
M Square Research Park	348	\$ 5,942	\$ —	50%
Huntsville, Alabama:				
Redstone Gateway (5)	3,501	130,075	—	85% (3)
Total	3,849	\$ 136,017	\$ —	

(1) Represents NOI from real estate operations of the JV operating properties before allocation to JV partners.

(2) Total assets includes the assets of the consolidated JV plus any outside investment basis.

(3) Excludes debt from us to the JV, which is eliminated in the presentation of our consolidated financial statements.

(4) Our partner receives an annual priority return of 13.5% on its \$9.0 million in contributed equity, plus certain fees for leasing and development, and we expect to receive all other distributions from the JV.

(5) Total assets include \$78.0 million in notes receivable due from the City of Huntsville (including accrued interest and excluding allowance for credit losses) in connection with infrastructure costs funded by the JV.

COPT Defense Properties

Unconsolidated Real Estate Joint Ventures as of 3/31/24 (1)
(dollars and square feet in thousands)

Joint venture information

COPT Defense ownership %		10 %
COPT Defense's investment	\$	37,615 (2)
# of Properties		24
Square Feet		4,295
% Occupied		100 %
COPT Defense's share of ARR	\$	7,181

	Total	COPT Defense's Share (4)
Operating properties, net	\$ 953,549	\$ 95,355
Total assets	\$ 1,052,588	\$ 105,259
Debt (3)	\$ 524,949	\$ 52,495
Total liabilities	\$ 609,039	\$ 60,904

	Three Months Ended	
	Total	COPT Defense's Share (4)
Revenue	\$ 20,891	\$ 2,089
Operating expenses	(3,492)	(349)
NOI from real estate operations and EBITDAre (5)	17,399	1,740
Interest expense	(8,933)	(893)
Depreciation and amortization	(8,238)	(778)
Net income	\$ 228	\$ 69
NOI from real estate operations (per above) (5)	\$ 17,399	\$ 1,740
Straight line rent adjustments	(637)	(64)
Amortization of acquired above- and below-market rents	(1,988)	(199)
Cash NOI from real estate operations (5)	\$ 14,774	\$ 1,477

- (1) Includes equity method investments in five JVs that own and operate data center shell properties.
- (2) Includes \$40.6 million reported in "Investment in unconsolidated real estate joint ventures" and \$3.0 million for investments with deficit balances reported in "other liabilities" on our consolidated balance sheet.
- (3) Maturities on JV debt range from 2027 (assuming exercise of three one-year extension options) to 2030.
- (4) Represents the portion allocable to our ownership interest.
- (5) Refer to the section entitled "Definitions" for definitions of these measures.

COPT Defense Properties
 Supplementary Reconciliations of Non-GAAP Measures
 (in thousands)

	Three Months Ended				
	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
Net income (loss)	\$ 33,671	\$ 34,820	\$ (221,207)	\$ 31,642	\$ 80,398
Construction contract and other service revenues	(26,603)	(18,167)	(11,949)	(14,243)	(15,820)
Depreciation and other amortization associated with real estate operations	38,351	36,735	37,620	37,600	36,995
Construction contract and other service expenses	26,007	17,167	11,493	13,555	15,201
Impairment losses	—	—	252,797	—	—
General and administrative expenses	8,378	8,240	7,582	7,287	7,996
Leasing expenses	2,187	2,308	2,280	2,345	1,999
Business development expenses and land carry costs	1,182	797	714	726	495
Interest expense	20,767	20,383	17,798	16,519	16,442
Interest and other income, net	(4,122)	(5,659)	(2,529)	(2,143)	(2,256)
Gain on sales of real estate	—	—	—	(14)	(49,378)
Equity in (income) loss of unconsolidated entities	(69)	240	68	(111)	64
Unconsolidated real estate JVs NOI allocable to COPT Defense included in equity in income (loss) of unconsolidated entities (1)	1,740	1,671	1,675	1,671	1,642
Income tax expense	168	121	152	190	125
NOI from real estate operations	101,657	98,656	96,494	95,024	93,903
Straight line rent adjustments and lease incentive amortization	3,632	703	13,262	(2,916)	(3,818)
Amortization of acquired above- and below-market rents	(24)	(121)	(120)	(129)	(166)
Amortization of intangibles and other assets to property operating expenses	147	146	147	146	147
Lease termination fees, net	(775)	(716)	(748)	(1,059)	(1,221)
Tenant funded landlord assets and lease incentives	(10,439)	(7,548)	(19,383)	(2,221)	(1,230)
Cash NOI adjustments in unconsolidated real estate JVs	(263)	(271)	(279)	(286)	(291)
Cash NOI from real estate operations	\$ 93,935	\$ 90,849	\$ 89,373	\$ 88,559	\$ 87,324
NOI from real estate operations (from above)	\$ 101,657	\$ 98,656	\$ 96,494	\$ 95,024	\$ 93,903
Non-Same Property NOI from real estate operations	(6,254)	(3,802)	(1,455)	(801)	(1,180)
Same Property NOI from real estate operations	95,403	94,854	95,039	94,223	92,723
Straight line rent adjustments and lease incentive amortization	5,367	3,142	10,154	(2,696)	(3,570)
Amortization of acquired above- and below-market rents	(69)	(121)	(120)	(129)	(166)
Lease termination fees, net	(775)	(717)	(748)	(1,059)	(1,221)
Tenant funded landlord assets and lease incentives	(8,190)	(7,541)	(15,402)	(2,213)	(1,222)
Cash NOI adjustments in unconsolidated real estate JVs	(117)	(124)	(130)	(137)	(153)
Same Property Cash NOI from real estate operations	\$ 91,619	\$ 89,493	\$ 88,793	\$ 87,989	\$ 86,391

(1) See page 33 for additional disclosure regarding our unconsolidated real estate JVs.

COPT Defense Properties
 Supplementary Reconciliations of Non-GAAP Measures (continued)
 (in thousands)

	Three Months Ended				
	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
Real estate revenues					
Lease revenue					
Fixed contractual payments	\$ 126,198	\$ 123,677	\$ 120,408	\$ 118,461	\$ 116,039
Variable lease payments (1)	39,235	36,660	34,860	35,221	34,521
Lease revenue	165,433	160,337	155,268	153,682	150,560
Other property revenue	1,230	1,225	1,339	1,271	1,121
Real estate revenues	\$ 166,663	\$ 161,562	\$ 156,607	\$ 154,953	\$ 151,681
Provision for credit (recoveries) losses on billed lease revenue	\$ (109)	\$ 498	\$ 13	\$ (196)	\$ 269
Total revenues	\$ 193,266	\$ 179,729	\$ 168,556	\$ 169,196	\$ 167,501
Construction contract and other service revenues	(26,603)	(18,167)	(11,949)	(14,243)	(15,820)
Real estate revenues	\$ 166,663	\$ 161,562	\$ 156,607	\$ 154,953	\$ 151,681
Total interest expense	\$ 20,767	\$ 20,383	\$ 17,798	\$ 16,519	\$ 16,442
Less: Amortization of deferred financing costs	(685)	(681)	(639)	(628)	(632)
Less: Amortization of net debt discounts, net of amounts capitalized	(1,014)	(1,004)	(750)	(622)	(618)
COPT Defense's share of interest expense of unconsolidated real estate JVs, excluding amortization of deferred financing costs and net debt premium and gain or loss on interest rate derivatives	804	819	805	791	773
Denominator for interest coverage	19,872	19,517	17,214	16,060	15,965
Scheduled principal amortization	769	763	753	746	790
Denominator for debt service coverage	20,641	20,280	17,967	16,806	16,755
Capitalized interest	589	1,028	1,487	1,194	770
Denominator for fixed charge coverage	\$ 21,230	\$ 21,308	\$ 19,454	\$ 18,000	\$ 17,525
Dividends on unrestricted common and deferred shares	\$ 33,143	\$ 31,998	\$ 31,996	\$ 31,995	\$ 31,989
Distributions on unrestricted common units	500	430	432	433	430
Dividends and distributions on restricted shares and units	267	209	200	204	215
Total dividends and distributions for GAAP payout ratio	33,910	32,637	32,628	32,632	32,634
Dividends and distributions on antidilutive shares and units	(266)	(212)	(202)	(205)	(216)
Dividends and distributions for non-GAAP payout ratios	\$ 33,644	\$ 32,425	\$ 32,426	\$ 32,427	\$ 32,418

(1) Represents primarily lease revenue associated with property operating expense reimbursements from tenants.

COPT Defense Properties

Supplementary Reconciliations of Non-GAAP Measures (continued)
(in thousands)

	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
Total assets	\$ 4,232,895	\$ 4,246,966	\$ 4,239,257	\$ 4,246,346	\$ 4,177,992
Accumulated depreciation	1,434,621	1,400,162	1,367,473	1,334,066	1,300,430
Accumulated amortization of intangibles on property acquisitions and deferred leasing costs	225,443	228,484	228,334	226,555	224,791
COPT Defense's share of liabilities of unconsolidated real estate JVs	60,904	60,583	60,762	60,724	60,734
COPT Defense's share of accumulated depreciation and amortization of unconsolidated real estate JVs	10,364	9,528	8,664	7,800	6,936
Less: Property - operating lease liabilities	(33,141)	(33,931)	(32,940)	(33,923)	(34,896)
Less: Property - finance lease liabilities	(409)	(415)	(420)	(426)	(431)
Less: Cash and cash equivalents	(123,144)	(167,820)	(204,238)	(14,273)	(15,199)
Less: COPT Defense's share of cash of unconsolidated real estate JVs	(1,159)	(852)	(1,031)	(974)	(881)
Adjusted book	\$ 5,806,374	\$ 5,742,705	\$ 5,665,861	\$ 5,825,895	\$ 5,719,476
Gross debt (page 29)	\$ 2,497,050	\$ 2,497,613	\$ 2,498,274	\$ 2,249,880	\$ 2,197,488
Less: Cash and cash equivalents	(123,144)	(167,820)	(204,238)	(14,273)	(15,199)
Less: COPT Defense's share of cash of unconsolidated real estate JVs	(1,159)	(852)	(1,031)	(974)	(881)
Net debt	2,372,747	2,328,941	2,293,005	2,234,633	2,181,408
Costs incurred on fully-leased development properties	(43,034)	(53,914)	(124,038)	(189,407)	(137,309)
Net debt adjusted for fully-leased development	\$ 2,329,713	\$ 2,275,027	\$ 2,168,967	\$ 2,045,226	\$ 2,044,099

COPT Defense Properties

Definitions

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 and 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 JVs. We use adjusted book for purposes of calculating our net debt to adjusted book, which we believe is a useful supplemental measure for investors to use in further understanding the relationship of our outstanding debt to our assets available to service such debt. We believe that total assets is the most directly comparable GAAP measure to this non-GAAP measure.

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

Adjusted EBITDA is net income or 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, 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 and certain other expenses that we believe are not relevant to an investor's evaluation of our ability to repay debt. Adjusted EBITDA also includes adjustments to net income or loss 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, Adjusted EBITDA incorporates additional adjustments for gains and losses from investing and financing activities and certain other items that we believe represent costs that are not closely correlated to (or associated with) our operating performance and are not relevant to an investor's evaluation of our ability to repay debt. We believe that adjusted EBITDA is a

useful supplemental measure for assessing our un-levered performance and ability to repay outstanding debt from operations. We believe that net income or loss is the most directly comparable GAAP measure to this non-GAAP measure.

Adjusted EBITDA debt service coverage ratio

This measure divides 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, and gains or losses on interest rate derivatives) and scheduled principal amortization on mortgage loans.

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 or loss attributable to noncontrolling interests through ownership of preferred units in COPT Defense 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 or loss 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 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-

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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 reportable segments, Same Property groupings and individual properties. We believe that net income or loss is the most directly comparable GAAP measure to this non-GAAP measure.

COPT Defense'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 Defense'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 or loss 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 (which includes discontinued operations, if any) is useful to investors because it is the numerator used to compute Diluted FFO per share, discussed below. We believe that net income or loss 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; executive transition costs associated with named executive officers; and, for periods prior to 10/1/22, demolition costs on redevelopment and nonrecurring improvements and executive transition costs associated with other senior management team members. 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. We believe that net income or loss 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 or loss 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

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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 or loss adjusted for the effects of interest expense, depreciation and amortization, gains on sales and impairment losses of real estate and investments in unconsolidated real estate JVs, and income taxes. EBITDAre also includes adjustments to net income or loss 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 or loss is the most directly comparable GAAP measure to this non-GAAP measure.

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

Defined as net income or loss 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 or loss 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 or loss is the most directly comparable GAAP measure to this non-GAAP measure.

Gross debt

Defined as debt reported on our consolidated 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. We believe that this measure is useful to investors as it represents our total outstanding debt, including our share of unconsolidated joint venture debt. We believe that debt reported on our consolidated balance sheet is the most directly comparable GAAP measure to this non-GAAP measure.

In-place adjusted EBITDA

Defined as Adjusted EBITDA, as further adjusted for: (1) certain events occurring in a three month period to reflect Adjusted EBITDA as if the events occurred at the beginning of such period, including: (a) properties acquired, placed in service or expanded upon subsequent to the commencement of a period made in order to reflect a full period of ownership/operations; (b) properties removed from service or in which we disposed of interests; (c) significant mid-period occupancy changes associated with properties recently placed in service as if such occupancy changes occurred at the beginning of such period; and (2) adjustments to deferred rental revenue associated with changes in our assessment of collectability. The measure also includes adjustments 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 the pro forma adjustments described above are consistent with the requirements for preparation of amounts presented on a pro forma basis in accordance with Article 11 of Regulation S-X. We believe that in-place adjusted EBITDA is a useful supplemental measure of performance for assessing our un-levered performance and ability to repay outstanding debt from operations, as further adjusted for changes in operating properties subsequent to the commencement of a quarter and for the other items noted above that we believe are not closely correlated with our operating performance and are not relevant to an investor's evaluation of our ability to repay debt. We believe that net income or loss 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. 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. We use net debt for purposes of calculating our net debt to adjusted book, which we believe is a useful supplemental measure for investors to use in further understanding the relationship of our outstanding debt to our assets available to service such debt. We believe that debt reported on our consolidated balance sheet is the most directly comparable GAAP measure to this non-GAAP measure.

Net debt adjusted for fully-leased development

Defined as Net debt less costs incurred on properties under development that were 100% leased. We believe that this supplemental measure is useful in providing investors the impact to our debt of fully leased properties under development that are not yet contributing to our adjusted EBITDA. We believe that debt reported on our consolidated balance sheet is the most directly comparable GAAP measure to this non-GAAP measure.

Net debt to Adjusted book

Defined as Net debt divided by Adjusted book (defined above).

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Net debt to in-place adjusted EBITDA ratio and Net debt adjusted for fully-leased development to in-place adjusted EBITDA ratio

Defined as Net debt or Net debt adjusted for fully-leased development 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 Defense'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 reportable segments. Same Property groupings and individual properties. We believe that net income or loss is the most directly comparable GAAP measure to this non-GAAP measure.

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, and gains or losses on interest rate derivatives), (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 common and deferred shares and distributions to holders of interests in the Operating Partnership to the extent they are dilutive in the respective FFO per share numerators divided by (2) the respective non-GAAP measures.

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 Property NOI from real estate operations and Same Property cash NOI

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

COPT Defense Properties

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Other Definitions

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

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 ARR allocable to COPT Defense’s ownership interest. We consider ARR to be a useful measure for analyzing revenue sources because, since it is point-in-time based, it does not contain increases and decreases in revenue associated with periods in which lease terms were not in effect; historical revenue under GAAP does contain such fluctuations. We find the measure particularly useful for leasing, tenant, segment and industry analysis.

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.

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 (average for first 12 months of term for new or renewed leases or as of lease expiration for expiring leases). We believe that cash rent is a useful measure for evaluating the rental rates at the time rent payments commence for our leasing activity, including changes in such rates relative to rates that may have been previously in place.

Committed Cost per Square Foot — Includes tenant improvement allowance (excluding tenant funded landlord assets), leasing commissions and estimated turn key costs and excludes lease incentives. We believe this is a useful measure for evaluating our costs associated with obtaining new leases.

Compound Annual Growth Rate — For renewed space, represents the compound annual growth rate between the first year cash rent of the expired lease and the first year cash rent of the renewal lease.

Debt to Net Income Ratio — Represents debt reported on our consolidated balance sheet divided by net income for the three month period that is annualized by multiplying by four. We do not present this ratio for periods with a net loss.

Defense/IT Portfolio — Represents properties in locations proximate to, or sometimes containing, key U.S. Government (“USG”) defense installations and missions.

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

Equity Market Capitalization — Defined as the sum of: (1) 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; and (2) the liquidation value of preferred shares and preferred units in our operating partnership.

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

Net Income to Interest Expense Ratio — Represents net income reported on our consolidated statements of operations divided by interest expense. We do not present this ratio for periods with a net loss.

Net Income Payout Ratio — Defined as (1) the sum of dividends on common and deferred shares and distributions to holders of interests in the Operating Partnership divided by (2) net income. We do not present this ratio for periods with a net loss.

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.

Same Property — Operating properties stably owned and 100% operational since at least 1/1/23.

Second Generation Space — Space leased that has been previously 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). We believe that straight-line rent is a useful measure for evaluating the rental rates over the related lease terms for our leasing activity, including changes in such rates relative to rates that may have been previously in place.

Total Market Capitalization — Defined as the sum of: (1) consolidated outstanding debt, excluding discounts, premiums and deferred financing costs; (2) 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; and (3) the liquidation value of preferred shares and preferred units in our operating partnership.

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

Vacancy Leasing Activity Ratio — Square footage associated with prospective tenants for vacant square feet in service divided by total vacant square feet in service.

Vacant Space Leased — Includes acquired first generation space, vacated second generation space and leases executed on developed and redeveloped space previously placed in service.



NEWS RELEASE

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COPT Defense Reports First Quarter 2024 Results

EPS of \$0.29
FFO per Share, as Adjusted for Comparability, of \$0.62
Exceeded High-End of Guidance

Increased Midpoint of 2024 FFO per Share Guidance by 3-cents to \$2.54
Implies 5% FFO per Share Growth at the Midpoint for the Year

Defense/IT Portfolio 95.6% Occupied and 96.8% Leased

Same Property Cash NOI Increased 6.1%
Raised Same Property Cash NOI Guidance for the Year by 50 Basis Points, to 6.0%-7.0%

Committed \$91 Million of Capital to New Investments

Placed 73,000 SF of Developments into Service that are 100% Leased

\$381 Million of Active Developments (959,000 SF) are 74% Leased

Excellent Leasing to Start the Year
Total Leasing of 721,000 SF

160,000 SF of Vacancy Leasing
On Track to Achieve Annual Target of 400,000 SF

Tenant Retention of 78%
On Track to Achieve Annual Goal of 75%-85%

COLUMBIA, MD (BUSINESS WIRE) April 25, 2024 - COPT Defense Properties ("COPT Defense" or the "Company") (NYSE: CDP) announced results for the first quarter ended March 31, 2024.

FOR IMMEDIATE RELEASE



Management Comments

Stephen E. Budorick, COPT Defense's President & Chief Executive Officer, commented, "Our Defense/IT investment strategy, which concentrates our portfolio near priority U.S. defense installations, generated strong results in the first quarter with FFO per share exceeding the midpoint of our guidance range by \$0.02. Based on this outperformance and our forecast over the remainder of the year, we increased the midpoint of 2024 FFO per share guidance by \$0.03 to \$2.54, which implies 5% year-over-year growth.

In terms of internal growth, the strength of demand for our portfolio is evidenced by our same property cash NOI growth of 6.1% for our Total Portfolio and 7.6% for our Defense/IT Portfolio on a year-over-year basis, which led us to increase our 2024 guidance by 50 basis points at the midpoint. Our Defense/IT Portfolio was 95.6% occupied and 96.8% leased at quarter-end, while our tenant retention rate was 78%, all of which we believe compare favorably to other leading REIT sectors.

In terms of external growth, we committed \$91 million of capital to new investments which includes two development projects totaling \$76 million at The National Business Park and Redstone Gateway, two of our highest occupancy markets. We also acquired Franklin Center in Columbia Gateway for \$15 million, which marks our first acquisition since 2015. This transaction is an excellent opportunity to acquire high quality inventory at a deeply discounted basis, and leverage our Defense/IT franchise and strong demand from defense contractors, to create significant shareholder value.

Our actual and expected performance led our Board of Trustees to approve a 3.5% increase in our quarterly dividend in February, which marks our second consecutive annual increase, following the 3.6% raise in 2023. Looking forward, we continue to anticipate compound annual FFO per share growth of roughly 4% between 2023 to 2026."

Financial Highlights

1st Quarter Financial Results:

- Diluted earnings per share ("EPS") was \$0.29 for the quarter ended March 31, 2024 as compared to \$0.70 for the quarter ended March 31, 2023.
- Diluted funds from operations per share ("FFOPS"), as calculated in accordance with Nareit's definition and as adjusted for comparability, was \$0.62 for the quarter ended March 31, 2024 compared to \$0.59 for the quarter ended March 31, 2023.

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Operating Performance Highlights

Operating Portfolio Summary:

- At March 31, 2024, the Company's 24.1 million square foot Total Portfolio was 93.6% occupied and 94.9% leased, which includes the 22.0 million square foot Defense/IT Portfolio that was 95.6% occupied and 96.8% leased.
- During the quarter ended March 31, 2024, the Company placed into service \$32.3 million of developments totaling 73,000 square feet that were 100% leased.

Same Property Performance:

- At March 31, 2024, the Company's 22.2 million square foot same property portfolio was 93.5% occupied and 95.0% leased.
- The Company's same property cash NOI increased 6.1% for the three months ended March 31, 2024 compared to the same period in 2023.

Leasing:

- Total Square Feet Leased: For the quarter ended March 31, 2024, the Company leased 721,000 square feet, including 551,000 square feet of renewals, 160,000 square feet of vacancy leasing, and 10,000 square feet in development projects.
- Tenant Retention Rates: During the quarter ended March 31, 2024, the Company renewed 78% of expiring square feet in its Total Portfolio and 82.9% in its Defense/IT Portfolio.
- Rent Spreads & Average Escalations on Renewing Leases: For the quarter ended March 31, 2024, straight-line rents on renewals increased 3.7% and cash rents on renewed space decreased 2.5%. For the same time period, annual escalations on renewing leases averaged 2.4%.
- Lease Terms: In the quarter ended March 31, 2024, lease terms averaged 4.1 years on renewing leases, 8.2 years on vacancy leasing, and 5.3 years on development projects.

Investment Activity Highlights

- Development Pipeline: The Company's development pipeline consists of six properties totaling 959,000 square feet that were 74% leased as of March 31, 2024. These projects represent a total estimated investment of \$381.4 million, of which \$89.1 million has been spent.
- Acquisition: During the quarter, the Company acquired 6841 Benjamin Franklin Center Drive, a 7-story LEED-Gold office building containing 202,000 square feet in Columbia, Maryland for \$15 million.
 - Please see the Company's Franklin Center acquisition press release dated April 25, 2024 for further details and pages 8-14 of the Company's 1Q24 Results Presentation (refer to the 'Associated Supplemental Presentation' section below).

Balance Sheet and Capital Transaction Highlights

- For the quarter ended March 31, 2024, the Company's adjusted EBITDA fixed charge coverage ratio was 4.5x.
- At March 31, 2024, the Company's net debt to in-place adjusted EBITDA ratio was 6.1x and its net debt adjusted for fully-leased development to in-place adjusted EBITDA ratio was 6.0x.

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- At March 31, 2024, and including the effect of interest rate swaps, the Company's weighted average effective interest rate on its consolidated debt portfolio was 3.3% with a weighted average maturity of 5.4 years, and 100% of the Company's debt was subject to fixed interest rates.

Associated Supplemental Presentation

Prior to the call, the Company will post a slide presentation to accompany management's prepared remarks for its first quarter 2024 conference call; the presentation can be viewed and downloaded from the 'Financial Info – Financial Results' section of COPT Defense's Investors website: <https://investors.copt.com/financial-information/financial-results>

2024 Guidance

Management is revising its full-year guidance for diluted EPS and diluted FFOPS, per Nareit and as adjusted for comparability, from the prior range of \$1.15-\$1.23, and \$2.47-\$2.55, respectively, to new ranges of \$1.19-\$1.25, and \$2.51-\$2.57, respectively. Management is establishing second quarter guidance for diluted EPS and diluted FFOPS per Nareit and as adjusted for comparability at \$0.29-\$0.31 and \$0.62-\$0.64, respectively. Reconciliations of projected diluted EPS to projected diluted FFOPS, in accordance with Nareit and as adjusted for comparability are as follows:

Reconciliation of Diluted EPS to FFOPS, per Nareit, and As Adjusted for Comparability

	Quarter Ending June 30, 2024		Year Ending December 31, 2024	
	Low	High	Low	High
Diluted EPS	\$ 0.29	\$ 0.31	\$ 1.19	\$ 1.25
Real estate-related depreciation and amortization	0.33	0.33	1.32	1.32
Diluted FFOPS, Nareit definition and as adjusted for comparability	\$ 0.62	\$ 0.64	\$ 2.51	\$ 2.57

Conference Call Information

Management will discuss first quarter 2024 results on its conference call tomorrow at 12:00 p.m. Eastern Time, details of which are listed below:

Conference Call Date: Friday, April 26, 2024
Time: 12:00 p.m. Eastern Time

Participants must register for the conference call at the link below to receive the dial-in number and personal pin. Registering only takes a few moments and provides direct access to the conference call without waiting for an operator. You may register at any time, including up to and after the call start time: <https://register.vevent.com/register/BI45e0b73633dc499fa57ffc62af57efd2>

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

Replay Information

A replay of the conference call will be immediately available via webcast only on COPT Defense's Investors website and will be maintained on the website for approximately 90 days after the conference call.

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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 Defense

COPT Defense, an S&P MidCap 400 Company, is a self-managed REIT focused on owning, operating and developing properties in locations proximate to, or sometimes containing, key U.S. Government ("USG") defense installations and missions (referred to as its Defense/IT Portfolio). The Company's tenants include the USG and their defense contractors, who are primarily engaged in priority national security activities, and who generally require mission-critical and high security property enhancements. As of March 31, 2024, the Company's Defense/IT Portfolio of 193 properties, including 24 owned through unconsolidated joint ventures, encompassed 22.0 million square feet and was 96.8% 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, 2023.

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COPT Defense Properties
Summary Financial Data
(unaudited)
(dollars and shares in thousands, except per share data)

	For the Three Months Ended March 31,	
	2024	2023
Revenues		
Lease revenue	\$ 165,433	\$ 150,560
Other property revenue	1,230	1,121
Construction contract and other service revenues	26,603	15,820
Total revenues	193,266	167,501
Operating expenses		
Property operating expenses	66,746	59,420
Depreciation and amortization associated with real estate operations	38,351	36,995
Construction contract and other service expenses	26,007	15,201
General and administrative expenses	8,378	7,996
Leasing expenses	2,187	1,999
Business development expenses and land carry costs	1,182	495
Total operating expenses	142,851	122,106
Interest expense	(20,767)	(16,442)
Interest and other income, net	4,122	2,256
Gain on sales of real estate	—	49,378
Income before equity in income (loss) of unconsolidated entities and income taxes	33,770	80,587
Equity in income (loss) of unconsolidated entities	69	(64)
Income tax expense	(168)	(125)
Net income	33,671	80,398
Net income attributable to noncontrolling interests:		
Common units in the Operating Partnership ("OP")	(608)	(1,293)
Other consolidated entities	(454)	(326)
Net income attributable to common shareholders	<u>\$ 32,609</u>	<u>\$ 78,779</u>
Earnings per share ("EPS") computation:		
Numerator for diluted EPS:		
Net income attributable to common shareholders	\$ 32,609	\$ 78,779
Amount allocable to share-based compensation awards	(129)	(248)
Redeemable noncontrolling interests	—	(64)
Numerator for diluted EPS	<u>\$ 32,480</u>	<u>\$ 78,467</u>
Denominator:		
Weighted average common shares - basic	112,231	112,127
Dilutive effect of share-based compensation awards	509	410
Dilutive effect of redeemable noncontrolling interests	—	91
Weighted average common shares - diluted	<u>112,740</u>	<u>112,628</u>
Diluted EPS	<u>\$ 0.29</u>	<u>\$ 0.70</u>

COPT Defense Properties
Summary Financial Data
(unaudited)
(in thousands, except per share data)

	For the Three Months Ended March 31,	
	2024	2023
Net income	\$ 33,671	\$ 80,398
Real estate-related depreciation and amortization	38,351	36,995
Gain on sales of real estate	—	(49,378)
Depreciation and amortization on unconsolidated real estate JVs	777	801
Funds from operations ("FFO")	72,799	68,816
FFO allocable to other noncontrolling interests	(836)	(708)
Basic FFO allocable to share-based compensation awards	(587)	(466)
Basic FFO available to common share and common unit holders ("Basic FFO")	71,376	67,642
Redeemable noncontrolling interests	469	(30)
Diluted FFO adjustments allocable to share-based compensation awards	47	39
Diluted FFO available to common share and common unit holders ("Diluted FFO")	71,892	67,651
Executive transition costs	77	—
Diluted FFO available to common share and common unit holders, as adjusted for comparability	71,969	67,651
Straight line rent adjustments and lease incentive amortization	3,473	(3,516)
Amortization of intangibles and other assets included in net operating income ("NOI")	122	(19)
Share-based compensation, net of amounts capitalized	2,645	1,733
Amortization of deferred financing costs	685	632
Amortization of net debt discounts, net of amounts capitalized	1,014	618
Replacement capital expenditures	(20,776)	(28,210)
Other	137	(273)
Diluted adjusted funds from operations available to common share and common unit holders ("Diluted AFFO")	\$ 59,269	\$ 38,616
Diluted FFO per share	\$ 0.62	\$ 0.59
Diluted FFO per share, as adjusted for comparability	\$ 0.62	\$ 0.59
Dividends/distributions per common share/unit	\$ 0.295	\$ 0.285

COPT Defense Properties
Summary Financial Data
(unaudited)
(Dollars and shares in thousands, except per share data)

	March 31, 2024	December 31, 2023
Balance Sheet Data		
Properties, net of accumulated depreciation	\$ 3,517,878	\$ 3,503,678
Total assets	\$ 4,232,895	\$ 4,246,966
Debt per balance sheet	\$ 2,416,873	\$ 2,416,287
Total liabilities	\$ 2,683,883	\$ 2,699,631
Redeemable noncontrolling interests	\$ 22,966	\$ 23,580
Total equity	\$ 1,526,046	\$ 1,523,755
Debt to assets	57.1 %	56.9 %
Net debt to adjusted book	40.9 %	40.6 %
Defense/IT Portfolio Data (as of period end)		
Number of operating properties	193	190
Total operational square feet (in thousands)	21,993	21,719
% Occupied	95.6 %	96.2 %
% Leased	96.8 %	97.2 %
	For the Three Months Ended March 31,	
	2024	2023
GAAP		
Payout ratio:		
Net income	100.7 %	40.6 %
Debt ratios:		
Net income to interest expense ratio	1.6 x	4.9 x
Debt to net income ratio	17.9 x	6.6 x
Non-GAAP		
Payout ratios:		
Diluted FFO	46.8 %	47.9 %
Diluted FFO, as adjusted for comparability	46.7 %	47.9 %
Diluted AFFO	56.8 %	83.9 %
Debt ratios:		
Adjusted EBITDA fixed charge coverage ratio	4.5 x	5.0 x
Net debt to in-place adjusted EBITDA ratio	6.1 x	6.2 x
Net debt adj. for fully-leased development to in-place adj. EBITDA ratio	6.0 x	5.8 x
Reconciliation of denominators for per share measures		
Denominator for diluted EPS	112,740	112,628
Weighted average common units	1,625	1,489
Redeemable noncontrolling interests	947	—
Denominator for diluted FFO per share and as adjusted for comparability	115,312	114,117

COPT Defense Properties
Summary Financial Data
(unaudited)
(in thousands)

	For the Three Months Ended March 31,	
	2024	2023
Numerators for Payout Ratios		
Dividends on unrestricted common and deferred shares	\$ 33,143	\$ 31,989
Distributions on unrestricted common units	500	430
Dividends and distributions on restricted shares and units	267	215
Total dividends and distributions for GAAP payout ratio	33,910	32,634
Dividends and distributions on antidilutive shares and units	(266)	(216)
Dividends and distributions for non-GAAP payout ratios	<u>\$ 33,644</u>	<u>\$ 32,418</u>
Reconciliation of net income to earnings before interest, income taxes, depreciation and amortization for real estate ("EBITDAre"), adjusted EBITDA and in-place adjusted EBITDA		
Net income	\$ 33,671	\$ 80,398
Interest expense	20,767	16,442
Income tax expense	168	125
Real estate-related depreciation and amortization	38,351	36,995
Other depreciation and amortization	608	602
Gain on sales of real estate	—	(49,378)
Adjustments from unconsolidated real estate JVs	1,671	1,704
EBITDAre	95,236	86,888
Credit loss expense	22	67
Business development expenses	630	241
Executive transition costs	430	247
Net gain on other investments	(477)	—
Adjusted EBITDA	95,841	87,443
Pro forma NOI adjustment for property changes within period	813	(318)
Change in collectability of deferred rental revenue	—	899
In-place adjusted EBITDA	<u>\$ 96,654</u>	<u>\$ 88,024</u>
Reconciliations of tenant improvements and incentives, building improvements and leasing costs for operating properties to replacement capital expenditures		
Tenant improvements and incentives	\$ 12,776	\$ 19,986
Building improvements	4,953	2,141
Leasing costs	3,590	1,750
Net additions to tenant improvements and incentives	316	4,839
Excluded building improvements and leasing costs	(859)	(506)
Replacement capital expenditures	<u>\$ 20,776</u>	<u>\$ 28,210</u>

COPT Defense Properties
Summary Financial Data
(unaudited)
(in thousands)

	For the Three Months Ended March 31,	
	2024	2023
Reconciliation of interest expense to the denominator for fixed charge coverage-Adjusted EBITDA		
Interest expense	\$ 20,767	\$ 16,442
Less: Amortization of deferred financing costs	(685)	(632)
Less: Amortization of net debt discounts, net of amounts capitalized	(1,014)	(618)
COPT Defense's share of interest expense of unconsolidated real estate JVs, excluding amortization of deferred financing costs and net debt premium and gain or loss on interest rate derivatives	804	773
Scheduled principal amortization	769	790
Capitalized interest	589	770
Denominator for fixed charge coverage-Adjusted EBITDA	<u>\$ 21,230</u>	<u>\$ 17,525</u>
Reconciliation of net income to NOI from real estate operations, same property NOI from real estate operations and same property cash NOI from real estate operations		
Net income	\$ 33,671	\$ 80,398
Construction contract and other service revenues	(26,603)	(15,820)
Depreciation and other amortization associated with real estate operations	38,351	36,995
Construction contract and other service expenses	26,007	15,201
General and administrative expenses	8,378	7,996
Leasing expenses	2,187	1,999
Business development expenses and land carry costs	1,182	495
Interest expense	20,767	16,442
Interest and other income, net	(4,122)	(2,256)
Gain on sales of real estate	—	(49,378)
Equity in (income) loss of unconsolidated entities	(69)	64
Unconsolidated real estate JVs NOI allocable to COPT Defense included in equity in income (loss) of unconsolidated entities	1,740	1,642
Income tax expense	168	125
NOI from real estate operations	<u>101,657</u>	<u>93,903</u>
Non-Same Property NOI from real estate operations	<u>(6,254)</u>	<u>(1,180)</u>
Same Property NOI from real estate operations	95,403	92,723
Straight line rent adjustments and lease incentive amortization	5,367	(3,570)
Amortization of acquired above- and below-market rents	(69)	(166)
Lease termination fees, net	(775)	(1,221)
Tenant funded landlord assets and lease incentives	(8,190)	(1,222)
Cash NOI adjustments in unconsolidated real estate JVs	(117)	(153)
Same Property Cash NOI from real estate operations	<u>\$ 91,619</u>	<u>\$ 86,391</u>

COPT Defense Properties
Summary Financial Data
(unaudited)
(in thousands)

	March 31, 2024	December 31, 2023
Reconciliation of total assets to adjusted book		
Total assets	\$ 4,232,895	\$ 4,246,966
Accumulated depreciation	1,434,621	1,400,162
Accumulated amortization of intangibles on property acquisitions and deferred leasing costs	225,443	228,484
COPT Defense's share of liabilities of unconsolidated real estate JVs	60,904	60,583
COPT Defense's share of accumulated depreciation and amortization of unconsolidated real estate JVs	10,364	9,528
Less: Property - operating lease liabilities	(33,141)	(33,931)
Less: Property - finance lease liabilities	(409)	(415)
Less: Cash and cash equivalents	(123,144)	(167,820)
Less: COPT Defense's share of cash of unconsolidated real estate JVs	(1,159)	(852)
Adjusted book	<u>\$ 5,806,374</u>	<u>\$ 5,742,705</u>

	March 31, 2024	December 31, 2023	March 31, 2023
Reconciliation of debt to net debt and net debt adjusted for fully-leased development			
Debt per balance sheet	\$ 2,416,873	\$ 2,416,287	\$ 2,123,012
Net discounts and deferred financing costs	27,358	28,713	22,250
COPT Defense's share of unconsolidated JV gross debt	52,819	52,613	52,226
Gross debt	2,497,050	2,497,613	2,197,488
Less: Cash and cash equivalents	(123,144)	(167,820)	(15,199)
Less: COPT Defense's share of cash of unconsolidated real estate JVs	(1,159)	(852)	(881)
Net debt	2,372,747	2,328,941	2,181,408
Costs incurred on fully-leased development properties	(43,034)	(53,914)	(137,309)
Net debt adjusted for fully-leased development	<u>\$ 2,329,713</u>	<u>\$ 2,275,027</u>	<u>\$ 2,044,099</u>