

Nareit REITweek: 2024 Investor Conference

JUNE 2024



COPT DEFENSE
P R O P E R T I E S

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Table of Contents

RESULTS FOR 1Q 2024

> Page 3

UPDATED 2024 GUIDANCE

> Page 5

FACTORS SUPPORTING GROWTH

> Page 8

PORTFOLIO UPDATE

> Page 20

FRANKLIN CENTER ACQUISITION

> Page 25

CONTINUED GROWTH

> Page 32

APPENDICES:

> Page 35

> Safe Harbor | Page 36

> Definitions + Glossary | Page 37

> Reconciliations | Page 45



RESULTS FOR 1Q 2024



Strong 1Q 2024 Results

- > FFO per share* of \$0.62 exceeded high-end of guidance
 - > Sixteen of past seventeen quarters met or exceeded midpoint of guidance
- > Increase in same property cash NOI of 6.1%
 - > Increase in same property cash NOI of 4.8% from the 2023 pool
- > Defense/IT Portfolio 96.8% leased and 95.6% occupied
- > Same property portfolio 95.0% leased and 93.5% occupied
- > Excellent leasing:
 - > 721,000 SF of total leasing
 - > 160,000 SF of vacancy leasing
 - > On track to achieve annual target of 400,000 SF
 - > 551,000 SF of renewal leasing
 - > Total retention rate of 78% | Defense/IT Portfolio retention rate of 83%
 - > On track to achieve annual goal of 75%–85%
- > \$91 million of capital committed to new investments
 - > Started two development projects with a estimated cost of \$76 million and acquired a property for \$15 million



UPDATED 2024 GUIDANCE



FY 2024 Guidance Summary¹

	FY 2023 Actual	FY 2024 Updated Guidance		
		Low	Midpoint	High
EPS	(\$0.67)	\$1.19	\$1.22	\$1.25
FFOPS, as adjusted for comparability	\$2.42	\$2.51	\$2.54	\$2.57
Key Assumptions				
2024 Same Property Pool:				
> % Change in Cash NOI	5.7% ²	6%	6.5%	7%
> Year-end Occupancy	93.8%	93%	93.5%	94%
Leasing:				
> Change in Cash Rents on Renewals	1.5%	(1%)	0%	1%
> Tenant Retention	80%	75%	80%	85%
Cash NOI from Developments ³	\$12.5	\$10	\$11	\$12
Straight-line Rent & Other GAAP Adjustments	(\$6.5)	\$6	\$6.5	\$7
Net Construction Contract & Other Service Revenues	\$2.8	\$1.5	\$2	\$2.5
Total G&A Expenses ⁴	\$42.8	\$44	\$45	\$46
Consolidated Interest Expense (net of Capitalized Interest)	\$71.1	\$80	\$82	\$84
Dividend / Diluted AFFO Payout Ratio	63.9%	Below 65%		
Investment Activity				
Capital Invested in Development / Acquisitions	\$249	\$240	\$260	\$280
Capital Commitment to New Investments	\$280	\$200	\$220	\$240
Property Sales	\$190	None		

1. Dollars are in millions (except per share data).

2. Same Property metrics in 2023 refer to the 2023 Pool.

3. The 2023 actual amount represents cash NOI from developments placed into service during 2022 and 2023. The 2024 assumption amount represents cash NOI from developments placed into service during 2023 and 2024 and expected to be placed into service during 2024 and, as such, are not yet in the Company's same property portfolio.

4. Includes G&A, leasing expenses, business development expenses, and land carry costs.

Please see the Company's 2024 Guidance press release issued 2/8/24 for Management Commentary on initial 2024 guidance.

Green highlighted rows = Increase to guidance



2024 FY Guidance - Updates¹

	FY 2023	FY 2024 Initial Guidance as of 4Q 2023			FY 2024 Updated Guidance as of 1Q 2024		
	<i>Actual</i>	<i>Low</i>	<i>Midpoint</i>	<i>High</i>	<i>Low</i>	<i>Midpoint</i>	<i>High</i>
FFOPS*	\$2.42	\$2.47	\$2.51	\$2.55	\$2.51	\$2.54	\$2.57
Same Property % Change in Cash NOI	5.7% ²	5%	6%	7%	6%	6.5%	7%

> FFOPS*

- > 3-cent increase in 2024 FFO per share guidance at the midpoint:
 - > Implies 5% year-over-year growth
- > Driven by:
 - > Strong 1Q 2024 performance
 - > Acceleration of lease commencement dates on several leases
 - > Acquisition of Franklin Center
 - > Higher interest income

> Same Property % Change in Cash NOI

- > 50 basis point increase at the midpoint
- > Driven by:
 - > Lower than expected free rent concessions on renewals
 - > Better operating margins



FACTORS SUPPORTING GROWTH



Positioned for Long-Term Growth + Value Creation

Concentrate assets in locations to serve high priority defense and cybersecurity missions of the U.S. Government

Strong growth in defense spending driving both operating and development demand

Defense tenant portfolio achieves steady growth from:

- High occupancy and tenant retention
- Lower CapX
- Best-in-class tenant credit quality

Create value and FFO growth by completing low-risk development at Defense/IT Portfolio

Maintain strong investment grade balance sheet with ample liquidity to support growth and create stability



Competitive Advantages

DIFFERENTIATED PLATFORM AS THE ONLY "GO-TO" PUBLIC COMPANY LANDLORD FOR SECURED, SPECIALIZED SPACE*

OPERATING PLATFORM

Our teams of managers have specialized skills and credentials required to handle the complex space and security needs of tenants in our Defense/IT Properties – a distinct competitive advantage over non-credentialed landlords

TRACK RECORD + CUSTOMER RELATIONSHIPS

30 years of operating excellence and customer service – since 1992, one of the few trusted landlords able to accommodate U.S. Government and defense contractor tenant requirements

PROVEN DEVELOPMENT EXPERTISE

Trusted provider of secured, specialized space, with the ability to satisfy SCIF, ATFP and other requirements

UNIQUE + ADVANTAGED LAND POSITIONS

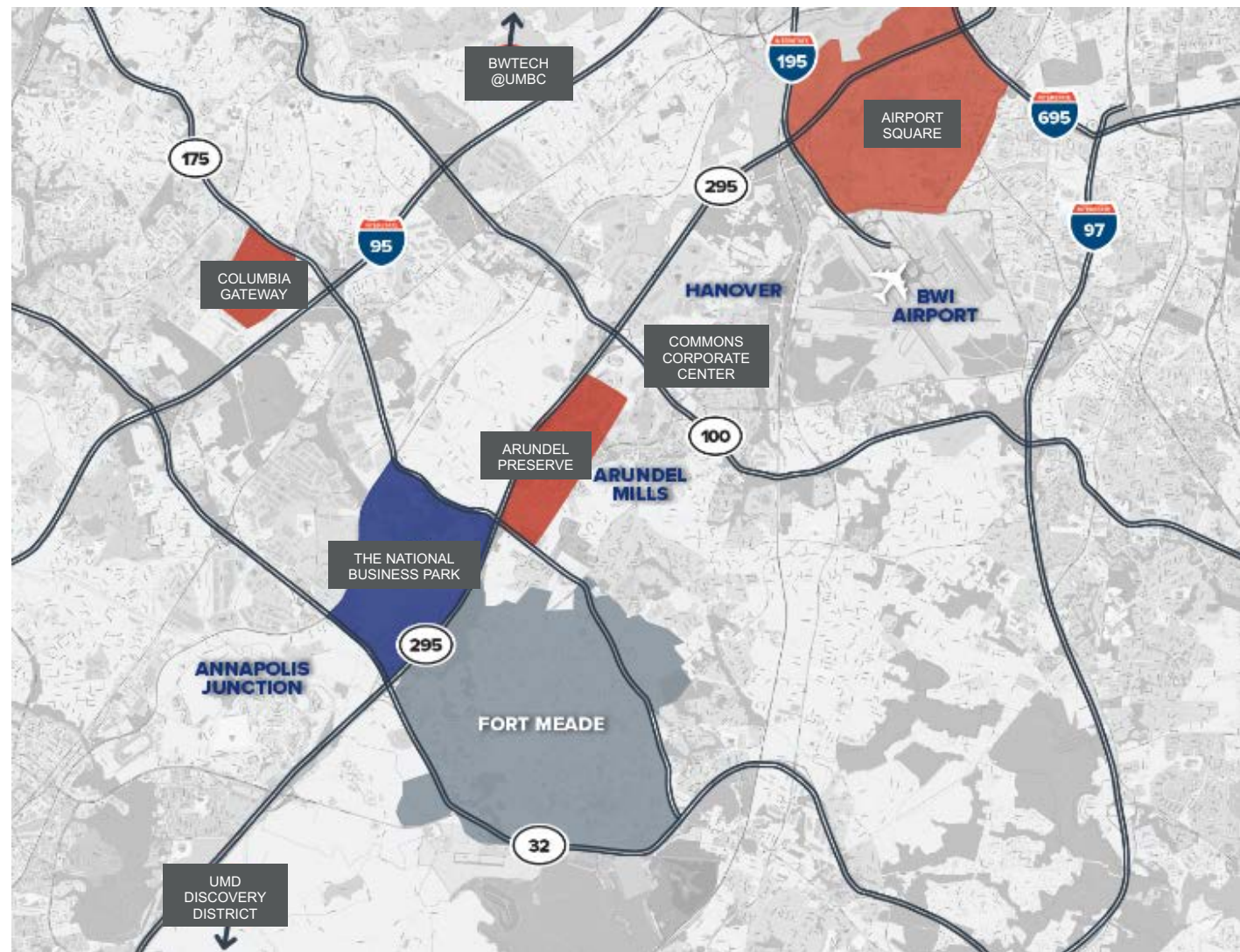
Proximity to Demand Drivers – Properties and entitled land adjacent to mission-critical, knowledge-based defense installations



Key Differentiators

DRIVER OF OUR TENANT DEMAND DIFFERS FROM TRADITIONAL OFFICE

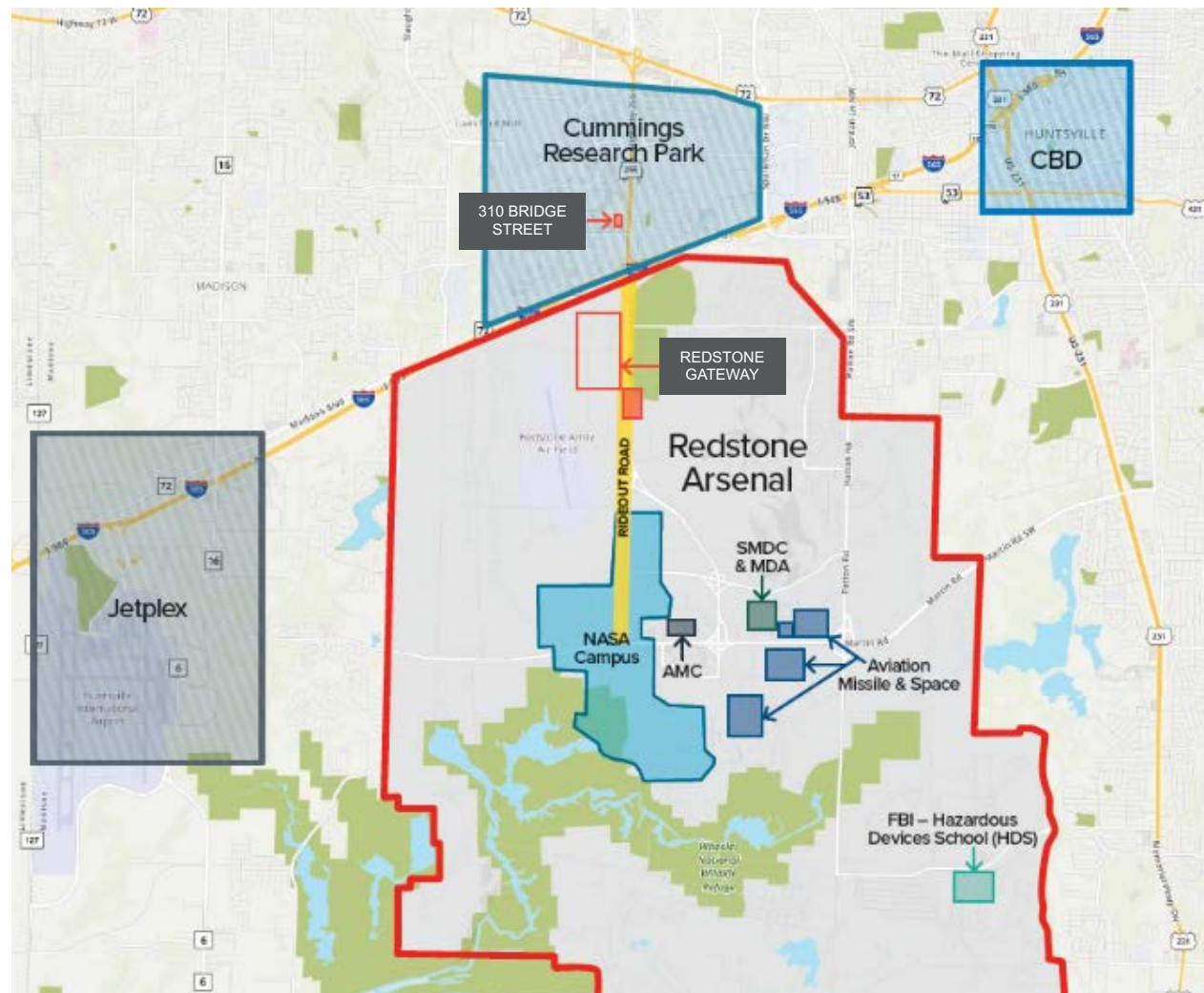
- > Underlying Economy is National Defense
 - > Critical missions we support are vital and will receive funding
 - > Intelligence, Surveillance, Missile Defense, and Cyber
- > Mission Locations are Well Established and Permanent
 - > Knowledge-based defense installations in Maryland, Northern Virginia, DC, Huntsville, and San Antonio
- > COPT Defense land has a protected advantage
 - > Adjacent to, or containing, the demand driver
- > Tenant Relationships are built on decades of trust
 - > Top 15 Defense/IT tenants have on average: 14 leases and are located in 3 to 4 of our markets
- > National Defense requires secured facilities
 - > Government contracts require work to be conducted in SCIF
 - > Expensive and time consuming to construct
 - > 85% of portfolio contains high security operations
 - > ATFP, SCIF, and Access Control
 - > Protected from Work from Home



Key Differentiators

HIGH TENANT INVESTMENT = HIGH RETENTION

- > High Level of Tenant Co-Investment
 - > Defense Contractors with SCIF and USG leases | Up to 2x Market TI Allowance
 - > USG full building leases: 1x–2x of Full Cost
 - > Data Center Shells | USG in San Antonio: Multiples of Full Cost
- > Industry Leading Tenant Retention Rate
 - > 2024 guidance = 75%–85%
 - > 10-year average = 75%
 - > Strong outlook for 2024 / 2025 = $\geq 80\%$
- > Superior Tenant Credit
 - > Financial distress = Major risk indicator for espionage
- > Low-risk Development drives reliable External Growth
- > Over 1/3 of Employees are Credentialed
 - > Barrier to Entry
- > Strong Balance Sheet can fund expected Development through late 2026
 - > No need to access further debt or equity capital
 - > No near term debt maturities
- > Defense Spending is a Bipartisan priority



Tenant Relationships are Key to our Success

LOCATIONS CREATE A STRONG FOUNDATION + DIVERSITY OF LEASES = LOW RISK

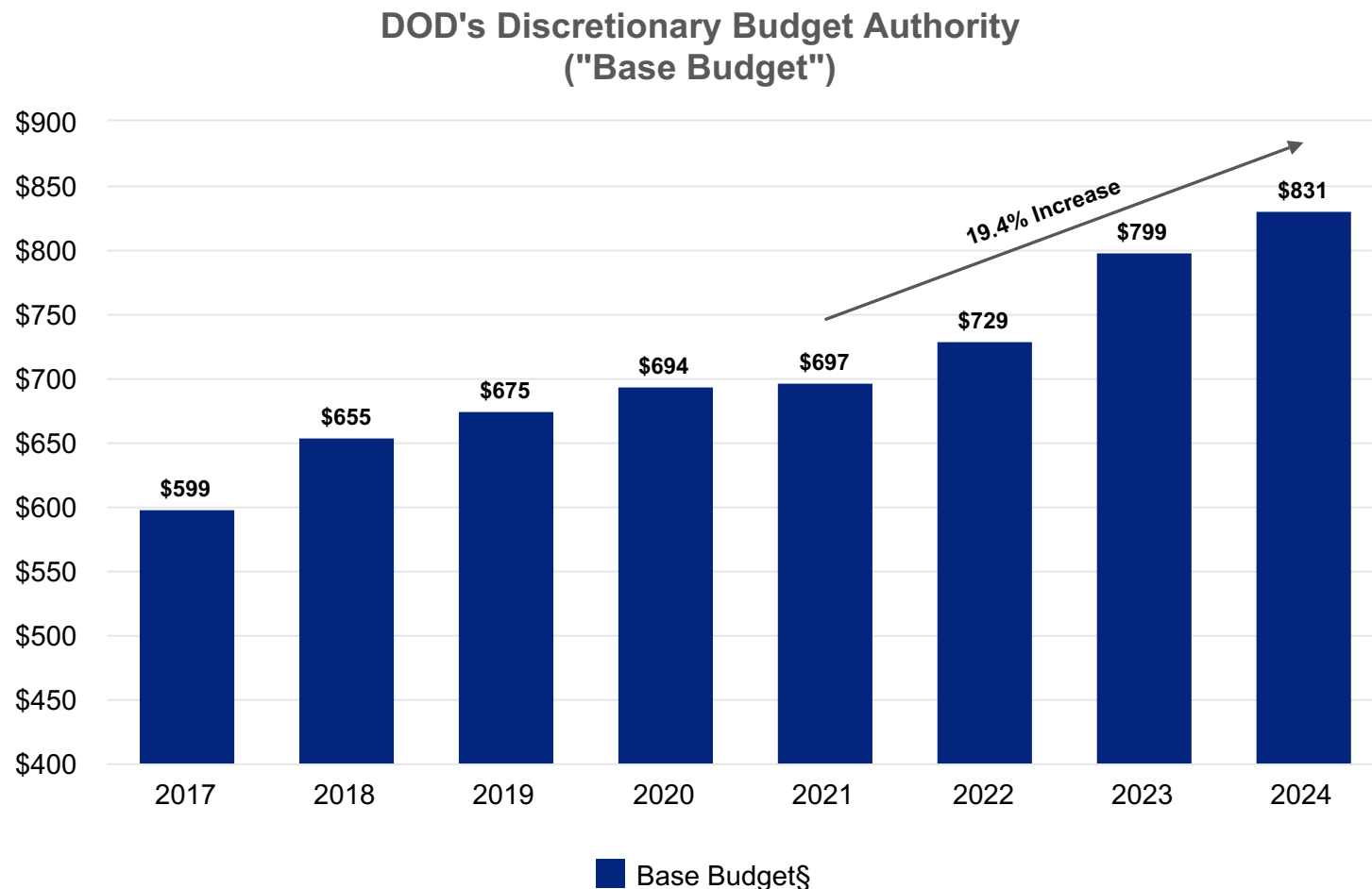
- > Collectively: Multiple leases per tenant in multiple locations, is the Foundation to our success
- > Individually: No single lease has a significant impact on COPT Defense
 - > On average, top Defense/IT tenants have 6 leases with us (ex; USG and Data Center Shells)
 - > On average, top Defense/IT tenants have leases with us in 3-4 of our markets

Tenant	# of Leases	NBP	Columbia Gateway	Fort Meade/BW Corridor - Other	NoVA Defense/IT	Navy Support	Redstone Gateway (Huntsville, AL)	Lackland AFB (San Antonio, TX)	Data Center Shells
United States Government	95	X	X	X	X	X	X	X	
Fortune 100 Company	35	X	X					X	X
General Dynamics Corporation	12	X		X	X	X	X		
Northrop Grumman Corporation	5			X			X		
The Boeing Company	12	X			X	X	X		
CACI International Inc.	6	X	X	X		X			
Peraton Corp.	7	X			X	X			
Booz Allen Hamilton, Inc.	6	X			X	X	X		
Fortune 100 Company	2	X						X	
KBR, Inc.	5		X			X	X		
Yulista Holding, LLC	3						X		
AT&T Corporation	3	X	X			X			
ManTech International Corp.	6	X			X	X	X		
Jacobs Engineering Group Inc.	5	X	X	X	X				
Lockheed Martin Corporation	4	X				X	X		
The Mitre Corporation	4	X				X	X		
Defense/IT Tenants	210								



Healthy DOD Spending

- > FY 2024 National Defense Authorization Act passed with bipartisan support in March 2024 and increases spending 4% over FY 2023
 - > 19.4% increase over FY 2021
 - > 38.8% increase over FY 2017
- > FY 2017–FY 2024, DOD's Base Budget grew at a compound annual rate of 4.8%



Portfolio Supports Priority DOD Missions

- > Deeply concentrated our capital allocation since 2012 in our Defense/IT Portfolio, in assets that support priority U.S. Defense Missions
- > Only public REIT for secured, specialized space and credentialed personnel
- > 90% of Annualized Rental Revenues (ARR) from Defense/IT Portfolio*
 - > Concentration of revenues among high credit tenants generates resilient cash flows

Total Portfolio by Demand Driver*

Demand Driver	Total SF (000s)	% Leased	% ARR
Ft. Meade/BW Corridor	9,081	97%	48%
NoVA Defense/IT	2,500	93%	12%
Lackland AFB	1,062	100%	10%
Navy Support	1,273	86%	5%
Redstone Arsenal	2,374	99%	9%
Data Center Shells**	5,703	100%	6%
D/IT Demand Drivers	21,992	97%	90%
Other	2,144	76%	10%
Total Portfolio	24,136	95%	100%

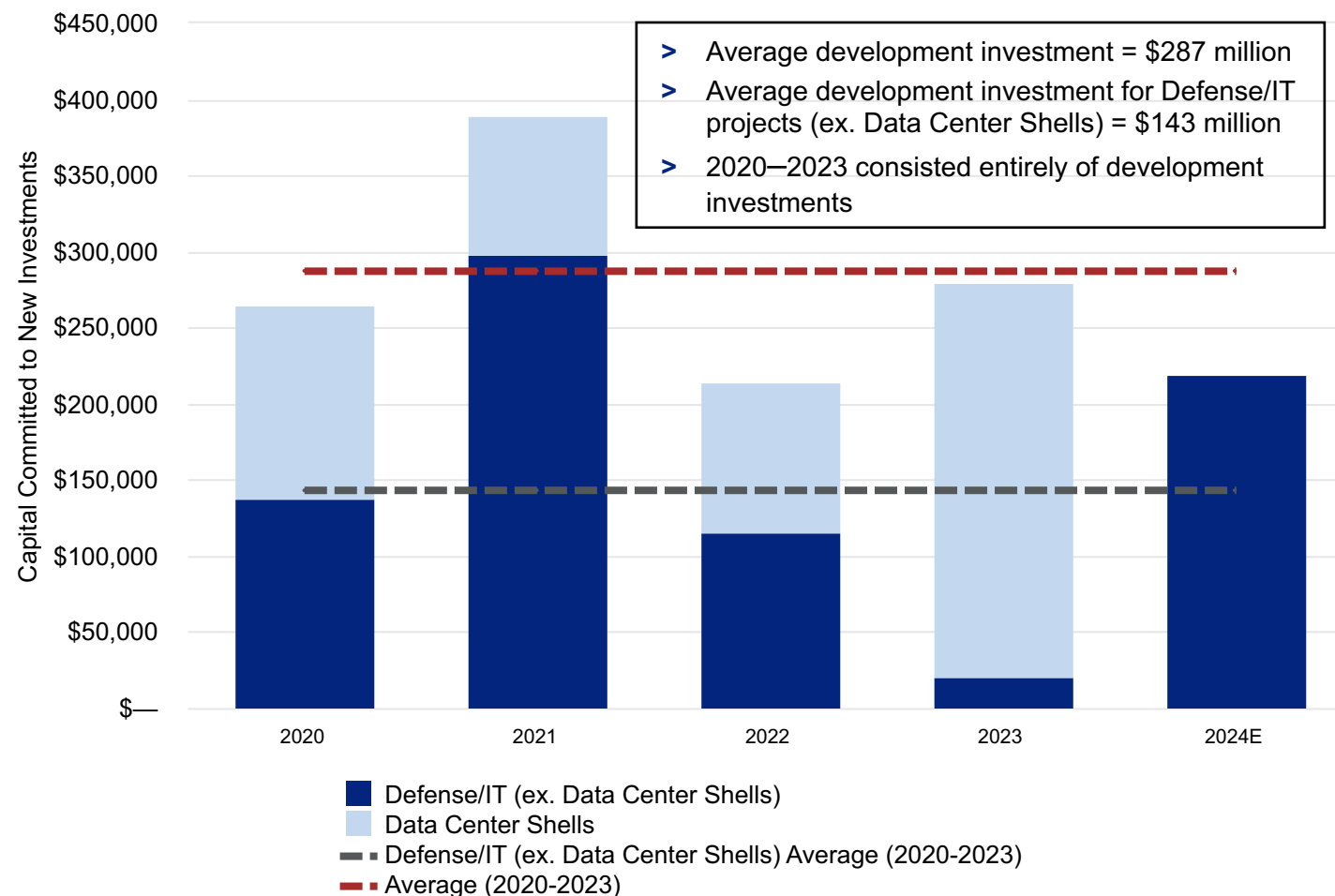


Growth from Development Investment

ALLOCATING CAPITAL TO DEVELOPMENT PROJECTS AT OUR DEFENSE/IT LOCATIONS IS THE FOUNDATION FOR EXTERNAL GROWTH IN NOI

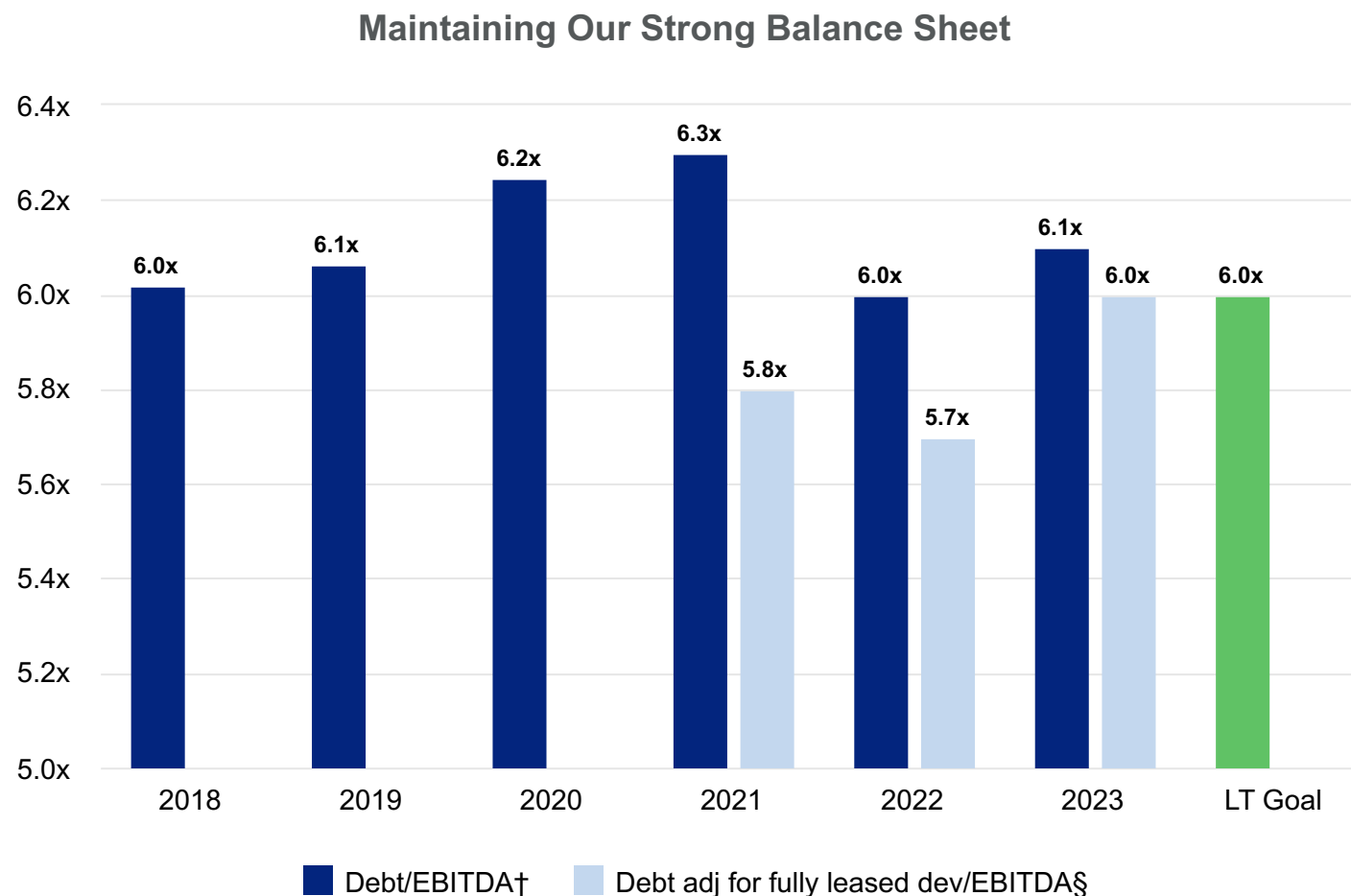
- > Active Development + Placed into Service:
 - > \$381 million of active developments (959,000 SF) are 74% leased*
 - > Placed \$32 million of space into service in 1Q 2024 (73,000 SF) that is 100% leased*
- > Capital Committed to New Investments:
 - > Committed capital to 3 new projects during 1Q 2024:
 - > Development start | 400 National Business Parkway | \$65.1 million
 - > Development start | 9700 Advanced Gateway | \$11.0 million
 - > Acquisition | 6841 Benjamin Franklin Drive | \$15.0 million
 - > Expect to commit \$200–\$240 million of capital investment in 2024, entirely in the Defense/IT Portfolio, the second highest annual level since 2019**
 - > Over 500,000 SF development leasing pipeline and over 1.0 million SF of potential future opportunities

Capital Committed to New Investments (\$)



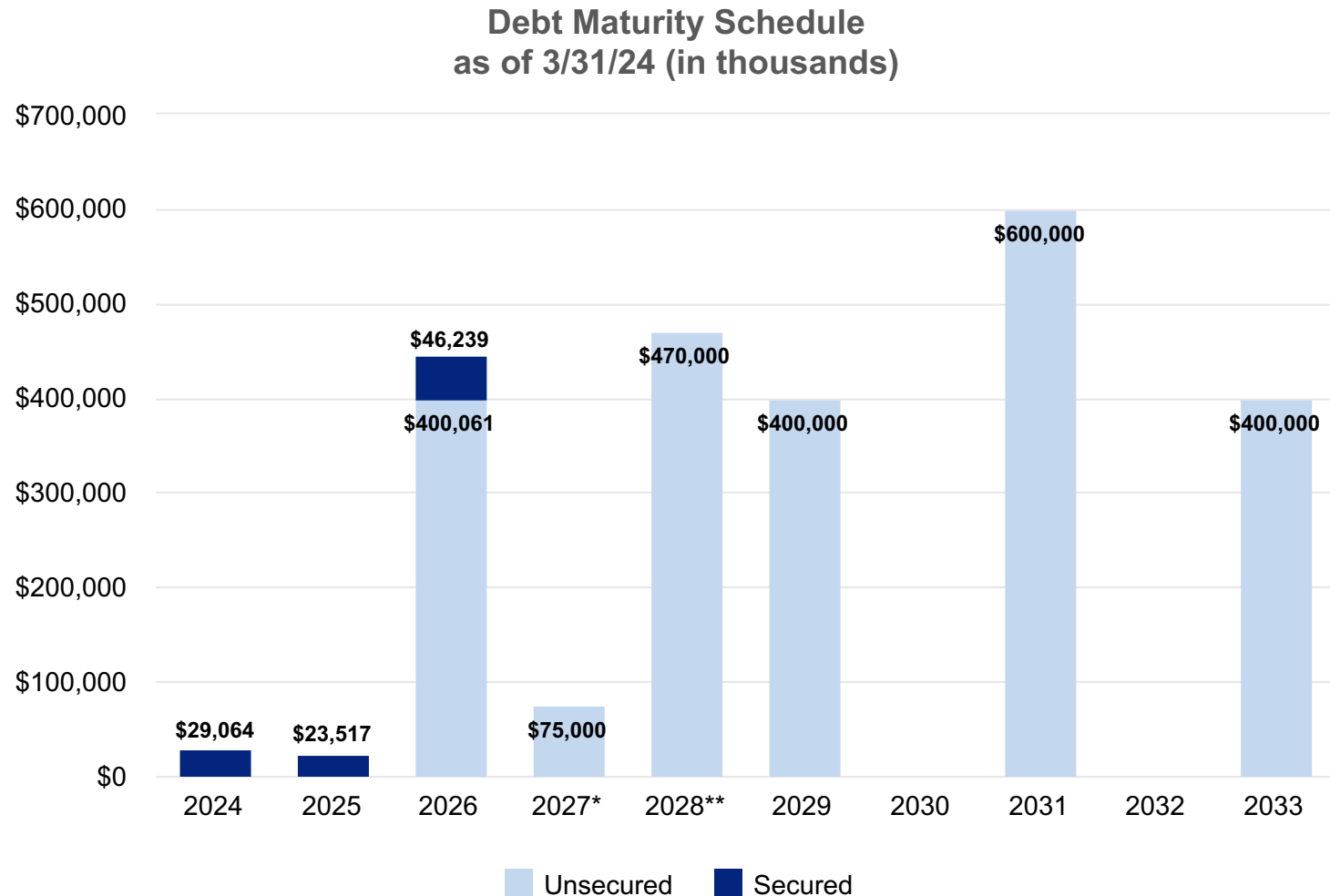
Strong Balance Sheet Supports Growth

- > Since September 2020, issued \$2.15 billion of Senior Unsecured Notes
 - > Weighted average interest rate of 3.0%
 - > Weighted average maturity at issuance of ~9 years
- > Expect to fund the equity required for development / acquisition investment with cash flow from operations after the dividend



Well-Staggered Debt Provides Stability

- > Significant unencumbered pool of assets
 - > Unencumbered portfolio = 95% of total NOI from real estate operations
 - > Secured debt accounts for only 4% of debt outstanding
- > 100% of consolidated debt is fixed rate including effect of interest rate swaps
 - > Expect % of fixed rate debt will remain at 100% through late 2024
- > No significant debt maturities until 2026



* Revolving Credit Facility maturity of \$75.0 million is included above in 2027 assuming our exercise of two six-month extension options.

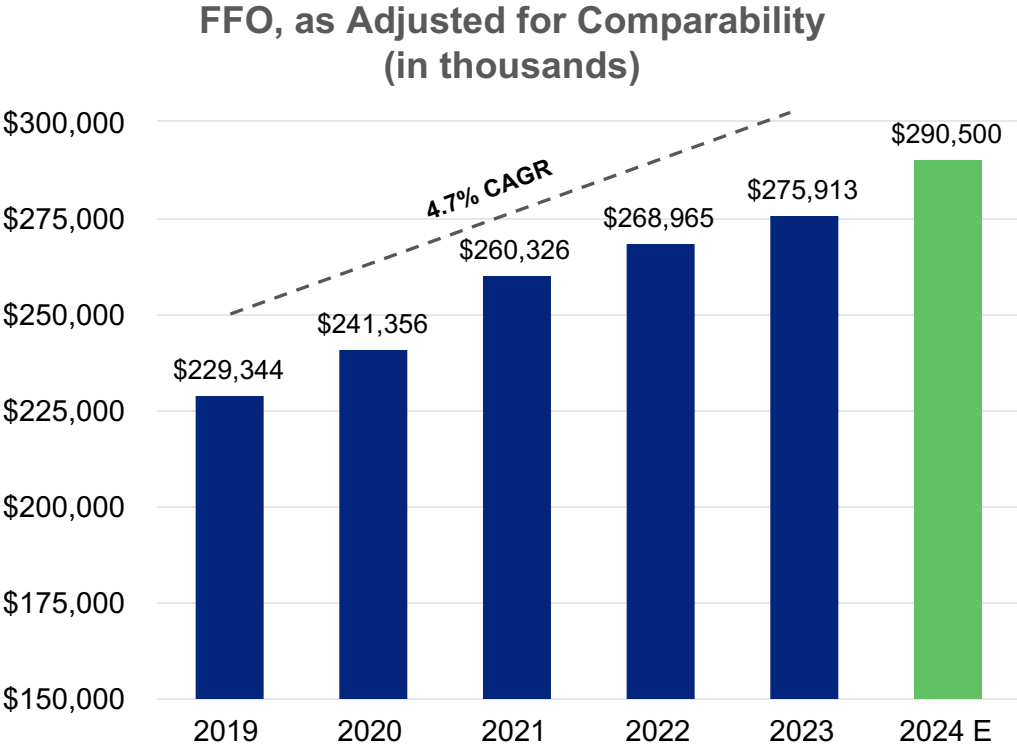
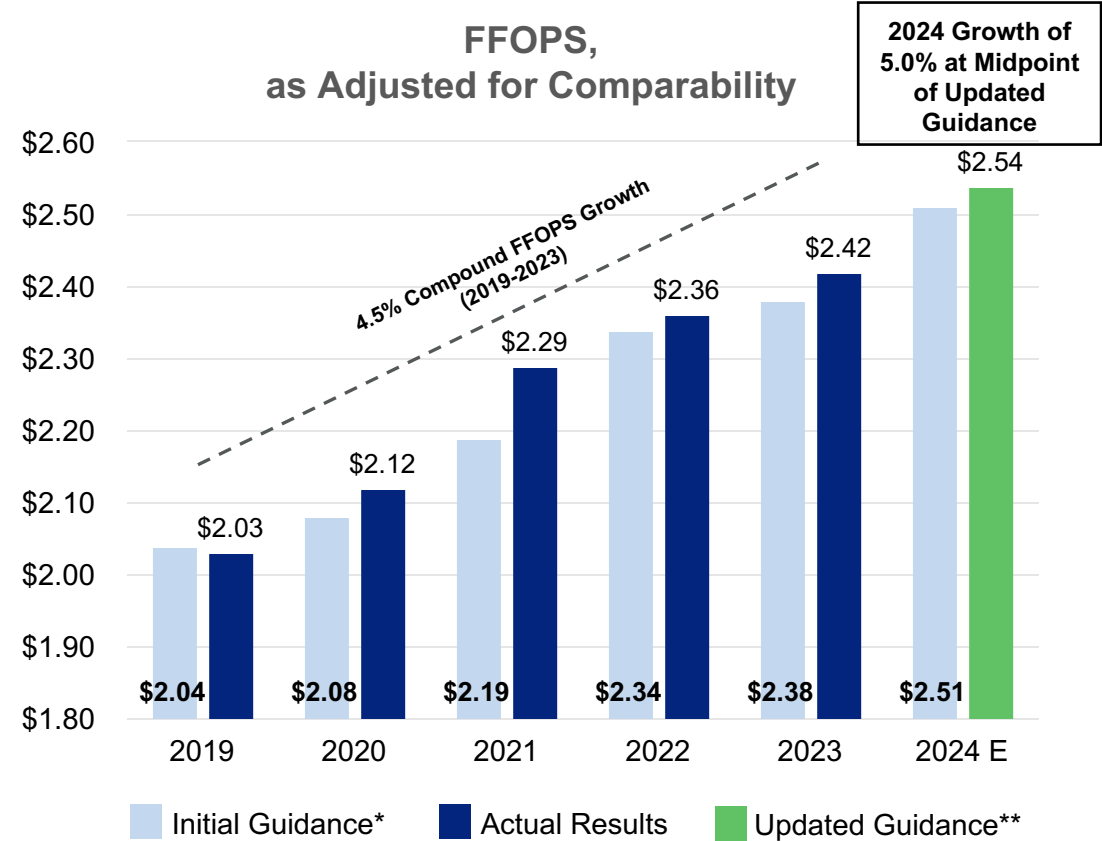
** Term loan balance of \$125.0 million is included in 2028 assuming our exercise of two 12-month extension options. Also includes \$345.0 million principal amount of exchangeable senior notes due in 2028 unless earlier exchanged, redeemed or repurchased only in the event of certain circumstances and during certain periods defined under the terms of the notes.



Strong Growth in Profitability

COPT Defense's FFOPS has compounded at 4.5% per year from 2019–2023

- > Updated 2024 FFOPS midpoint guidance of \$2.54 implies ~5% growth over 2023 results
- > Positioned to generate compound annual growth of roughly 4% from 2023–2026 (based on the initial midpoint of our 2023 guidance of \$2.38)



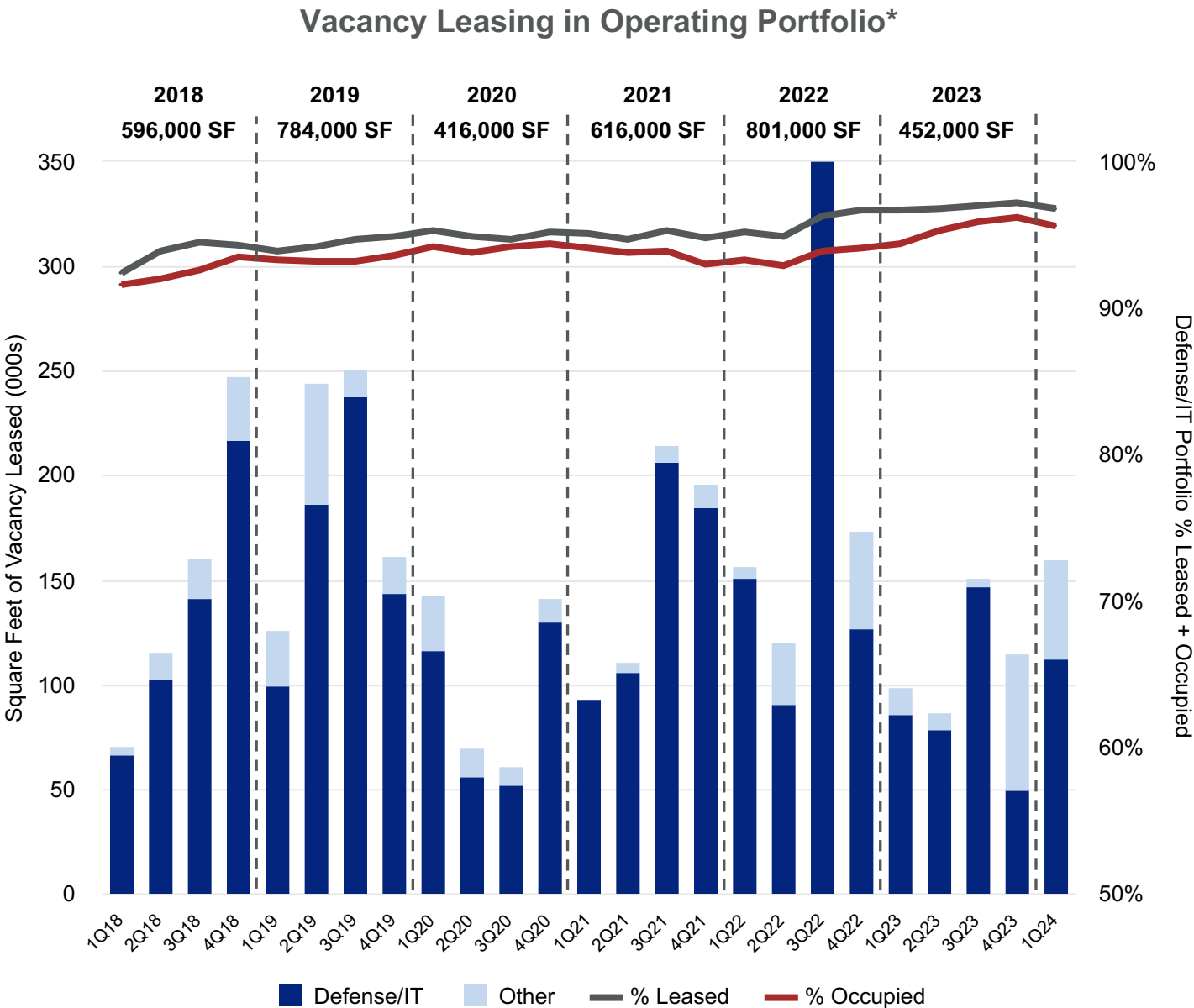
* The midpoint of initial diluted FFOPS guidance, as adjusted for comparability.
** The midpoint of updated diluted FFOPS guidance, as adjusted for comparability.
See Appendix for reconciliations of diluted EPS to diluted FFOPS, as adjusted for comparability.

PORTFOLIO UPDATE



Strong Vacancy Leasing

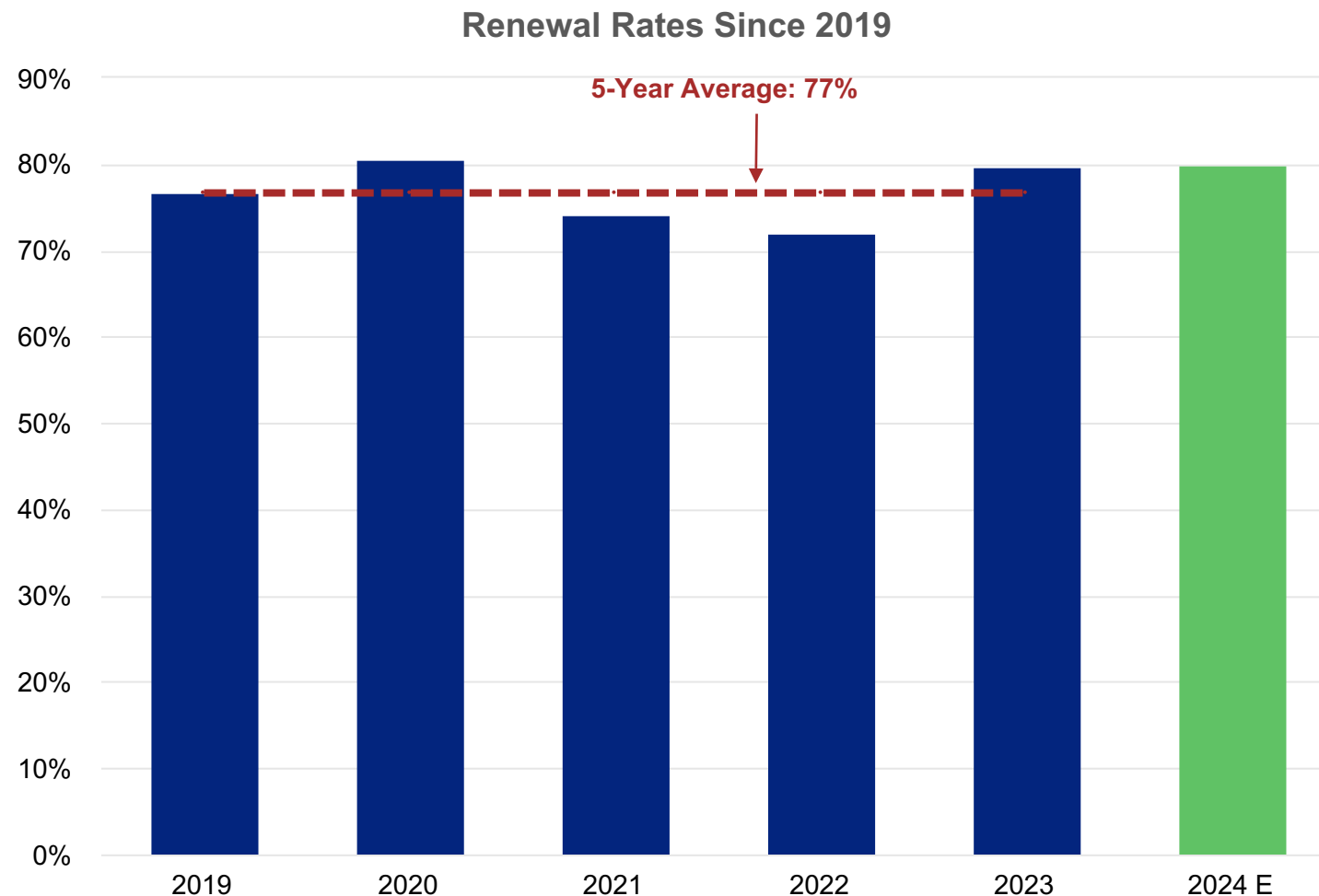
- > Defense/IT Portfolio was 95.6% occupied and 96.8% leased at March 31, 2024
- > Excellent vacancy leasing volume in 1Q 2024
 - > 160,000 SF executed
 - > Weighted average lease term of 8.2 years
 - > Highest first quarter vacancy leasing volume in over a decade
- > On track to achieve full year target of 400,000 SF



Sector-Leading Tenant Retention

TENANT CO-INVESTMENT BY DEFENSE/IT TENANTS CREATES "STICKINESS" + SUPPORTS COPT DEFENSE'S SECTOR-LEADING TENANT RETENTION RATES + LOW RENEWAL CAPEX

- > Proven track record of strong tenant retention rates, averaging:
 - > 76% between 2013–2023*
 - > 77% between 2019–2023*
- > 1Q 2024 total retention rate of 78%
 - > Renewed 551,000 SF in 2024
 - > Defense/IT retention rate of 83%
- > 2024 guidance of 75%–85%



Large Lease Expirations

AT JUNE 30, 2022:

- > 8.7 million SF of leases expire through YE 2025
- > This includes 44 leases for space greater than 50,000 SF which total 5.1 million SF or ~60% of these expirations

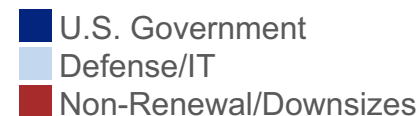
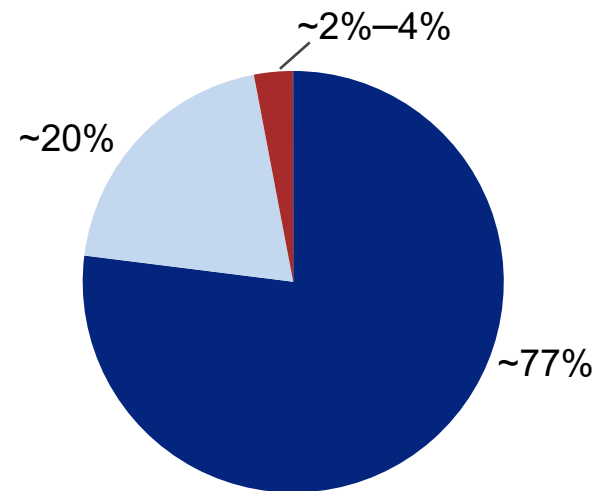
PROGRESS:

- > 3Q22–4Q22 → 6 leases totaling ~500,000 SF | 100% renewed
- > 1Q23–4Q23 → 11 leases totaling ~1.2 million SF | 97% renewed
 - > We renewed 100% of large leases expiring in 2023 and 97% of the square feet due to two partial downsizes, the larger of which occurred in the Other segment
- > 1Q24 → 2 leases totaling ~180,000 SF | 100% renewed

REMAINDER:

- > Over the next 7 quarters, **5.6 million SF** of leases are scheduled to expire
- > 25 leases for space greater than 50,000 SF expire in 2024 and 2025, which total **3.2 million SF** (57% of expiring SF and 60% of expiring ARR):
 - > 11 leases with the U.S. Government (11 full building properties)
 - > 11 leases in Defense/IT Portfolio | 10 of which are with Defense Contractors (5 full building leases)
 - > 3 leases on Data Center Shells (single-tenant/full building)
 - > 0 leases in the Other Segment
- > We currently **expect over 95% of this 3.2 million SF** of leases **to renew**

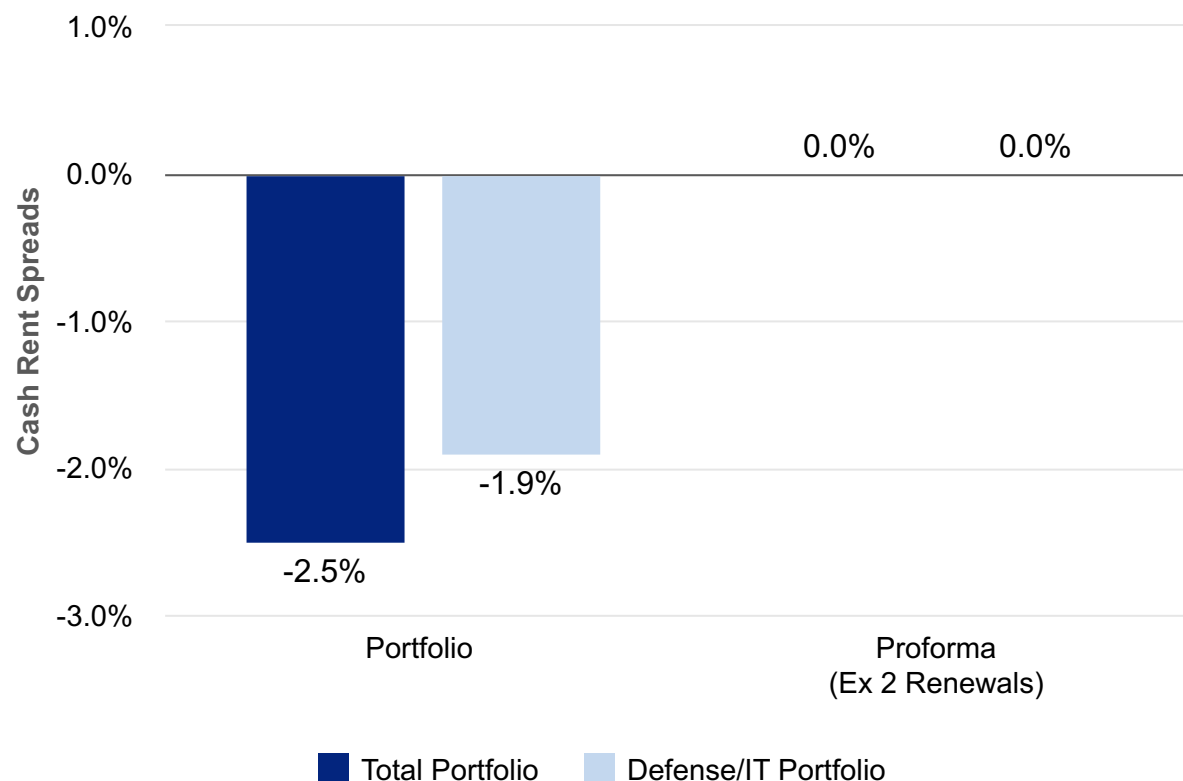
Large Leases in 2024 + 2025
% of ARR Expiring by Tenant Type



Renewal Leasing Activity

PORTFOLIO CASH RENT SPREADS ROUGHLY FLAT EXCLUDING 2 RENEWALS

- > Total Portfolio cash rent spread = (2.5%)
 - > Equates to ~\$450,000 or 0.1% of Annualized Rental Revenue (ARR)
 - > Defense/IT Portfolio cash rent spread = (1.9%)
- > Impacted by two renewals
 - > Defense/IT | 110,000 SF in Northern Virginia
 - > 5-year renewal and 5,000 SF expansion to a top 10 U.S. defense contractor, who has occupied the building since constructed in 2011
 - > Tenant has built out a significant amount of secure space
 - > (7.2%) roll-down = (150) bps to change in cash rents
 - > Despite this result, starting cash rent on renewal lease of ~\$40/SF is ~8% above other executions in the market which are at ~\$37/SF*
 - > Total portfolio GAAP rent spread +7.9% ex. this lease (420 bps impact)
 - > Other | 29,000 SF in Baltimore
 - > 10-year renewal for amenity tenant
 - > (11.8%) roll-down = (60) bps to change in cash rents
- > Excluding the two renewals
 - > Total Portfolio cash rent spread = flat
 - > Defense/IT Portfolio cash rent spread = flat

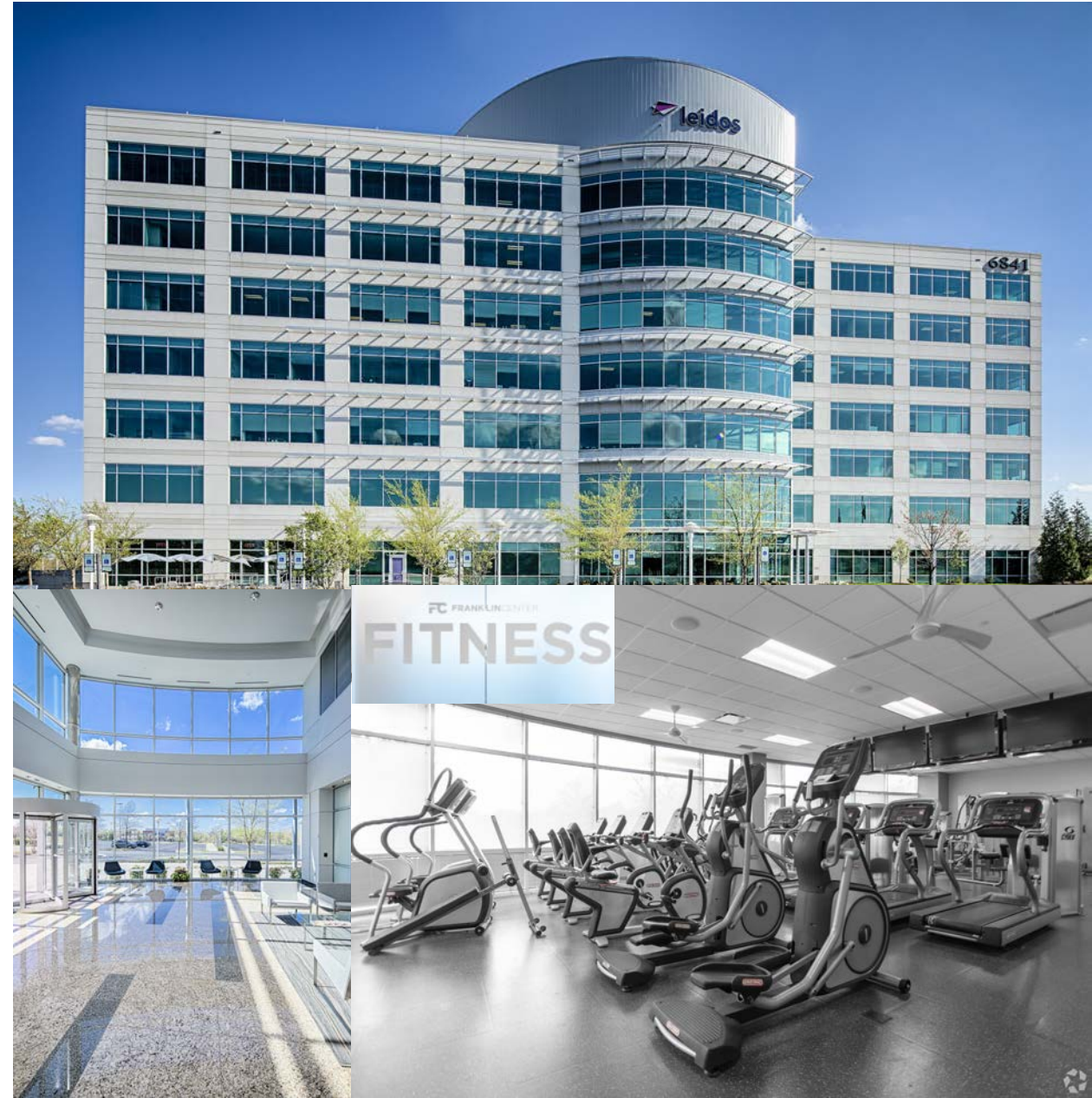


FRANKLIN CENTER ACQUISITION



Franklin Center | Building Overview

- > 202,000 Square Feet | 7 Stories
 - > 6841 Franklin Center Drive | Columbia, MD
 - > Class A Office
 - > LEED Gold Certified
 - > Built in 2008
 - > 25,000–30,000 SF floor plates
- > \$15 million Total Investment
 - > ~\$75 per square foot
- > 56% Leased / Occupied by a Top 10 U.S. Defense Contractor*
 - > Lease expires in July 2026
- > Well-amenitized with fitness center and food service
 - > Landmark visibility from I-95
 - > Parking Ratio: 4.9 / 1,000 SF



Franklin Center Satisfies Our Criteria for Investment

MISSION

- > Priority knowledge-based national defense missions that have permanence and receive steady funding over the long term
 - > **Fort Meade activities** ✓
- > Attracts tenants executing contracts serving those missions
 - > **Top U.S. Defense Contractor** ✓

MARKET

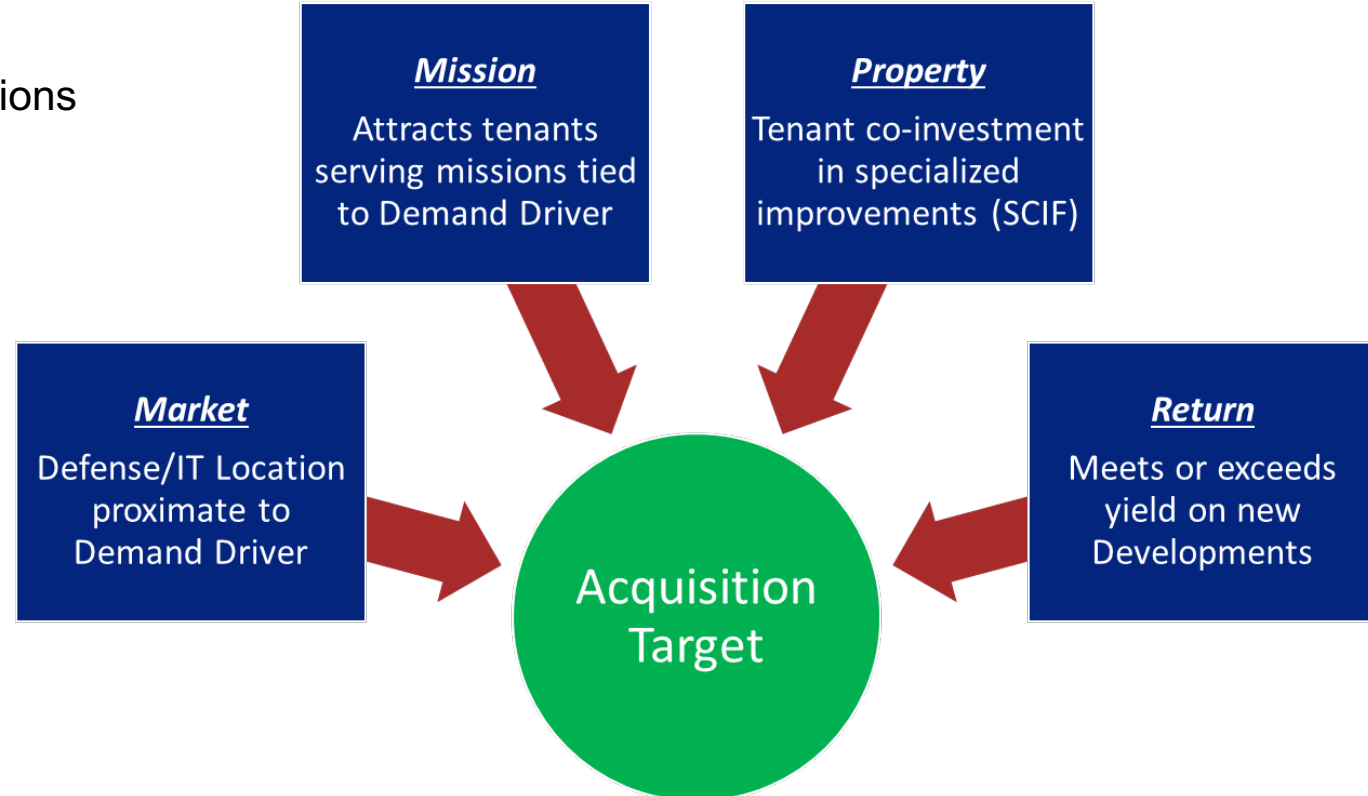
- > Defense/IT location
 - > **Columbia Gateway** ✓

PROPERTY

- > High tenant retention attributes
 - > **Tenant co-investment in security features** ✓

RETURN

- > Very strong initial cash yield
 - > **Cash NOI yield = 11.2%** ✓
 - > **Projected stabilized = +/- 12%**



Franklin Center Acquisition | Strategic Rationale

Value Add with Significant Occupancy Upside	<ul style="list-style-type: none">> Strong going-in yield exceeds our return threshold for development> Significant occupancy upside> 56% leased to a single tenant
COPT Defense Franchise Unlocks Value	<ul style="list-style-type: none">> Well positioned to drive leasing and unlock value, given our reputation as the landlord of choice for Defense/IT tenants in Columbia Gateway> Strong demand materializing for COPT Defense as opposed to previous owner> We now own ~45% of Columbia Gateway¹
Increases Defense/IT Tenancy	<ul style="list-style-type: none">> We capture ~80% of Defense/IT tenancy in Columbia Gateway¹> Increased Defense/IT concentration driven by growth in cyber funding
Provides Much Needed Inventory	<ul style="list-style-type: none">> Our Columbia Gateway portfolio is 94.8% leased (excluding Franklin Center)> Provides 90,000 SF of contiguous inventory (top 3 floors premium space)> Previously, the largest block of contiguous “available” space was 40,000 SF
Expands Relationship with Top Contractor	<ul style="list-style-type: none">> Tenant is a Top 10 U.S. Defense Contractor²> Now our 22nd largest tenant (~\$4.3M of ARR)> 3 leases totaling 118,000 SF located in Columbia Gateway and Navy Support
Defend Forward	<ul style="list-style-type: none">> Strengthens position as the dominant landlord in Columbia Gateway> Prevents a competitor from establishing a foothold



Franklin Center Acquisition | Financial Rationale

Significant Discount to Replacement Cost	<ul style="list-style-type: none">> Replacement cost = ~\$450 per SF> Acquisition cost = \$75 per SF
Slightly Accretive to FFO/sh	<ul style="list-style-type: none">> ~1/2 cent accretive to FFO/sh in 2024¹> ~1 cent accretive to AFFO/sh in 2024¹> Source of Capital Cash on hand> Impact to Leverage Neutral
Attractive Cash Yields	<ul style="list-style-type: none">> Year 1 Cash NOI Yield = 11.2%



Columbia Gateway | High Defense/IT Concentration

COPT DEFENSE COLUMBIA GATEWAY PORTFOLIO HAS BEEN SUCCESSFUL IN ATTRACTING DEFENSE/IT TENANTS, ESPECIALLY CYBER

- > Well established location for defense contractors serving missions at Fort Meade
 - > Defense/IT tenants = ~65% of SF
- > Ideal location for innovative cyber tenants who seek to locate near Fort Meade
 - > Cyber tenants = >20% of SF
- > COPT Defense is the dominant landlord in Columbia Gateway
 - > 29 properties | 2.5 million SF
 - > Own ~45% of the entire park SF
- > ~80% of SF leased by Defense/IT tenants in the entire Columbia Gateway park is with COPT Defense
- > Increased concentration of Defense/IT tenants in our portfolio driven by increased cyber funding
 - > ~65% of SF is leased to Defense/IT tenancy, increased from ~50% in 2019



Columbia Gateway | Strong Leasing Pipeline

> Columbia Gateway Portfolio (excluding Franklin Center)

- > 94.8% leased | 92.9% occupied
- > Leasing Activity Ratio = 180%
- > Pipeline = 265,000 SF | Vacancy = 145,000 SF

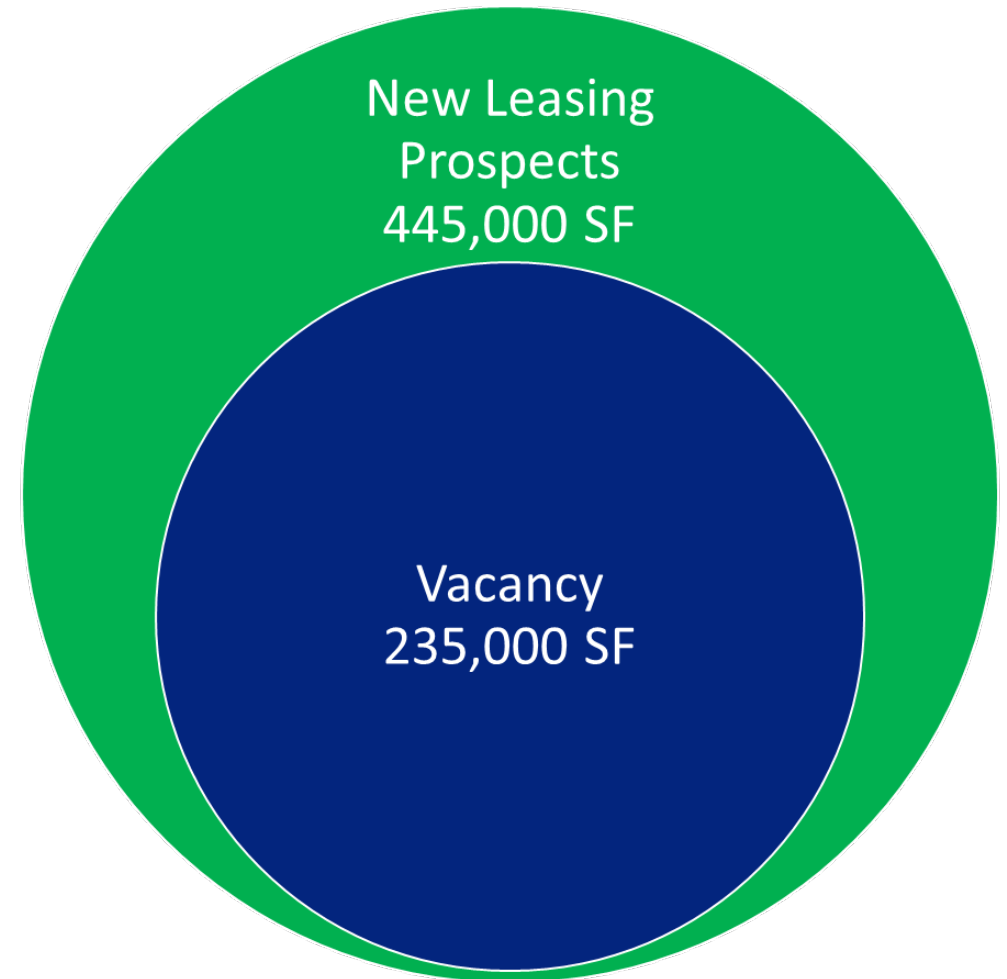
> Franklin Center

- > 55.6% leased | 55.6% occupied
- > Leasing Activity Ratio = 200%
- > Pipeline = 180,000 SF | Vacancy = 90,000 SF
 - > 100% Defense/IT

> Columbia Gateway Portfolio (including Franklin Center)

- > 91.7% leased | 89.9% occupied
- > Prospect Ratio = 190%
- > Pipeline = 445,000 SF | Vacancy = 235,000 SF

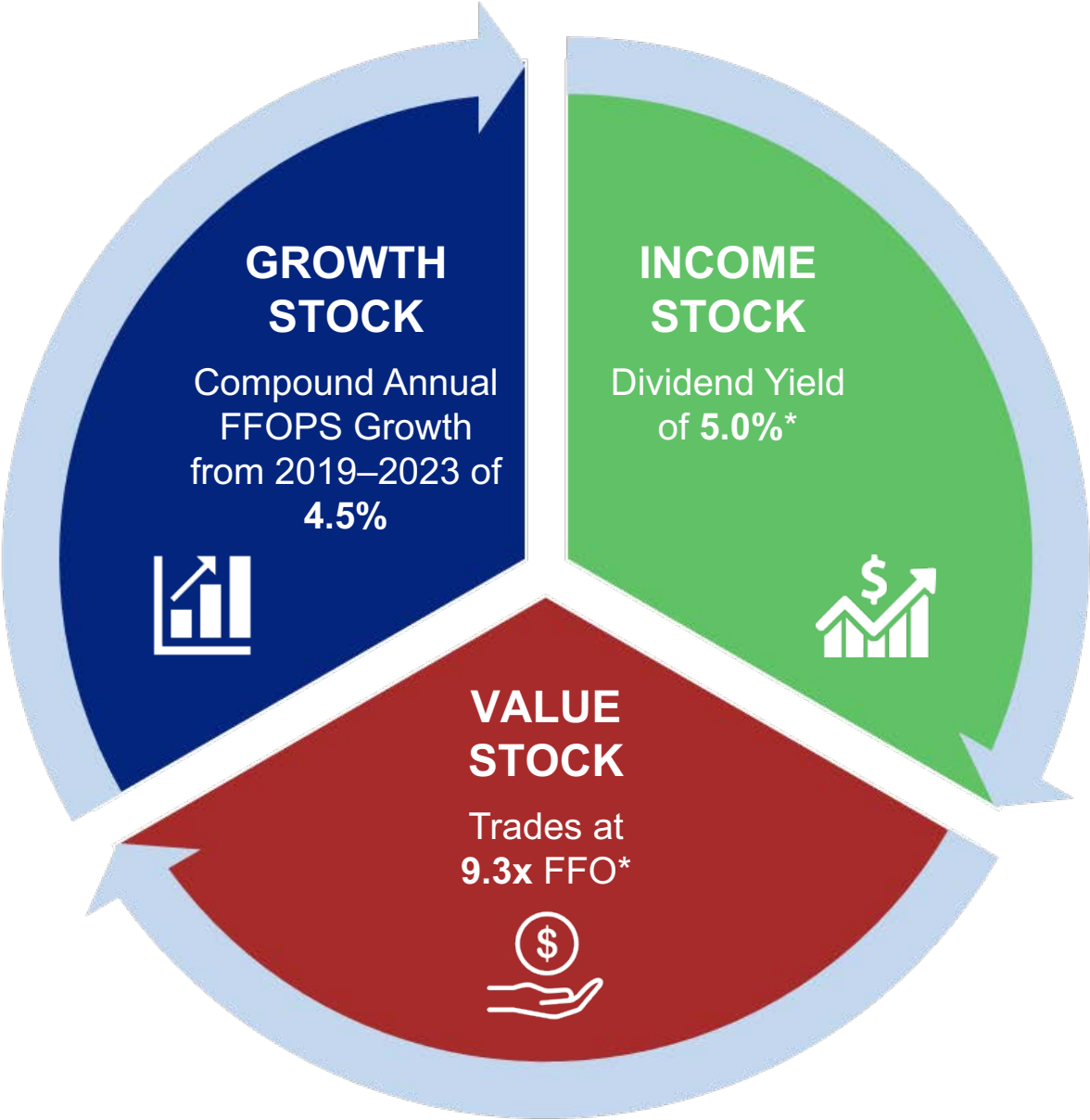
Leasing Activity Ratio for Vacancy = 190%



CONTINUED GROWTH



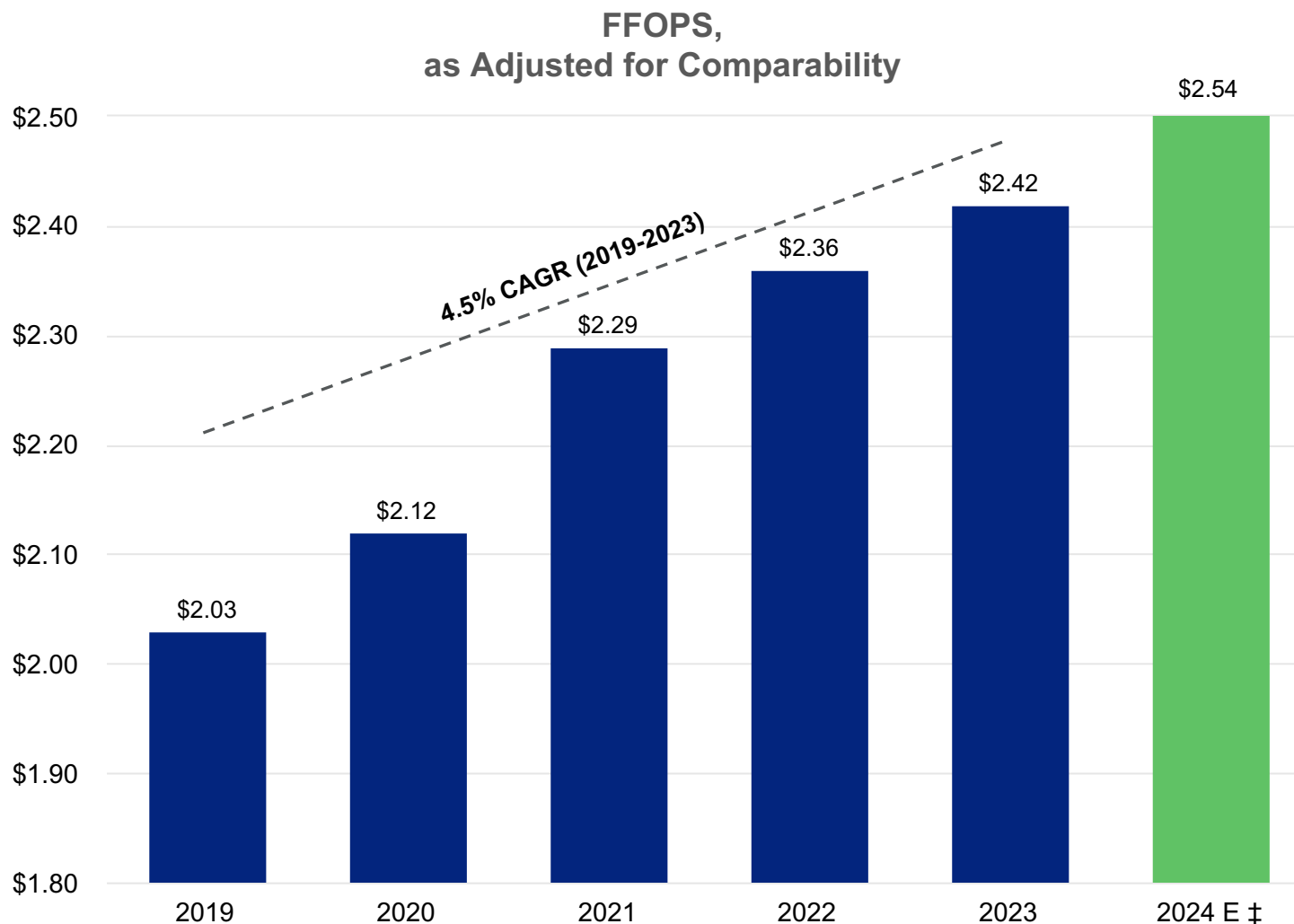
Attractive Investment Opportunity



* As of the closing price on May 29, 2024.

Continued Growth

- > Strong leasing demand at existing properties
- > \$381 million of active developments (959,000 SF) are 74% leased*
- > Over 500,000 SF development leasing pipeline and over 1.0 million SF of potential future opportunities
- > Appropriated budget increases and bipartisan support for future increases in Defense Budgets expected to continue to drive demand for existing and new development space
- > Balance sheet is fortified with no significant debt maturing until 2026
- > Combination of these factors support expectation that FFO per share will grow roughly 4% on a compounded basis between 2023 through 2026 (based on the original midpoint of 2023 guidance of \$2.38)



APPENDICES

- > Safe Harbor
- > Definitions + Glossary
- > Reconciliations



UNLESS OTHERWISE NOTED, INFORMATION IN THIS PRESENTATION REPRESENTS THE COMPANY'S CONSOLIDATED PORTFOLIO AS OF OR FOR THE QUARTER ENDED MARCH 31, 2024.

- > This presentation may contain 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 the Company’s Annual Report on Form 10-K for the year ended December 31, 2023.



Definitions + Glossary

- > **Acquisition costs** – transaction costs expensed in connection with executed or anticipated acquisitions of operating properties.
- > **Adjusted book** – total assets presented on our consolidated balance sheet, net of lease liabilities associated with property right-of-use assets, and excluding the effect of cash and cash equivalents, accumulated depreciation on real estate properties, accumulated amortization of intangible assets on real estate acquisitions, accumulated amortization of deferred leasing costs 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.
- > **Adjusted EBITDA** – 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, gain or 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.
- > **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.
- > **ATFP** – Anti-terrorism force protection.
- > **Average escalations** – leasing statistic used to report average increase in rental rates over lease terms for leases with a term of greater than one-year.
- > **Baltimore/Washington region** – includes counties that comprise the Fort Meade/Baltimore Washington Corridor. As of March 31, 2024, 93 of COPT Defense’s properties were located within this defined region. Please refer to page 12 of COPT Defense’s Supplemental Information package dated March 31, 2024 for additional detail.



Definitions + Glossary (continued)

- > **Basic FFO available to common share and common unit holders (“Basic FFO”)** – 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.
- > **BRAC** – Base Realignment and Closure Commission of the United States Congress, the most recent of which Congress established in 2005 to ensure the integrity of the base closure and realignment process. The Commission provided an objective, non-partisan, and independent review and analysis of the list of military installation recommendations issued by the Department of Defense (“DOD”) on May 13, 2005. The Commission's mission was to assess whether the DOD recommendations substantially deviated from the Congressional criteria used to evaluate each military base. While giving priority to the criteria of military value, the Commission took into account the human impact of the base closures and considered the possible economic, environmental, and other effects on the surrounding communities.
- > **C4ISR** – Command, Control, Communications, Computers, Intelligence, Surveillance & Reconnaissance.
- > **Cash net operating income (“Cash NOI”)** – NOI from real estate operations adjusted to eliminate the effects of: straight-line rental adjustments, amortization of tenant incentives, amortization of intangibles and other assets included in FFO and NOI, lease termination fees from tenants to terminate their lease obligations prior to the end of the agreed upon lease terms and rental revenue recognized under GAAP resulting from landlord assets and lease incentives funded by tenants. Cash NOI also includes adjustments to NOI from real estate operations for the effects of the items noted above pertaining to unconsolidated real estate JVs that were allocable to our ownership interest in the JVs. Under GAAP, rental revenue is recognized evenly over the term of tenant leases (through straight-line rental adjustments and amortization of tenant incentives), which, given the long term nature of our leases, does not align with the economics of when tenant payments are due to us under the arrangements. Also under GAAP, when a property is acquired, we allocate the acquisition to certain intangible components, which are then amortized into NOI over their estimated lives, even though the resulting revenue adjustments are not reflective of our lease economics. In addition, revenue from lease termination fees and tenant-funded landlord improvements, absent an adjustment from us, would result in large one-time lump sum amounts in Cash NOI that we do not believe are reflective of a property's long-term value.



Definitions + Glossary (continued)

- > **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).
- > **Debt/Total market capitalization** – gross debt, divided by our total market capitalization.
- > **Defense/IT portfolio** – represents properties in locations proximate to, or sometimes containing, key U.S. Government defense installations and missions.
- > **Development leasing pipeline** – formerly called the Shadow Development Pipeline, this internally maintained schedule tracks potential future development leasing transactions for which the Company is competing and believes it has a 50% or greater chance of winning within the next 24 months.
- > **Development profit or yield** – calculated as cash NOI divided by the estimated total investment, before the impact of cumulative real estate impairment losses.
- > **Diluted adjusted funds from operations available to common share and common unit holders (“Diluted AFFO”)** – Diluted FFO, as adjusted for comparability, adjusted for the following: (1) the elimination of the effect of (a) noncash rental revenues and property operating expenses (comprised of straight-line rental adjustments, which includes the amortization of recurring tenant incentives, and amortization of acquisition intangibles included in FFO and NOI, both of which are described under “Cash NOI” above), (b) share-based compensation, net of amounts capitalized, (c) amortization of deferred financing costs, (d) amortization of debt discounts and premiums and (e) amortization of settlements of debt hedges; and (2) replacement capital expenditures (defined below). Diluted AFFO also includes adjustments to Diluted FFO, as adjusted for comparability for the effects of the items noted above pertaining to unconsolidated real estate JVs that were allocable to our ownership interest in the JVs.
- > **Diluted FFO available to common share and common unit holders (“Diluted FFO”)** – Basic FFO adjusted to add back any changes in Basic FFO that would result from the assumed conversion of securities that are convertible or exchangeable into common shares. The computation of Diluted FFO (which includes discontinued operations, if any) assumes the conversion of common units but does not assume the conversion of other securities that are convertible into common shares if the conversion of those securities would increase Diluted FFO per share in a given period.



Definitions + Glossary (continued)

- > **Diluted FFO available to common share and common unit holders, as adjusted for comparability (“Diluted FFO, as adjusted for comparability”)** – Diluted FFO or FFO adjusted to exclude: operating property acquisition costs; gain or loss on early extinguishment of debt; FFO associated with properties that secured non-recourse debt on which we defaulted and, subsequently, extinguished via conveyance of such properties (including property NOI, interest expense and gains on debt extinguishment); loss on interest rate derivatives; 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.
- > **Diluted FFO per share** – Defined as (1) Diluted FFO divided by (2) the sum of the (a) weighted average common shares outstanding during a period, (b) weighted average common units outstanding during a period and (c) weighted average number of potential additional common shares that would have been outstanding during a period if other securities that are convertible or exchangeable into common shares were converted or exchanged. The computation of Diluted FFO per share assumes the conversion of common units but does not assume the conversion of other securities that are convertible into common shares if the conversion of those securities would increase Diluted FFO per share in a given period.
- > **Diluted FFO per share, as adjusted for comparability** – Defined as (1) Diluted FFO available to common share and common unit holders, as adjusted for comparability divided by (2) the sum of the (a) weighted average common shares outstanding during a period, (b) weighted average common units outstanding during a period and (c) weighted average number of potential additional common shares that would have been outstanding during a period if other securities that are convertible or exchangeable into common shares were converted or exchanged. The computation of this measure assumes the conversion of common units but does not assume the conversion of other securities that are convertible into common shares if the conversion of those securities would increase the per share measure in a given period.
- > **DISA** – Defense Information Systems Agency.
- > **EBITDA** – see Adjusted EBITDA.
- > **EUL** – Enhanced Use Lease whereby the DOD grants a lease interest to a private developer in exchange for rent that the DOD can use to improve the related defense installation.



Definitions + Glossary (continued)

- > **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.
- > **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.
- > **GSA** – United States General Services Administration.
- > **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 and other adjustments included in the period that we believe are not closely correlated with our operating performance. 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.
- > **Interest duration** – The length of time for which an interest rate on debt is fixed.
- > **NGA** – National Geospatial Intelligence Agency.



Definitions + Glossary (continued)

- > **Net construction contract and other service revenues** – Defined as net operating income from real estate services such as property management, development and construction services primarily for the Company's properties but also for third parties. Construction contract and other service revenues and expenses consist primarily of subcontracted costs that are reimbursed to the Company by the customer along with a management fee. The operating margins from these activities are small relative to the revenue. The Company believes NOI from service operations is a useful measure in assessing both its level of activity and its profitability in conducting such operations.
- > **Net debt** – Gross debt (total outstanding debt reported per our balance sheet as adjusted to exclude net discounts and premiums and deferred financing costs), as adjusted to subtract cash and cash equivalents as of the end of the period. The measure also includes adjustments to Gross debt for the effects of the items noted above pertaining to unconsolidated real estate JVs that were allocable to our ownership interest in the JVs.
- > **Net debt adjusted for fully-leased development** – Net debt less costs incurred on properties under development that were 100% leased.
- > **Net debt to adjusted book and Net debt adjusted for fully-leased development to Adjusted book** – these measures divide either Net debt or Net debt adjusted for fully-leased development by Adjusted book.

> Portfolio:

	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



Definitions + Glossary (continued)

- > **Net debt to in-place adjusted EBITDA ratio and Net debt adjusted for fully-leased development to in-place adjusted EBITDA ratio** – Net debt (defined above) 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”)** – 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.
- > **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 and dividends on convertible preferred shares to the extent they are dilutive in the respective FFO per share numerators divided by (2) the respective non-GAAP measures.
- > **Pro forma net debt, pro forma net debt adjusted for fully-leased development, pro forma in-place adjusted EBITDA and associated ratios** – These measures and the ratios in which they are used adjust for the effect of noted dispositions of interests in properties that occurred subsequent to the end of reporting periods and before our release of financial results for such periods. The adjustments remove Adjusted EBITDA from real estate operations associated with the disposed interests in properties and adjust our net debt measures for resulting proceeds available for debt pay downs to reflect these measures and ratios as if such events occurring subsequent to a three month reporting period occurred at the beginning of such reporting period. We believe that these adjustments are consistent with the requirements for preparation of amounts presented on a pro forma basis in accordance with Article 11 of Regulation S-X.
- > **Redevelopment** – Properties previously in operations on which activities to substantially renovate such properties are underway or approved.



Definitions + Glossary (continued)

- > **Replacement capital expenditures** – Tenant improvements and incentives, building improvements and leasing costs incurred during the period for operating properties that are not (1) items contemplated prior to the acquisition of a property, (2) improvements associated with the expansion of a building or its improvements, (3) renovations to a building which change the underlying classification of the building (for example, from industrial to office or Class C office to Class B office), (4) capital improvements that represent the addition of something new to the property rather than the replacement of something (for example, the addition of a new heating and air conditioning unit that is not replacing one that was previously there) or (5) replacements of significant components of a building after the building has reached the end of its original useful life. Replacement capital expenditures excludes expenditures of operating properties included in disposition plans during the period that were already sold or are held for future disposition. For cash tenant incentives not due to the tenant for a period exceeding three months past the date on which such incentives were incurred, we recognize such incentives as replacement capital expenditures in the periods such incentives are due to the tenant. Replacement capital expenditures, which is included in the computation of Diluted AFFO, is intended to represent non-transformative capital expenditures of existing properties held for long-term investment.
- > **Same property** – Operating office and data center shell properties stably owned and 100% operational since at least the beginning of the prior year.
- > **Same property NOI and same property cash NOI** – NOI, or Cash NOI, from real estate operations of Same Property groupings.
- > **SCIF** – Sensitive (or Secure) Compartmented Information Facility, or “SCIF,” in U.S. military, security and intelligence parlance is an enclosed area within a building that is used to process classified information within formal access controlled systems (as established by the Director of National Intelligence).
- > **Stabilization** – generally defined as properties that are at least 90% occupied.
- > **Straight-line rent** – includes annual minimum base rents, net of abatements and lease incentives and excluding rent associated with tenant funded landlord assets, on a straight-line basis over the term of the lease, and estimated annual expense reimbursements (as of lease commencement for new or renewed leases or as of lease expiration for expiring leases).
- > **Total market capitalization** – 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.
- > **Under development** – This term includes properties under, or contractually committed for, development.



Reconciliations

Reconciliations of net income to diluted FFO, diluted FFO as adjusted for comparability and diluted AFFO (in thousands)	Year Ended December 31,					Three Months Ended
	2019	2020	2021	2022	2023	03/31/24
Net income (loss)	\$ 200,004	\$ 102,878	\$ 81,578	\$ 178,822	\$ (74,347)	\$ 33,671
Real estate-related depreciation and amortization	137,069	138,193	147,833	141,230	148,950	38,351
Impairment losses on real estate	329	1,530	—	—	252,797	—
Gain on sales of real estate	(105,230)	(30,209)	(65,590)	(47,814)	(49,392)	—
Gain on sale of investment in unconsolidated real estate JV	—	(29,416)	—	—	—	—
Depreciation and amortization on unconsolidated real estate JVs	2,703	3,329	1,981	2,101	3,217	777
FFO - per Nareit	234,875	186,305	165,802	274,339	281,225	72,799
Noncontrolling interests - preferred units in the Operating Partnership	(564)	(300)	—	—	—	—
FFO allocable to other noncontrolling interests	(5,024)	(15,705)	(5,483)	(4,795)	(3,978)	(836)
Basic FFO allocable to share-based compensation awards	(905)	(719)	(777)	(1,433)	(1,940)	(587)
Basic FFO available to common share and common unit holders	228,382	169,581	159,542	268,111	275,307	71,376
Redeemable noncontrolling interests	132	147	(11)	(34)	(58)	469
Diluted FFO adjustments allocable to share-based compensation awards	—	—	32	109	150	47
Basic and Diluted FFO available to common share and common unit holders	228,514	169,728	159,563	268,186	275,399	71,892
Loss on early extinguishment of debt	—	7,306	100,626	609	—	—
Gain on early extinguishment of debt on unconsolidated real estate JVs	—	—	—	(168)	—	—
Loss on interest rate derivatives	—	53,196	—	—	—	—
Loss on interest rate derivatives included in interest expense	—	—	221	—	—	—
Demolition costs on redevelopment and nonrecurring improvements	148	63	423	—	—	—
Executive transition costs	4	—	—	343	518	77
Non-comparable professional and legal expenses	681	—	—	—	—	—
Dilutive preferred units in the Operating Partnership	—	300	—	—	—	—
FFO allocation to other noncontrolling interests resulting from capital event	—	11,090	—	—	—	—
Diluted FFO comparability adjustments allocable to share-based compensation awards	(3)	(327)	(507)	(5)	(4)	—
Diluted FFO available to common share and common unit holders, as adjusted for comparability	\$ 229,344	\$ 241,356	\$ 260,326	\$ 268,965	275,913	\$ 71,969
Straight line rent adjustments and lease incentive amortization	—	—	—	—	6,518	—
Amortization of intangibles and other assets included in NOI	—	—	—	—	50	—
Share-based compensation, net of amounts capitalized	—	—	—	—	8,544	—
Amortization of deferred financing costs	—	—	—	—	2,580	—
Amortization of net debt discounts, net of amounts capitalized	—	—	—	—	2,994	—
Replacement capital expenditures	—	—	—	—	(93,494)	—
Other	—	—	—	—	(84)	—
Diluted AFFO available to common share and common unit holders ("diluted AFFO")	\$ 229,344	\$ 241,356	\$ 260,326	\$ 268,965	\$ 203,021	\$ 71,969
Reconciliations of denominators for per share measures (in thousands)						
Denominator for diluted EPS	111.623	112.076	112.418	112.620	112.178	112.740
Weighted average common units	1.299	1.236	1.257	1.454	1.509	1.625
Redeemable noncontrolling interests	—	123	—	—	38	947
Dilutive effect of additional share-based compensation awards	—	—	—	—	424	—
Dilutive convertible preferred units	—	171	—	—	—	—
Denominator for diluted FFO per share, as adjusted for comparability	112.922	113.606	113.675	114.074	114.149	115.312
Diluted FFO per share, as adjusted for comparability	\$ 2.03	\$ 2.12	\$ 2.29	\$ 2.36	\$ 2.42	\$ 0.62
Numerators for non-gaap payout ratios (in thousands)						
Dividends on unrestricted common and deferred shares	—	—	—	—	\$ 127,978	—
Distributions on unrestricted common units	—	—	—	—	1,725	—
Dividends and distributions on restricted shares and units	—	—	—	—	828	—
Dividends and distributions on antidilutive shares and units	—	—	—	—	(835)	—
Dividends and distributions for non-gaap payout ratios	—	—	—	—	\$ 129,696	—
Non-GAAP payout ratios						
Diluted AFFO						63.9 %



Reconciliations (continued)

Reconciliations of diluted EPS to diluted FFOPS per Nareit and as adjusted for comparability (in dollars per share)	Actuals		Guidance	
	Year Ended December 31, 2023		Year Ending December 31, 2024	
			Low	High
Diluted EPS	\$	(0.67)	\$ 1.19	\$ 1.25
Real estate-related depreciation and amortization		1.33	1.32	1.32
Gain on sales of real estate		(0.43)	—	—
Impairment losses		2.21	—	—
Other FFO adjustments		(0.03)	—	—
Diluted FFOPS - Nareit		2.41	2.51	2.57
Executive transition costs		0.01	—	—
Diluted FFOPS - as adjusted for comparability	\$	2.42	\$ 2.51	\$ 2.57

Reconciliation of Developments Property NOI to Cash NOI (in millions)	Actuals		Guidance Midpoint	
	Year Ended December 31, 2023		Year Ending December 31, 2024	
Property NOI	\$	36	\$	25
Straight line rent adjustments		(23)		(14)
Cash NOI	\$	13	\$	11

Reconciliation of Net Construction Contract and Other Service Revenues (in millions)	Actuals		Guidance Midpoint	
	Year Ended December 31, 2023		Year Ending December 31, 2024	
Construction contract and other service revenues	\$	60	\$	70
Construction contract and other service expenses		(57)		(68)
Net construction contract and other service revenues	\$	3	\$	2



Reconciliations (continued)

Reconciliations of net income to Adjusted EBITDA, in-place adjusted EBITDA and pro forma in-place adjusted EBITDA (in thousands)	Three Months Ended					
	12/31/18	12/31/19	12/31/20	12/31/21	12/31/22	12/31/23
Net income	\$ 18,456	\$ 44,877	\$ 83,549	\$ 14,965	\$ 52,087	\$ 34,820
Interest expense	18,475	16,777	17,148	16,217	16,819	20,383
Income tax (benefit) expense	(190)	(104)	258	42	223	121
Depreciation and amortization	36,623	33,217	37,166	36,968	37,509	37,354
Impairment losses on real estate	2,367	2	—	—	—	—
Gain on sales of real estate	(2,367)	(20,761)	(30,204)	(25,879)	(19,238)	—
Gain on sale of investment in unconsolidated real estate JV	—	—	(29,416)	—	—	—
Adjustments from unconsolidated real estate joint ventures	832	1,206	1,306	763	1,033	1,911
Loss on early extinguishment of debt	258	—	4,069	41,073	267	—
Gain on early extinguishment of debt on unconsolidated real estate JVs	—	—	—	—	(168)	—
Net gain on other investments	(449)	(1)	(1,218)	—	(595)	—
Credit loss recoveries	—	—	(772)	(88)	(1,331)	(1,288)
Business development expenses	661	512	412	628	794	445
Demolition costs on redevelopment and nonrecurring improvements	163	104	—	(8)	—	—
Executive transition costs	371	—	—	—	387	188
Non-comparable professional and legal expenses	—	195	—	—	—	—
Adjusted EBITDA	\$ 75,200	\$ 76,024	\$ 82,298	\$ 84,681	\$ 87,787	\$ 93,934
Pro forma net operating income adjustment for property changes within period	2,052	463	1,459	—	2,704	1,341
Change in collectability of deferred rental revenue	—	928	678	—	—	(198)
Other	—	—	—	1,578	—	—
In-place adjusted EBITDA	\$ 77,252	\$ 77,415	\$ 84,435	\$ 86,259	\$ 90,491	\$ 95,077
Pro forma NOI adjustment from subsequent event transactions	—	—	—	(3,074)	(2,903)	—
Pro forma in-place adjusted EBITDA	\$ 77,252	\$ 77,415	\$ 84,435	\$ 83,185	\$ 87,588	\$ 95,077
Annualized in-place adjusted EBITDA	\$ 309,008	\$ 309,660	\$ 337,740	\$ 345,036	\$ 361,964	\$ 380,308
Annualized pro forma in-place adjusted EBITDA	—	—	—	\$ 332,740	\$ 350,352	—

Reconciliations of debt per balance sheet to net debt, net debt adjusted for fully-leased development and pro forma net debt (in thousands)	As of					
	12/31/18	12/31/19	12/31/20	12/31/21	12/31/22	12/31/23
Debt per balance sheet	\$ 1,823,909	\$ 1,831,139	\$ 2,086,918	\$ 2,272,304	\$ 2,231,794	\$ 2,416,287
Net discounts and deferred financing costs	14,595	11,668	14,547	25,982	23,160	28,713
COPT Defense's share of unconsolidated JV gross debt	30,000	50,250	26,250	26,250	52,100	52,613
Gross debt	1,868,504	1,893,057	2,127,715	2,324,536	2,307,054	2,497,613
Less: Cash and cash equivalents	(8,066)	(14,733)	(18,369)	(13,262)	(12,337)	(167,820)
Less: CDP's share of cash of unconsolidated real estate JVs	(293)	(498)	(152)	(434)	(456)	(852)
Net debt	\$ 1,860,145	\$ 1,877,826	\$ 2,109,194	2,310,840	2,294,261	2,328,941
Costs incurred on fully-leased development properties	—	—	—	(162,884)	(95,972)	(53,914)
Net debt adjusted for fully-leased development	\$ 1,860,145	\$ 1,877,826	\$ 2,109,194	\$ 2,147,956	\$ 2,198,289	\$ 2,275,027
Net debt	—	—	—	\$ 2,310,840	\$ 2,294,261	—
Pro forma debt adjustments from subsequent event transaction proceeds	—	—	—	(216,000)	(189,000)	—
Pro forma net debt	—	—	—	2,094,840	2,105,261	—
Costs incurred on fully-leased development properties	—	—	—	(162,884)	(95,972)	—
Pro forma net debt adjusted for fully-leased development	—	—	—	\$ 1,931,956	\$ 2,009,289	—

Ratios						
Net debt to in-place adjusted EBITDA ratio	6.0x	6.1x	6.2x	6.7x	6.3x	6.1x
Pro forma net debt to in-place adjusted EBITDA ratio	—	—	—	6.3x	6.0x	—
Net debt adjusted for fully-leased development to in-place adj. EBITDA ratio	—	—	—	6.2x	6.1x	6.0x
Pro forma net debt adjusted for fully-leased development to in-place adj. EBITDA ratio	—	—	—	5.8x	5.7x	—





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