

NEWS RELEASE

IR Contacts:

Venkat Kommineni, CFA
443.285.5587
venkat.kommineni@copt.com

Michelle Layne
443.285.5452
michelle.layne@copt.com

COPT Defense Reports Third Quarter 2025 Results

EPS of \$0.37

FFO per Share, as Adjusted for Comparability, of \$0.69

*6.2% FFO per Share Growth Year-over-Year
2-cents above the Midpoint of Guidance*

Increased Midpoint of 2025 FFO per Share Guidance by 3-cents to \$2.70

Implies 5.1% FFO per Share Growth for the Year

Same Property Cash NOI Increased 4.6% in both 3Q25 and Year-to-Date

Increased Midpoint of 2025 Guidance for the Year by 75 basis points to 4.0%

Continued Strong Occupancy and Leased Levels

Total Portfolio 93.9% Occupied and 95.7% Leased

Highest Leased Rate in 20 Years

Defense/IT Portfolio 95.4% Occupied and 97.0% Leased

Increased Midpoint of 2025 Guidance for Same Property Year-End Occupancy by 20 basis points to 94.2%

3Q25 Leasing Outperformed Expectations; On Track to Exceed Already Increased 2025 Goals

Total Leasing in 3Q25 and YTD of 971,000 SF and 2.3 million SF, respectively

Vacancy Leasing in 3Q25 and YTD of 78,000 SF and 432,000 SF, respectively

Increased Annual Target to 500,000 SF from 450,000 SF

Tenant Retention of 82% in both 3Q25 and YTD

Investment Leasing in 3Q25 and YTD of 101,000 SF and 203,000 SF, respectively

Success in Capital Deployment

*Over the Past 5 Weeks, Committed \$72M of Capital to a Build-to-Suit Development Project and a Building Acquisition
Capital Commitment to New Investments YTD is \$124M*

COLUMBIA, MD (BUSINESS WIRE) October 30, 2025 - COPT Defense Properties ("COPT Defense" or the "Company") (NYSE: CDP) announced results for the third quarter ended September 30, 2025.

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, continued to generate excellent results during the third quarter. FFO per share exceeded the midpoint of our guidance range by \$0.02. Based on this outperformance, and our forecast for the remainder of the year, we increased the midpoint of 2025 FFO per share guidance by \$0.03 to \$2.70, which implies 5.1% year-over-year growth, and is \$0.04 above our initial guidance.

We are exceeding our plan in several areas and raised 2025 guidance on multiple key metrics. We increased the midpoint of 2025 guidance for same property cash NOI growth by 75 basis points to 4.0%, cash rent spread on renewals by 200 basis points to 2%, and year-end same property occupancy by 20 basis points to 94.2%. In addition, with 432,000 square feet signed in the first nine months of the year, and a strong pipeline of deals in advanced negotiations, we raised our target for vacancy leasing by 11% from 450,000 square feet to 500,000 square feet. Our revised target is 25% higher than our initial target of 400,000 square feet, and reflects the depth of tenant demand to support priority missions. Additionally, in October, we successfully closed on three financings which pre-fund our 2026 bond maturity and provide \$400 million of additional liquidity to fund our external growth.

We committed \$72 million of capital to two new investments in September and October, both of which expand our strategic relationships with existing Defense/IT tenants. In September, we commenced construction on a 101,000 square foot build-to-suit development for Yulista, our 14th largest tenant, at our Redstone Gateway park in Huntsville, and in October, we acquired a 142,000 square foot office building in Chantilly, Virginia, which is 100% leased to a top 20 U.S. Defense Contractor. This acquisition exceeds our development yield threshold, is accretive to FFO per share, and reinforces our position as the dominant owner in the highly-leased and supply-constrained Westfields submarket, as we own roughly one-third of the 4 million square feet of office inventory.

We have produced excellent results for the first nine months of the year, we expect a strong fourth quarter and we continue to anticipate compound annual FFO per share growth of over 4% between 2023 to 2026."

Financial Highlights

3rd Quarter Financial Results:

- Diluted earnings per share ("EPS") was \$0.37 for the quarter ended September 30, 2025, compared to \$0.32 for the quarter ended September 30, 2024.
- Diluted funds from operations per share ("FFOPS"), as calculated in accordance with Nareit's definition and as adjusted for comparability, was \$0.69 for the quarter ended September 30, 2025, compared to \$0.65 for the quarter ended September 30, 2024.

Operating Performance Highlights

Operating Portfolio Summary:

- At September 30, 2025, the Company's 24.6 million square foot total portfolio was 93.9% occupied and 95.7% leased, which includes the 22.6 million square foot Defense/IT Portfolio that was 95.4% occupied and 97.0% leased.

Same Property Performance:

- At September 30, 2025, the Company's 23.9 million square foot Same Property portfolio was 94.3% occupied and 95.8% leased.
- The Company's Same Property cash NOI increased 4.6% in the quarter ended September 30, 2025, compared to the same period in 2024.

Leasing:

- Total Square Feet Leased: For the quarter ended September 30, 2025, the Company leased 971,000 square feet, including 792,000 square feet of renewals, 78,000 square feet of vacancy leasing, and 101,000 square feet of investment leasing. For the nine months ended September 30, 2025, the Company executed 2.3 million square feet of total leasing, including 1.7 million square feet of renewals, 432,000 square feet of vacancy leasing, and 203,000 square feet of investment leasing.
- Tenant Retention Rates: During the quarter ended September 30, 2025, the Company renewed 81.8% of expiring square feet in its total portfolio. During the nine months ended September 30, 2025, the Company renewed 81.9% of expiring square feet in its total portfolio.
- Rent Spreads and Average Escalations on Renewing Leases: For the quarter and nine months ended September 30, 2025, straight-line rents on renewals increased 13.4% and 11.0%, respectively, and cash rents on renewed space increased 7.5% and 2.4%, respectively, while annual escalations on renewing leases averaged 1.4% and 1.9%, respectively.
- Lease Terms: In the quarter ended September 30, 2025, lease terms averaged 5.4 years on renewing leases, 8.6 years on vacancy leasing, and 12.6 years on investment leasing. For the nine months ended September 30, 2025, lease terms averaged 5.1 years on renewing leases, 7.8 years on vacancy leasing, and 11.2 years on investment leasing.

Investment Activity Highlights

- Development Pipeline: The Company's development pipeline consists of five properties totaling 812,000 square feet that were 68% leased as of October 30, 2025. These projects represent a total estimated investment of \$311 million, of which \$154 million was spent as of September 30, 2025.
- Acquisition: On October 30, 2025, the Company acquired Stonegate I at 15050 Conference Center Drive in Chantilly, Virginia, a 142,000 square foot Class A office building for a gross purchase price of \$40.2 million. The building is fully leased to a top 20 U.S. Government defense contractor.
 - Please see the Company's acquisition press release dated October 30, 2025 and pages 13-17 of the Company's 3Q25 Results Presentation (refer to the 'Associated Supplemental Presentation' section below).

Balance Sheet and Capital Transaction Highlights

- On October 2, 2025, the Company issued \$400 million of 4.50% Senior Notes due 2030. The Company intends to use the net proceeds to repay the 2.25% Senior Notes at maturity in March 2026. Until March, the proceeds will be used for general corporate purposes, including paying down amounts under its Revolving Credit Facility and investment in interest-bearing accounts.

- On October 6, 2025, the Company entered into an amendment to the credit agreement underlying its Revolving Credit Facility (the “Revolver”) and Unsecured Bank Term Loan (the “Term Loan”). This amendment: increased the aggregate lender commitment under the Revolver from \$600 million to \$800 million; extended the maturity date of the Revolver from October 2026 to October 2029, which may be extended by two six-month periods at the Company’s option; reduced the initial interest rate on the Revolver to SOFR + 0.85% and on the Term Loan to SOFR + 1.05%; and eliminated the 0.10% SOFR transition charge.
- On October 16, 2025, the Company entered into a secured revolving credit agreement with a lender for an aggregate of \$200 million of available borrowings, which the Company intends to use to fund property development activities.
- For the quarter ended September 30, 2025, the Company’s adjusted EBITDA fixed charge coverage ratio was 4.8x.
- At September 30, 2025, the Company’s net debt to in-place adjusted EBITDA ratio was 6.1x and its net debt adjusted for fully-leased investment properties to in-place adjusted EBITDA ratio was 5.8x.
- At September 30, 2025, and including the effect of interest rate swaps, the Company’s weighted average effective interest rate on its consolidated debt portfolio was 3.4% with a weighted average maturity of 4.1 years (assuming exercise of available extension options and including effect of subsequent amendment to the Company’s Revolving Credit Facility), and 97% 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 third quarter 2025 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>

2025 Guidance

Management is revising and increasing the midpoint of its full-year guidance for diluted EPS and diluted FFOPS, per Nareit and as adjusted for comparability of \$1.30-\$1.34 and \$2.65-\$2.69, respectively, to new ranges of \$1.35-\$1.37 and \$2.69-\$2.71, respectively. Management is establishing fourth quarter guidance for diluted EPS and diluted FFOPS per Nareit and as adjusted for comparability at \$0.32-\$0.34 and \$0.67-\$0.69, 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 December 31, 2025		Year Ending December 31, 2025	
	Low	High	Low	High
Diluted EPS	\$ 0.32	\$ 0.34	\$ 1.35	\$ 1.37
Real estate-related depreciation and amortization	0.35	0.35	1.37	1.37
Gain on sales of real estate	—	—	(0.03)	(0.03)
Diluted FFOPS, Nareit definition and as adjusted for comparability	<u>\$ 0.67</u>	<u>\$ 0.69</u>	<u>\$ 2.69</u>	<u>\$ 2.71</u>

The Company detailed its initial full year guidance, with supporting assumptions, in a separate press release issued February 6, 2025; that release can be found in the ‘News & Events – Press Releases’ section of COPT Defense’s Investors website: <https://investors.copt.com/news-events/press-releases>

Conference Call Information

Management will discuss third quarter 2025 results on its conference call tomorrow, details of which are listed below:

Conference Call Date:	Friday, October 31, 2025
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-conf.media-server.com/register/BI35f24564a63b4f47ada7811d5e985227>

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.

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 September 30, 2025, the Company's Defense/IT Portfolio of 198 properties, including 24 owned through unconsolidated joint ventures, encompassed 22.6 million square feet and was 97.0% 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, 2024.

Source: COPT Defense Properties

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenues				
Lease revenue	\$ 178,272	\$ 170,549	\$ 529,178	\$ 501,601
Other property revenue	2,038	2,014	6,186	4,710
Construction contract and other service revenues	8,485	16,662	31,202	63,523
Total revenues	188,795	189,225	566,566	569,834
Operating expenses				
Property operating expenses	70,356	68,881	209,311	199,037
Depreciation and amortization associated with real estate operations	40,631	38,307	119,563	114,819
Construction contract and other service expenses	7,952	16,127	29,530	61,746
General and administrative expenses	8,483	8,157	24,833	25,126
Leasing expenses	2,449	2,341	8,061	6,990
Business development expenses and land carry costs	1,098	918	3,203	3,079
Total operating expenses	130,969	134,731	394,501	410,797
Interest expense	(20,894)	(20,376)	(62,336)	(61,760)
Interest and other income, net	2,591	3,324	5,382	10,330
Gain on sales of real estate	3,018	—	3,318	—
Income before equity in income of unconsolidated entities and income taxes	42,541	37,442	118,429	107,607
Equity in income of unconsolidated entities	1,815	85	2,541	180
Income tax expense	(612)	(130)	(832)	(312)
Net income	43,744	37,397	120,138	107,475
Net income attributable to noncontrolling interests				
Common units in the Operating Partnership ("OP")	(924)	(711)	(2,496)	(2,013)
Other consolidated entities	(1,093)	(601)	(2,828)	(1,654)
Net income attributable to common shareholders	<u>\$ 41,727</u>	<u>\$ 36,085</u>	<u>\$ 114,814</u>	<u>\$ 103,808</u>
Earnings per share ("EPS") computation				
Numerator for diluted EPS				
Net income attributable to common shareholders	\$ 41,727	\$ 36,085	\$ 114,814	\$ 103,808
Amount allocable to share-based compensation awards	(133)	(104)	(340)	(319)
Numerator for diluted EPS	<u>\$ 41,594</u>	<u>\$ 35,981</u>	<u>\$ 114,474</u>	<u>\$ 103,489</u>
Denominator				
Weighted average common shares - basic	112,485	112,314	112,442	112,279
Dilutive effect of share-based compensation awards	702	696	749	566
Weighted average common shares - diluted	<u>113,187</u>	<u>113,010</u>	<u>113,191</u>	<u>112,845</u>
Diluted EPS	<u>\$ 0.37</u>	<u>\$ 0.32</u>	<u>\$ 1.01</u>	<u>\$ 0.92</u>

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
Net income	\$ 43,744	\$ 37,397	\$ 120,138	\$ 107,475
Real estate-related depreciation and amortization	40,631	38,307	119,563	114,819
Gain on sales of real estate	(3,018)	—	(3,318)	—
Depreciation and amortization on unconsolidated real estate JVs	733	756	2,206	2,311
Funds from operations ("FFO")	82,090	76,460	238,589	224,605
FFO allocable to other noncontrolling interests	(1,502)	(985)	(4,042)	(2,805)
Basic FFO allocable to share-based compensation awards	(548)	(617)	(1,628)	(1,803)
Basic FFO available to common share and common unit holders ("Basic FFO")	80,040	74,858	232,919	219,997
Redeemable noncontrolling interest	—	—	—	1,446
Diluted FFO adjustments allocable to share-based compensation awards	53	47	294	141
Diluted FFO available to common share and common unit holders ("Diluted FFO")	80,093	74,905	233,213	221,584
Loss on early extinguishment of debt on unconsolidated real estate JVs	28	—	28	—
Executive transition costs	—	69	—	227
Diluted FFO comparability adjustments allocable to share-based compensation awards	—	—	—	(1)
Diluted FFO available to common share and common unit holders, as adjusted for comparability	80,121	74,974	233,241	221,810
Straight line rent adjustments and lease incentive amortization	5,053	613	1,518	7,874
Amortization of intangibles and other assets included in net operating income ("NOI")	42	211	268	544
Share-based compensation, net of amounts capitalized	2,961	2,617	8,739	7,826
Amortization of deferred financing costs	657	671	1,981	2,037
Amortization of net debt discounts, net of amounts capitalized	1,070	1,032	3,181	3,069
Replacement capital expenditures	(26,982)	(27,824)	(72,365)	(69,850)
Other	352	298	508	493
Diluted adjusted funds from operations available to common share and common unit holders ("Diluted AFFO")	\$ 63,274	\$ 52,592	\$ 177,071	\$ 173,803
Diluted FFO per share	\$ 0.69	\$ 0.65	\$ 2.02	\$ 1.92
Diluted FFO per share, as adjusted for comparability	\$ 0.69	\$ 0.65	\$ 2.02	\$ 1.92
Dividends/distributions per common share/unit	\$ 0.305	\$ 0.295	\$ 0.915	\$ 0.885

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

	September 30, 2025		December 31, 2024	
Balance Sheet Data				
Properties, net of accumulated depreciation	\$ 3,725,856		\$ 3,630,526	
Total assets	\$ 4,351,432		\$ 4,254,191	
Debt per balance sheet	\$ 2,443,518		\$ 2,391,755	
Total liabilities	\$ 2,772,176		\$ 2,693,624	
Redeemable noncontrolling interest	\$ 24,217		\$ 23,974	
Total equity	\$ 1,555,039		\$ 1,536,593	
Debt to assets	56.2%		56.2%	
Net debt to adjusted book	40.2%		40.4%	
Defense/IT Portfolio Data (as of period end)				
Number of operating properties	198		197	
Total operational square feet (in thousands)	22,597		22,549	
% Occupied	95.4%		95.4%	
% Leased	97.0%		96.7%	
	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
GAAP				
Payout ratio				
Net income	80.5%	90.7%	87.9%	94.6%
Debt ratios				
Net income to interest expense ratio	2.1x	1.8x	1.9x	1.7x
Debt to net income ratio	14.0x	16.0x	N/A	N/A
Non-GAAP				
Payout ratios				
Diluted FFO	43.7%	44.9%	45.0%	45.6%
Diluted FFO, as adjusted for comparability	43.7%	44.9%	45.0%	45.5%
Diluted AFFO	55.3%	64.0%	59.3%	58.1%
Debt ratios				
Adjusted EBITDA fixed charge coverage ratio	4.8x	4.8x	4.8x	4.7x
Net debt to in-place adjusted EBITDA ratio	6.1x	6.1x	N/A	N/A
Net debt adj. for fully-leased investment properties to in-place adj. EBITDA ratio	5.8x	5.9x	N/A	N/A
Reconciliation of denominators for per share measures				
Denominator for diluted EPS	113,187	113,010	113,191	112,845
Weighted average common units	2,182	1,696	2,136	1,675
Redeemable noncontrolling interest	—	—	—	873
Denominator for diluted FFO per share and as adjusted for comparability	115,369	114,706	115,327	115,393

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
Numerators for Payout Ratios				
Dividends on unrestricted common and deferred shares	\$ 34,332	\$ 33,165	\$ 102,974	\$ 99,461
Distributions on unrestricted common units	658	491	1,985	1,496
Dividends and distributions on restricted shares and units	209	247	663	752
Total dividends and distributions for GAAP payout ratio	35,199	33,903	105,622	101,709
Dividends and distributions on antidilutive shares and units	(202)	(249)	(592)	(756)
Dividends and distributions for non-GAAP payout ratios	<u>\$ 34,997</u>	<u>\$ 33,654</u>	<u>\$ 105,030</u>	<u>\$ 100,953</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	\$ 43,744	\$ 37,397	\$ 120,138	\$ 107,475
Interest expense	20,894	20,376	62,336	61,760
Income tax expense	612	130	832	312
Real estate-related depreciation and amortization	40,631	38,307	119,563	114,819
Other depreciation and amortization	428	614	1,438	1,786
Gain on sales of real estate	(3,018)	—	(3,318)	—
Adjustments from unconsolidated real estate JVs	1,758	1,759	4,791	5,139
EBITDAre	105,049	98,583	305,780	291,291
Credit loss (recoveries) expense	(324)	38	1,378	496
Business development expenses	731	557	2,065	1,790
Executive transition costs	—	69	78	580
Loss on early extinguishment of debt on unconsolidated real estate JVs	28	—	28	—
Net gain on other investments	(1,713)	(11)	(1,713)	(488)
Adjusted EBITDA	103,771	99,236	<u>\$ 307,616</u>	<u>\$ 293,669</u>
Pro forma NOI adjustment for property changes within period	21	—		
In-place adjusted EBITDA	<u>\$ 103,792</u>	<u>\$ 99,236</u>		
Reconciliations of tenant improvements and incentives, building improvements and leasing costs for operating properties to replacement capital expenditures				
Tenant improvements and incentives	\$ 24,769	\$ 18,772	\$ 53,820	\$ 46,593
Building improvements	3,662	6,694	11,175	17,352
Leasing costs	2,240	3,013	10,630	9,713
Net (exclusions from) additions to tenant improvements and incentives	(3,390)	728	(93)	4
Excluded building improvements	(299)	(1,383)	(2,203)	(3,771)
Excluded leasing costs	—	—	(964)	(41)
Replacement capital expenditures	<u>\$ 26,982</u>	<u>\$ 27,824</u>	<u>\$ 72,365</u>	<u>\$ 69,850</u>

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
Reconciliation of interest expense to the denominator for fixed charge coverage-Adjusted EBITDA				
Interest expense	\$ 20,894	\$ 20,376	\$ 62,336	\$ 61,760
Less: Amortization of deferred financing costs	(657)	(671)	(1,981)	(2,037)
Less: Amortization of net debt discounts, net of amounts capitalized	(1,070)	(1,032)	(3,181)	(3,069)
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	898	821	2,409	2,433
Scheduled principal amortization	458	448	1,376	1,879
Capitalized interest	1,292	712	3,345	1,944
Denominator for fixed charge coverage-Adjusted EBITDA	<u>\$ 21,815</u>	<u>\$ 20,654</u>	<u>\$ 64,304</u>	<u>\$ 62,910</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	\$ 43,744	\$ 37,397	\$ 120,138	\$ 107,475
Construction contract and other service revenues	(8,485)	(16,662)	(31,202)	(63,523)
Depreciation and other amortization associated with real estate operations	40,631	38,307	119,563	114,819
Construction contract and other service expenses	7,952	16,127	29,530	61,746
General and administrative expenses	8,483	8,157	24,833	25,126
Leasing expenses	2,449	2,341	8,061	6,990
Business development expenses and land carry costs	1,098	918	3,203	3,079
Interest expense	20,894	20,376	62,336	61,760
Interest and other income, net	(2,591)	(3,324)	(5,382)	(10,330)
Gain on sales of real estate	(3,018)	—	(3,318)	—
Equity in income of unconsolidated entities	(1,815)	(85)	(2,541)	(180)
Unconsolidated real estate JVs NOI allocable to COPT Defense included in equity in income of unconsolidated entities	1,864	1,844	5,623	5,319
Income tax expense	612	130	832	312
NOI from real estate operations	<u>111,818</u>	<u>105,526</u>	<u>331,676</u>	<u>312,593</u>
Non-Same Property NOI from real estate operations	<u>(3,948)</u>	<u>(1,482)</u>	<u>(10,865)</u>	<u>(3,345)</u>
Same Property NOI from real estate operations	<u>107,870</u>	<u>104,044</u>	<u>320,811</u>	<u>309,248</u>
Straight line rent adjustments and lease incentive amortization	3,315	(498)	3,460	3,597
Amortization of acquired above- and below-market rents	(92)	(69)	(230)	(207)
Lease termination fees, net	(1,191)	(931)	(2,753)	(2,587)
Tenant funded landlord assets and lease incentives	(4,920)	(2,103)	(12,954)	(15,065)
Cash NOI adjustments in unconsolidated real estate JVs	<u>(209)</u>	<u>(280)</u>	<u>(689)</u>	<u>(796)</u>
Same Property Cash NOI from real estate operations	<u>\$ 104,773</u>	<u>\$ 100,163</u>	<u>\$ 307,645</u>	<u>\$ 294,190</u>

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

	September 30, 2025	December 31, 2024
Reconciliation of total assets to adjusted book		
Total assets	\$ 4,351,432	\$ 4,254,191
Accumulated depreciation	1,644,472	1,537,293
Accumulated amortization of intangibles on property acquisitions and deferred leasing costs	226,312	228,154
COPT Defense's share of liabilities of unconsolidated real estate JVs	82,430	61,294
COPT Defense's share of accumulated depreciation and amortization of unconsolidated real estate JVs	15,197	12,817
Less: Property - operating lease liabilities	(46,203)	(49,240)
Less: Property - finance lease liabilities	(370)	(391)
Less: Cash and cash equivalents	(23,687)	(38,284)
Less: COPT Defense's share of cash of unconsolidated real estate JVs	(2,080)	(2,053)
Adjusted book	<u>\$ 6,247,503</u>	<u>\$ 6,003,781</u>

	September 30, 2025	December 31, 2024	September 30, 2024
Reconciliation of debt to net debt and net debt adjusted for fully-leased investment properties			
Debt per balance sheet	\$ 2,443,518	\$ 2,391,755	\$ 2,390,839
Net discounts and deferred financing costs	19,123	23,262	24,633
COPT Defense's share of unconsolidated JV gross debt	<u>75,250</u>	<u>53,750</u>	<u>53,148</u>
Gross debt	2,537,891	2,468,767	2,468,620
Less: Cash and cash equivalents	(23,687)	(38,284)	(34,478)
Less: COPT Defense's share of cash of unconsolidated real estate JVs	<u>(2,080)</u>	<u>(2,053)</u>	<u>(1,575)</u>
Net debt	2,512,124	2,428,430	2,432,567
Costs incurred on fully-leased development properties	(83,794)	(18,774)	(70,954)
Costs incurred on fully-leased operating property acquisitions	<u>—</u>	<u>(17,034)</u>	<u>(17,034)</u>
Net debt adjusted for fully-leased investment properties	<u>\$ 2,428,330</u>	<u>\$ 2,392,622</u>	<u>\$ 2,344,579</u>