

## NEWS RELEASE

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### COPT Defense Reports Third Quarter 2023 Results

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**EPS of (\$1.94) for 3Q23;  
FFO per Share, as Adjusted for Comparability, of \$0.60**

*Maintains Midpoint of 2023 FFO per Share Guidance at \$2.40*

*Defense/IT Portfolio 95.9% Occupied and 97.0% Leased*

*Same Property Cash NOI Increased 4.5% in 3Q23 and 6.2% Year-to-Date  
Raising Same Property Cash NOI Guidance for the Year by 100 Basis Points, to 5.75%-6.25%*

*Placed 443,000 SF of Developments into Service that are 98% Leased  
1.0 million SF of Active Developments are 90% Leased*

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### Strong Leasing Volume YTD; High Confidence in Achieving 2023 Goals

*Total Leasing of 521,000 SF in 3Q23 and 2.2 million SF Year-to-Date*

*151,000 SF of Vacancy Leasing in 3Q23 and 337,000 SF Year-to-Date  
On Track to Achieve Annual Goal of 400,000 SF*

*Tenant Retention of 82% in 3Q23 and 83% Year-to-Date  
On Track to Achieve Annual Goal of 80%-85%*

*495,000 SF of Development Leasing Year-to-Date  
On Track to Achieve Annual Goal of 700,000 SF*

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**COLUMBIA, MD (BUSINESS WIRE)** October 26, 2023 - COPT Defense Properties ("COPT Defense" or the "Company") (NYSE: CDP) announced results for the third quarter ended September 30, 2023.

**Management Comments**

Stephen E. Budorick, COPT Defense's President & Chief Executive Officer, commented, "Our Defense/IT investment strategy, which has concentrated our portfolio near priority U.S. defense installations, continues to produce strong results. Our Defense/IT Portfolio is 97% leased, which is the highest leased rate since we started reporting the segment in 2015, supported by growth in defense spending, resulting in continued tenant demand from both our U.S. Government and Defense Contractor tenants.

Our third quarter results were solid, with FFO per share at the midpoint of our guidance range, which led us to narrow the full-year guidance range. We continue to outperform in terms of same property cash NOI growth, which increased 4.5% for 3Q23 over 3Q22, and 6.2% in 2023 YTD over 2022 YTD, which led us to increase our full-year change in same property cash NOI guidance by another 100 basis points. We are highly confident that we will achieve our leasing goals, as we have executed 84% of our vacancy leasing goal and 70% of our development leasing goal, while tenant retention YTD is squarely within our full-year guidance range.

From a balance sheet perspective, our Finance and Capital Markets team once again proved our ability to source low-cost capital to fund our accretive and highly leased development pipeline, as evidenced by our September issuance of \$345 million of exchangeable notes due 2028 at 5.25%, which was roughly 200 basis points below where we could have priced 5-year unsecured debt. With this capital raise, and our ability to fund the equity investment in our projects with cash flow from operations after our dividend payments, we forecast we can now fund our anticipated development spend through late 2026. Our investment grade balance sheet is well positioned to navigate the challenging capital markets environment, as we have no variable rate debt exposure and have no significant debt maturity until 2026.

We remain confident in our strategy of allocating capital to investments in our Defense/IT Portfolio that will support continued growth in FFO per share and shareholder value."

**Financial Highlights****3rd Quarter Financial Results:**

- Diluted earnings per share ("EPS") was (\$1.94) for the quarter ended September 30, 2023, which included a \$252.8 million impairment charge for six operating properties in the Other segment and a parcel of land, located in Baltimore, Maryland, Northern Virginia and Washington, D.C., resulting from our quarterly portfolio review.
- Diluted funds from operations per share ("FFOPS"), as calculated in accordance with Nareit's definition, and FFOPS, as adjusted for comparability, were \$0.60 for the quarter ended September 30, 2023 compared to \$0.58 for the quarter ended September 30, 2022.

**Operating Performance Highlights****Operating Portfolio Summary:**

- At September 30, 2023, the Company's 21.3 million square foot Defense/IT Portfolio was 95.9% occupied and 97.0% leased.

**Same Property Performance:**

- At September 30, 2023, the Company's 20.6 million square foot same property portfolio was 93.4% occupied and 94.5% leased.
- The Company's same property cash NOI increased 4.5% for the three months ended September 30, 2023 compared to the same period in 2022.

**Leasing:**

- Total Square Feet Leased: For the quarter ended September 30, 2023, the Company leased 521,000 square feet, including 370,000 square feet of renewals and 151,000 square feet of vacancy leasing. For the nine months ended September 30, 2023, the Company executed 2.2 million square feet of total leasing, including 1.4 million square feet of renewals, 337,000 square feet of vacancy leasing, and 495,000 square feet in development projects.
- Tenant Retention Rates: During the quarter and nine months ended September 30, 2023, the Company renewed 82.0% and 82.5%, respectively, of expiring square feet.
- Rent Spreads & Average Escalations on Renewing Leases: For the quarter and nine months ended September 30, 2023, straight-line rents on renewals increased 9.3% and 7.5%, respectively, and cash rents on renewed space increased 1.7% and 1.2%, respectively. For the same time periods, annual escalations on renewing leases averaged 2.7% and 2.6%, respectively.
- Lease Terms: In the quarter ended September 30, 2023, lease terms averaged 4.2 years on renewing leases and 8.4 years on vacancy leasing. For the nine months ended September 30, 2023, lease terms averaged 4.4 years on renewing leases, 7.9 years on vacancy leasing, and 14.3 years on development leasing.

**Investment Activity Highlights**

- Development Pipeline: The Company's development pipeline consists of six properties totaling 1.0 million square feet that were 90% leased at September 30, 2023. These projects represent a total estimated investment of \$337.0 million, of which \$150.2 million has been spent.

**Balance Sheet and Capital Transaction Highlights**

- On September 12, 2023, the Company issued \$345 million of 5.25% Exchangeable Senior Notes due 2028. The Company used net proceeds from this issuance to pay down a portion of its Revolving Credit Facility, and to pre-fund future development investments, which resulted in a portion of the net proceeds being invested in short-term interest-bearing money market accounts pending such use. 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 the Company's election.
- For the quarter ended September 30, 2023, the Company's adjusted EBITDA fixed charge coverage ratio was 4.6x.

- At September 30, 2023, the Company's net debt to in-place adjusted EBITDA ratio was 6.2x and its net debt adjusted for fully-leased development to in-place adjusted EBITDA ratio was 5.9x.
- At September 30, 2023, 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 5.9 years and, 100.0% 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 2023 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>

### **2023 Guidance**

Management is revising its full-year guidance for diluted EPS and narrowing its full-year guidance for diluted FFOPS, per Nareit and as adjusted for comparability, from the prior range of \$1.49-\$1.53, and \$2.38-\$2.42, respectively, to new ranges of (\$0.71)-(\$0.69), and \$2.39-\$2.41, respectively. Management is establishing fourth quarter guidance for diluted EPS and diluted FFOPS per Nareit and as adjusted for comparability at \$0.27-\$0.29 and \$0.60-\$0.62, 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, 2023		Year Ending December 31, 2023	
	Low	High	Low	High
Diluted EPS	\$ 0.27	\$ 0.29	\$ (0.71)	\$ (0.69)
Real estate-related depreciation and amortization	0.33	0.33	1.32	1.32
Impairment losses	—	—	2.21	2.21
Gain on sales of real estate	—	—	(0.43)	(0.43)
Diluted FFOPS, Nareit definition and as adjusted for comparability	<u>\$ 0.60</u>	<u>\$ 0.62</u>	<u>\$ 2.39</u>	<u>\$ 2.41</u>

### **Conference Call Information**

Management will discuss third quarter 2023 results on its conference call tomorrow at 12:00 p.m. Eastern Time, details of which are listed below:

Conference Call Date:	Friday, October 27, 2023
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/BI3aa228e2cc714d1893a176fa18b0ded0>

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](http://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. In September 2023, the Company changed its name from Corporate Office Properties Trust to COPT Defense Properties to better describe its investment strategy's focus on locations serving U.S. priority defense activities. The ticker symbol under which the Company's common shares are publicly traded on the New York Stock Exchange changed from "OFC" to "CDP." As of September 30, 2023, the Company's Defense/IT Portfolio of 188 properties, including 24 owned through unconsolidated joint ventures, encompassed 21.3 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, 2022.*

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,	
	2023	2022	2023	2022
Revenues				
Lease revenue	\$ 155,268	\$ 146,481	\$ 459,510	\$ 430,147
Other property revenue	1,339	1,206	3,731	3,066
Construction contract and other service revenues	11,949	34,813	42,012	130,570
Total revenues	168,556	182,500	505,253	563,783
Operating expenses				
Property operating expenses	61,788	57,663	182,808	168,960
Depreciation and amortization associated with real estate operations	37,620	35,247	112,215	104,323
Construction contract and other service expenses	11,493	33,555	40,249	126,509
Impairment losses	252,797	—	252,797	—
General and administrative expenses	7,582	6,558	22,865	19,695
Leasing expenses	2,280	2,340	6,624	6,102
Business development expenses and land carry costs	714	552	1,935	2,036
Total operating expenses	374,274	135,915	619,493	427,625
Interest expense	(17,798)	(15,123)	(50,759)	(44,355)
Interest and other income, net	2,529	597	6,928	4,399
Gain on sales of real estate	—	16	49,392	12
Loss on early extinguishment of debt	—	—	—	(342)
(Loss) income from continuing operations before equity in (loss) income of unconsolidated entities and income taxes	(220,987)	32,075	(108,679)	95,872
Equity in (loss) income of unconsolidated entities	(68)	308	(21)	1,514
Income tax expense	(152)	(67)	(467)	(224)
(Loss) income from continuing operations	(221,207)	32,316	(109,167)	97,162
Discontinued operations	—	—	—	29,573
Net (loss) income	(221,207)	32,316	(109,167)	126,735
Net loss (income) attributable to noncontrolling interests:				
Common units in the Operating Partnership ("OP")	3,691	(476)	1,882	(1,828)
Other consolidated entities	1,329	(919)	164	(2,357)
Net (loss) income attributable to common shareholders	<u>\$ (216,187)</u>	<u>\$ 30,921</u>	<u>\$ (107,121)</u>	<u>\$ 122,550</u>
Earnings per share ("EPS") computation:				
Numerator for diluted EPS:				
Net (loss) income attributable to common shareholders	\$ (216,187)	\$ 30,921	\$ (107,121)	\$ 122,550
Amount allocable to share-based compensation awards	(992)	(75)	(1,093)	(334)
Redeemable noncontrolling interests	—	(40)	—	(109)
Numerator for diluted EPS	<u>\$ (217,179)</u>	<u>\$ 30,806</u>	<u>\$ (108,214)</u>	<u>\$ 122,107</u>
Denominator:				
Weighted average common shares - basic	112,196	112,093	112,170	112,066
Dilutive effect of share-based compensation awards	—	433	—	429
Dilutive effect of redeemable noncontrolling interests	—	105	—	121
Weighted average common shares - diluted	<u>112,196</u>	<u>112,631</u>	<u>112,170</u>	<u>112,616</u>
Diluted EPS	<u>\$ (1.94)</u>	<u>\$ 0.27</u>	<u>\$ (0.96)</u>	<u>\$ 1.08</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,	
	2023	2022	2023	2022
Net (loss) income	\$ (221,207)	\$ 32,316	\$ (109,167)	\$ 126,735
Real estate-related depreciation and amortization	37,620	35,247	112,215	104,323
Impairment losses on real estate	252,797	—	252,797	—
Gain on sales of real estate from continuing and discontinued operations	—	(16)	(49,392)	(28,576)
Depreciation and amortization on unconsolidated real estate JVs	806	524	2,412	1,575
Funds from operations ("FFO")	70,016	68,071	208,865	204,057
FFO allocable to other noncontrolling interests	(1,059)	(1,348)	(3,006)	(3,568)
Basic FFO allocable to share-based compensation awards	(481)	(354)	(1,427)	(1,073)
Basic FFO available to common share and common unit holders ("Basic FFO")	68,476	66,369	204,432	199,416
Redeemable noncontrolling interests	—	(5)	(58)	(7)
Diluted FFO adjustments allocable to share-based compensation awards	36	27	112	81
Diluted FFO available to common share and common unit holders ("Diluted FFO")	68,512	66,391	204,486	199,490
Loss on early extinguishment of debt	—	—	—	342
Executive transition costs	82	206	330	343
Diluted FFO comparability adjustments allocable to share-based compensation awards	(1)	(2)	(3)	(4)
Diluted FFO available to common share and common unit holders, as adjusted for comparability	68,593	66,595	204,813	200,171
Straight line rent adjustments and lease incentive amortization	12,882	605	6,205	(5,782)
Amortization of intangibles and other assets included in net operating income ("NOI")	26	50	24	(273)
Share-based compensation, net of amounts capitalized	2,280	2,188	6,226	6,453
Amortization of deferred financing costs	639	540	1,899	1,678
Amortization of net debt discounts, net of amounts capitalized	750	612	1,990	1,825
Replacement capital expenditures	(21,122)	(17,528)	(71,996)	(52,603)
Other	74	377	(420)	822
Diluted adjusted funds from operations available to common share and common unit holders ("Diluted AFFO")	\$ 64,122	\$ 53,439	\$ 148,741	\$ 152,291
Diluted FFO per share	\$ 0.60	\$ 0.58	\$ 1.79	\$ 1.75
Diluted FFO per share, as adjusted for comparability	\$ 0.60	\$ 0.58	\$ 1.79	\$ 1.75
Dividends/distributions per common share/unit	\$ 0.285	\$ 0.275	\$ 0.855	\$ 0.825

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

	September 30, 2023	December 31, 2022
<b>Balance Sheet Data</b>		
Properties, net of accumulated depreciation	\$ 3,468,197	\$ 3,556,398
Total assets	\$ 4,239,257	\$ 4,257,275
Debt per balance sheet	\$ 2,415,783	\$ 2,231,794
Total liabilities	\$ 2,691,562	\$ 2,509,527
Redeemable noncontrolling interests	\$ 21,822	\$ 26,293
Total equity	\$ 1,525,873	\$ 1,721,455
Debt to assets	57.0%	52.4%
Net debt to adjusted book	40.5%	39.8%

**Defense/IT Portfolio Data (as of period end)**

Number of operating properties	188	186
Total operational square feet (in thousands)	21,339	20,869
% Occupied	95.9%	94.1%
% Leased	97.0%	96.7%

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>GAAP</b>				
Payout ratio:				
Net income	N/A	97.1%	N/A	74.3%
Debt ratios:				
Net income to interest expense ratio	N/A	2.1x	N/A	2.9x
Debt to net income ratio	N/A	17.6x	N/A	N/A
<b>Non-GAAP</b>				
Payout ratios:				
Diluted FFO	47.3%	47.1%	47.6%	47.0%
Diluted FFO, as adjusted for comparability	47.3%	46.9%	47.5%	46.8%
Diluted AFFO	50.6%	58.5%	65.4%	61.6%
Debt ratios:				
Adjusted EBITDA fixed charge coverage ratio	4.6x	5.1x	4.9x	5.2x
Net debt to in-place adjusted EBITDA ratio	6.2x	6.7x	N/A	N/A
Net debt adj. for fully-leased development to in-place adj. EBITDA ratio	5.9x	5.9x	N/A	N/A

**Reconciliation of denominators for per share measures**

Denominator for diluted EPS	112,196	112,631	112,170	112,616
Weighted average common units	1,520	1,477	1,508	1,446
Dilutive effect of additional share-based compensation awards	429	—	422	—
Redeemable noncontrolling interests	—	—	51	—
Denominator for diluted FFO per share and as adjusted for comparability	114,145	114,108	114,151	114,062



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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Numerators for Payout Ratios</b>				
Dividends on unrestricted common and deferred shares	\$ 31,996	\$ 30,844	\$ 95,980	\$ 92,523
Distributions on unrestricted common units	432	406	1,295	1,217
Dividends and distributions on restricted shares and units	200	140	619	433
Total dividends and distributions for GAAP payout ratio	32,628	31,390	97,894	94,173
Dividends and distributions on antidilutive shares and units	(202)	(127)	(623)	(395)
Dividends and distributions for non-GAAP payout ratios	<u>\$ 32,426</u>	<u>\$ 31,263</u>	<u>\$ 97,271</u>	<u>\$ 93,778</u>

**Reconciliation of net (loss) income to earnings before interest,  
income taxes, depreciation and amortization for real estate  
("EBITDAre"), adjusted EBITDA and in-place adjusted EBITDA**

Net (loss) income	\$ (221,207)	\$ 32,316	\$ (109,167)	\$ 126,735
Interest expense	17,798	15,123	50,759	44,355
Income tax expense	152	67	467	224
Real estate-related depreciation and amortization	37,620	35,247	112,215	104,323
Other depreciation and amortization	615	602	1,826	1,761
Impairment losses on real estate	252,797	—	252,797	—
Gain on sales of real estate from continuing and discontinued operations	—	(16)	(49,392)	(28,576)
Adjustments from unconsolidated real estate JVs	1,743	762	5,006	2,280
EBITDAre	89,518	84,101	264,511	251,102
Credit loss expense	372	1,693	677	1,602
Business development expenses	313	386	948	1,097
Executive transition costs	82	206	636	343
Loss on early extinguishment of debt	—	—	—	342
Net gain on other investments	(25)	—	(25)	(564)
Adjusted EBITDA	90,260	86,386	<u>\$ 266,747</u>	<u>\$ 253,922</u>
Pro forma NOI adjustment for property changes within period	1,647	—		
Change in collectability of deferred rental revenue	—	13		
In-place adjusted EBITDA	<u>\$ 91,907</u>	<u>\$ 86,399</u>		

**Reconciliations of tenant improvements and incentives,  
building improvements and leasing costs for operating  
properties to replacement capital expenditures**

Tenant improvements and incentives	\$ 14,457	\$ 8,848	\$ 67,062	\$ 29,513
Building improvements	6,307	7,477	11,214	21,060
Leasing costs	1,902	3,073	7,194	7,091
Net (exclusions from) additions to tenant improvements and incentives	(813)	(57)	(11,981)	2,225
Excluded building improvements and leasing costs	(731)	(1,813)	(1,493)	(7,286)
Replacement capital expenditures	<u>\$ 21,122</u>	<u>\$ 17,528</u>	<u>\$ 71,996</u>	<u>\$ 52,603</u>

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Reconciliation of interest expense to the denominator for fixed charge coverage-Adjusted EBITDA</b>				
Interest expense	\$ 17,798	\$ 15,123	\$ 50,759	\$ 44,355
Less: Amortization of deferred financing costs	(639)	(540)	(1,899)	(1,678)
Less: Amortization of net debt discounts, net of amounts capitalized	(750)	(612)	(1,990)	(1,825)
CDP's share of interest expense of unconsolidated real estate JVs, excluding amortization of deferred financing costs and net debt premium and loss on interest rate derivatives	805	236	2,369	700
Scheduled principal amortization	753	851	2,289	2,469
Capitalized interest	1,487	1,969	3,451	4,874
Denominator for fixed charge coverage-Adjusted EBITDA	<u>\$ 19,454</u>	<u>\$ 17,027</u>	<u>\$ 54,979</u>	<u>\$ 48,895</u>

**Reconciliation of net (loss) income to NOI from real estate operations, same property NOI from real estate operations and same property cash NOI from real estate operations**

Net (loss) income	\$ (221,207)	\$ 32,316	\$ (109,167)	\$ 126,735
Construction contract and other service revenues	(11,949)	(34,813)	(42,012)	(130,570)
Depreciation and other amortization associated with real estate operations	37,620	35,247	112,215	104,323
Construction contract and other service expenses	11,493	33,555	40,249	126,509
Impairment losses	252,797	—	252,797	—
General and administrative expenses	7,582	6,558	22,865	19,695
Leasing expenses	2,280	2,340	6,624	6,102
Business development expenses and land carry costs	714	552	1,935	2,036
Interest expense	17,798	15,123	50,759	44,355
Interest and other income, net	(2,529)	(597)	(6,928)	(4,399)
Gain on sales of real estate from continuing operations	—	(16)	(49,392)	(12)
Loss on early extinguishment of debt	—	—	—	342
Equity in loss (income) of unconsolidated entities	68	(308)	21	(1,514)
Unconsolidated real estate JVs NOI allocable to CDP included in equity in (loss) income of unconsolidated entities	1,675	1,072	4,988	3,232
Income tax expense	152	67	467	224
Discontinued operations	—	—	—	(29,573)
Revenues from real estate operations from discontinued operations	—	—	—	1,980
Property operating expenses from discontinued operations	—	—	—	(971)
NOI from real estate operations	<u>96,494</u>	<u>91,096</u>	<u>285,421</u>	<u>268,494</u>
Non-Same Property NOI from real estate operations	<u>(9,318)</u>	<u>(6,611)</u>	<u>(27,539)</u>	<u>(18,976)</u>
Same Property NOI from real estate operations	87,176	84,485	257,882	249,518
Straight line rent adjustments and lease incentive amortization	15,060	544	17,684	(3,048)
Amortization of acquired above- and below-market rents	(120)	(97)	(415)	(713)
Lease termination fees, net	(748)	(591)	(3,028)	(1,211)
Tenant funded landlord assets and lease incentives	(15,364)	(2,026)	(17,743)	(4,847)
Cash NOI adjustments in unconsolidated real estate JVs	(64)	(87)	(209)	(277)
Same Property Cash NOI from real estate operations	<u>\$ 85,940</u>	<u>\$ 82,228</u>	<u>\$ 254,171</u>	<u>\$ 239,422</u>

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

	September 30, 2023	December 31, 2022
<b>Reconciliation of total assets to adjusted book</b>		
Total assets	\$ 4,239,257	\$ 4,257,275
Accumulated depreciation	1,367,473	1,267,434
Accumulated depreciation included in assets held for sale	—	6,014
Accumulated amortization of intangibles on property acquisitions and deferred leasing costs	228,334	222,779
CDP's share of liabilities of unconsolidated real estate JVs	60,762	52,404
CDP's share of accumulated depreciation and amortization of unconsolidated real estate JVs	8,664	6,078
Less: Property - operating lease liabilities	(32,940)	(28,759)
Less: Property - finance lease liabilities	(420)	—
Less: Cash and cash equivalents	(204,238)	(12,337)
Less: CDP's share of cash of unconsolidated real estate JVs	(1,031)	(456)
Adjusted book	<u>\$ 5,665,861</u>	<u>\$ 5,770,432</u>

	September 30, 2023	December 31, 2022	September 30, 2022
<b>Reconciliation of debt to net debt, net debt adjusted for fully-leased development and pro forma net debt adjusted for fully-leased development</b>			
Debt per balance sheet	\$ 2,415,783	\$ 2,231,794	\$ 2,269,834
Net discounts and deferred financing costs	29,980	23,160	22,984
CDP's share of unconsolidated JV gross debt	52,511	52,100	26,250
Gross debt	2,498,274	2,307,054	2,319,068
Less: Cash and cash equivalents	(204,238)	(12,337)	(12,643)
Less: CDP's share of cash of unconsolidated real estate JVs	(1,031)	(456)	(547)
Net debt	2,293,005	2,294,261	2,305,878
Costs incurred on fully-leased development properties	(124,038)	(95,972)	(275,359)
Net debt adjusted for fully-leased development	<u>\$ 2,168,967</u>	<u>\$ 2,198,289</u>	<u>\$ 2,030,519</u>
Net debt	\$ 2,293,005	\$ 2,294,261	\$ 2,305,878
Pro forma debt adjustments from subsequent event transaction proceeds	N/A	(189,000)	N/A
Pro forma net debt	2,293,005	2,105,261	2,305,878
Costs incurred on fully-leased development properties	(124,038)	(95,972)	(275,359)
Pro forma net debt adjusted for fully-leased development	<u>\$ 2,168,967</u>	<u>\$ 2,009,289</u>	<u>\$ 2,030,519</u>