

NEWS RELEASE

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COPT Defense Reports Strong Second Quarter 2024 Results

EPS of \$0.31

FFO per Share, as Adjusted for Comparability, of \$0.64

1-cent above the Midpoint of Guidance

Increased Midpoint of 2024 FFO per Share Guidance by 2-cents to \$2.56

Implies 5.8% FFO per Share Growth for the Year

Defense/IT Portfolio 95.5% Occupied and 96.7% Leased

Same Property Cash NOI Increased 10.9% in 2Q24 and 8.5% Year-to-Date

Raised Midpoint of Same Property Cash NOI Guidance for the Year by 150 Basis Points to 8.0%

Raised Midpoint of Same Property Year-End 2024 Occupancy Guidance by 25 Basis Points to 93.75%

959,000 SF of Active Developments are 74% Leased

Strong Leasing in 1H24; Well Positioned to Achieve 2024 Goals

Total Leasing of 1.0 million SF in 2Q24 and 1.7 million SF Year-to-Date

104,000 SF in 2Q24 and 264,000 SF Year-to-Date of Vacancy Leasing

On Track to Achieve or Exceed Annual Target of 400,000 SF

Tenant Retention of 86% in 2Q24 and 83% Year-to-Date

Raised Midpoint of Guidance for the Year by 250 Basis Points to 82.5%

COLUMBIA, MD (BUSINESS WIRE) July 29, 2024 - COPT Defense Properties ("COPT Defense" or the "Company") (NYSE: CDP) announced results for the second quarter ended June 30, 2024.

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 strong results during the second quarter, with FFO per share exceeding the midpoint of our guidance range. Based on this outperformance, and our forecast for the remainder of the year, we increased the midpoint of 2024 FFO per share guidance by \$0.02 to \$2.56, which implies nearly 6% year-over-year growth. This marks our second increase for the year and a total of \$0.05 of outperformance compared to our initial guidance. The growth off the midpoint of our 2024 FFO per share guidance is one of the highest growth rates in the Nareit-defined Office REIT sector, and ranks in the 75th percentile for the entire REIT sector.

We are exceeding our plan in several areas and raised 2024 guidance on a group of key metrics. We increased the midpoint of 2024 guidance for same property cash NOI growth by 150 basis points to 8%, increased same property year-end occupancy by 25 basis points to 93.75%, and increased tenant retention by 250 basis points to 82.5%.

During the quarter, the year-over-year increase in same property cash NOI for our Total Portfolio was the highest level in over a decade, while the increase in our Defense/IT Portfolio was the highest level since we began reporting the segment.

Taken together, our solid performance during the first half of 2024, coupled with our strong full year outlook, illustrates the strength of demand we are seeing in our portfolio for tenants serving priority defense missions. Looking forward, we continue to anticipate compound annual FFO per share growth of at least 4% between 2023 and 2026."

Financial Highlights**2nd Quarter Financial Results:**

- > Diluted earnings per share ("EPS") was \$0.31 for the quarter ended June 30, 2024, compared to \$0.27 for the quarter ended June 30, 2023.
- > Diluted funds from operations per share ("FFOPS"), as calculated in accordance with Nareit's definition and as adjusted for comparability, was \$0.64 for the quarter ended June 30, 2024, compared to \$0.60 for the quarter ended June 30, 2023.

Operating Performance Highlights**Operating Portfolio Summary:**

- > At June 30, 2024, the Company's 24.1 million square foot Total Portfolio was 93.6% occupied and 94.9% leased, which includes the 22.0 million square foot Defense/IT Portfolio that was 95.5% occupied and 96.7% leased.

Same Property Performance:

- > At June 30, 2024, the Company's 22.2 million square foot same property portfolio was 93.5% occupied and 95.0% leased.

- > The Company's same property cash NOI increased 10.9% for the three months ended June 30, 2024 compared to the same period in 2023.

Leasing:

- > Total Square Feet Leased: For the quarter ended June 30, 2024, the Company leased 985,000 square feet, including 881,000 square feet of renewals and 104,000 square feet of vacancy leasing. For the six months ended June 30, 2024, the Company executed 1.7 million square feet of total leasing, including 1.4 million square feet of renewals, 264,000 square feet of vacancy leasing, and 10,000 square feet in development projects.
- > Tenant Retention Rates: During the quarter ended June 30, 2024, the Company renewed 86.3% of expiring square feet in its Total Portfolio and 87.4% in its Defense/IT Portfolio. During the six months ended June 30, 2024, the Company renewed 82.9% of expiring square feet in its Total Portfolio and 85.7% in its Defense/IT Portfolio.
- > Rent Spreads & Average Escalations on Renewing Leases: For the quarter and six months ended June 30, 2024, straight-line rents on renewals increased 7.7% and 6.4%, respectively, and cash rents on renewed space increased 0.6% and decreased 0.4%, respectively, while annual escalations on renewing leases averaged 2.2% and 2.3%, respectively.
- > Lease Terms: In the quarter ended June 30, 2024, lease terms averaged 3.9 years on renewing leases and 8.1 years on vacancy leasing. For the six months ended June 30, 2024, lease terms averaged 4.0 years on renewing leases, 8.2 years on vacancy leasing, and 5.3 years on development leasing.

Investment Activity Highlights

- > Development Pipeline: The Company's development pipeline consists of six properties totaling 959,000 square feet that were 74% leased as of June 30, 2024. These projects represent a total estimated investment of \$381.4 million, of which \$119.0 million has been spent.

Balance Sheet and Capital Transaction Highlights

- > For the quarter ended June 30, 2024, the Company's adjusted EBITDA fixed charge coverage ratio was 4.7x.
- > At June 30, 2024, the Company's net debt to in-place adjusted EBITDA ratio was 6.0x and its net debt adjusted for fully-leased development to in-place adjusted EBITDA ratio was 5.9x.
- > At June 30, 2024, and including the effect of interest rate swaps, the Company's weighted average effective interest rate on its consolidated debt portfolio was 3.3% with a weighted average maturity of 5.2 years, and 100% of the Company's debt was subject to fixed interest rates.

Associated Supplemental Presentation

Prior to the call, the Company will post a slide presentation to accompany management's prepared remarks for its second quarter 2024 conference call; the presentation can be viewed and downloaded from the 'Financial Info –

Financial Results' section of COPT Defense's Investors website: <https://investors.copt.com/financial-information/financial-results>

2024 Guidance

Management is revising its full-year guidance for diluted EPS and diluted FFOPS, per Nareit and as adjusted for comparability, from the prior range of \$1.19-\$1.25, and \$2.51-\$2.57, respectively, to new ranges of \$1.22-\$1.26, and \$2.54-\$2.58, respectively. Management is establishing third quarter guidance for diluted EPS and diluted FFOPS per Nareit and as adjusted for comparability at \$0.30-\$0.32 and \$0.63-\$0.65, 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 September 30, 2024		Year Ending December 31, 2024	
	Low	High	Low	High
Diluted EPS	\$ 0.30	\$ 0.32	\$ 1.22	\$ 1.26
Real estate-related depreciation and amortization	0.33	0.33	1.32	1.32
Diluted FFOPS, Nareit definition and as adjusted for comparability	<u>\$ 0.63</u>	<u>\$ 0.65</u>	<u>\$ 2.54</u>	<u>\$ 2.58</u>

Conference Call Information

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

Conference Call Date:	Tuesday, July 30, 2024
Time:	12:00 p.m. Eastern Time

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

<https://register.vevent.com/register/BI51bd912e5a264e098e9d8c72a60cdb2c>

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 June 30, 2024, the Company’s Defense/IT Portfolio of 193 properties, including 24 owned through unconsolidated joint ventures, encompassed 22.0 million square feet and was 96.7% leased.

Forward-Looking Information

This press release may contain “forward-looking” statements, as defined in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, that are based on the Company’s current expectations, estimates and projections about future events and financial trends affecting the Company. Forward-looking statements can be identified by the use of words such as “may,” “will,” “should,” “could,” “believe,” “anticipate,” “expect,” “estimate,” “plan” or other comparable terminology. Forward-looking statements are inherently subject to risks and uncertainties, many of which the Company cannot predict with accuracy and some of which the Company might not even anticipate. Although the Company believes that the expectations, estimates and projections reflected in such forward-looking statements are based on reasonable assumptions at the time made, the Company can give no assurance that these expectations, estimates and projections will be achieved. Future events and actual results may differ materially from those discussed in the forward-looking statements and the Company undertakes no obligation to update or supplement any forward-looking statements.

The areas of risk that may affect these expectations, estimates and projections include, but are not limited to, those risks described in Item 1A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2023.

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 June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues				
Lease revenue	\$ 165,619	\$ 153,682	\$ 331,052	\$ 304,242
Other property revenue	1,466	1,271	2,696	2,392
Construction contract and other service revenues	20,258	14,243	46,861	30,063
Total revenues	187,343	169,196	380,609	336,697
Operating expenses				
Property operating expenses	63,410	61,600	130,156	121,020
Depreciation and amortization associated with real estate operations	38,161	37,600	76,512	74,595
Construction contract and other service expenses	19,612	13,555	45,619	28,756
General and administrative expenses	8,591	7,287	16,969	15,283
Leasing expenses	2,462	2,345	4,649	4,344
Business development expenses and land carry costs	979	726	2,161	1,221
Total operating expenses	133,215	123,113	276,066	245,219
Interest expense	(20,617)	(16,519)	(41,384)	(32,961)
Interest and other income, net	2,884	2,143	7,006	4,399
Gain on sales of real estate	—	14	—	49,392
Income before equity in income of unconsolidated entities and income taxes	36,395	31,721	70,165	112,308
Equity in income of unconsolidated entities	26	111	95	47
Income tax expense	(14)	(190)	(182)	(315)
Net income	36,407	31,642	70,078	112,040
Net income attributable to noncontrolling interests:				
Common units in the Operating Partnership ("OP")	(694)	(516)	(1,302)	(1,809)
Other consolidated entities	(599)	(839)	(1,053)	(1,165)
Net income attributable to common shareholders	\$ 35,114	\$ 30,287	\$ 67,723	\$ 109,066
Earnings per share ("EPS") computation:				
Numerator for diluted EPS:				
Net income attributable to common shareholders	\$ 35,114	\$ 30,287	\$ 67,723	\$ 109,066
Amount allocable to share-based compensation awards	(92)	(98)	(215)	(349)
Redeemable noncontrolling interests	—	(51)	—	(115)
Numerator for diluted EPS	\$ 35,022	\$ 30,138	\$ 67,508	\$ 108,602
Denominator:				
Weighted average common shares - basic	112,293	112,188	112,261	112,157
Dilutive effect of share-based compensation awards	492	426	501	418
Dilutive effect of redeemable noncontrolling interests	—	62	—	77
Weighted average common shares - diluted	112,785	112,676	112,762	112,652
Diluted EPS	\$ 0.31	\$ 0.27	\$ 0.60	\$ 0.96

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	\$ 36,407	\$ 31,642	\$ 70,078	\$ 112,040
Real estate-related depreciation and amortization	38,161	37,600	76,512	74,595
Gain on sales of real estate	—	(14)	—	(49,392)
Depreciation and amortization on unconsolidated real estate JVs	778	805	1,555	1,606
Funds from operations ("FFO")	75,346	70,033	148,145	138,849
FFO allocable to other noncontrolling interests	(984)	(1,239)	(1,820)	(1,947)
Basic FFO allocable to share-based compensation awards	(599)	(480)	(1,186)	(946)
Basic FFO available to common share and common unit holders ("Basic FFO")	73,763	68,314	145,139	135,956
Redeemable noncontrolling interests	471	(28)	940	(58)
Diluted FFO adjustments allocable to share-based compensation awards	46	37	94	76
Diluted FFO available to common share and common unit holders ("Diluted FFO")	74,280	68,323	146,173	135,974
Executive transition costs	81	248	158	248
Diluted FFO comparability adjustments allocable to share-based compensation awards	(1)	(2)	(1)	(2)
Diluted FFO available to common share and common unit holders, as adjusted for comparability	74,360	68,569	146,330	136,220
Straight line rent adjustments and lease incentive amortization	3,788	(3,161)	7,261	(6,677)
Amortization of intangibles and other assets included in net operating income ("NOI")	211	17	333	(2)
Share-based compensation, net of amounts capitalized	2,564	2,213	5,209	3,946
Amortization of deferred financing costs	681	628	1,366	1,260
Amortization of net debt discounts, net of amounts capitalized	1,023	622	2,037	1,240
Replacement capital expenditures	(21,250)	(22,664)	(42,026)	(50,874)
Other	58	(221)	195	(494)
Diluted adjusted funds from operations available to common share and common unit holders ("Diluted AFFO")	\$ 61,435	\$ 46,003	\$ 120,705	\$ 84,619
Diluted FFO per share	\$ 0.64	\$ 0.60	\$ 1.27	\$ 1.19
Diluted FFO per share, as adjusted for comparability	\$ 0.64	\$ 0.60	\$ 1.27	\$ 1.19
Dividends/distributions per common share/unit	\$ 0.295	\$ 0.285	\$ 0.59	\$ 0.57

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

	June 30, 2024	December 31, 2023		
Balance Sheet Data				
Properties, net of accumulated depreciation	\$ 3,535,593	\$ 3,503,678		
Total assets	\$ 4,219,338	\$ 4,246,966		
Debt per balance sheet	\$ 2,389,925	\$ 2,416,287		
Total liabilities	\$ 2,666,067	\$ 2,699,631		
Redeemable noncontrolling interests	\$ 22,765	\$ 23,580		
Total equity	\$ 1,530,506	\$ 1,523,755		
Debt to assets	56.6%	56.9%		
Net debt to adjusted book	40.5%	40.6%		
Defense/IT Portfolio Data (as of period end)				
Number of operating properties	193	190		
Total operational square feet (in thousands)	21,993	21,719		
% Occupied	95.5%	96.2%		
% Leased	96.7%	97.2%		
	For the Three Months Ended June 30,	For the Six Months Ended June 30,		
	2024	2023	2024	2023
GAAP				
Payout ratio:				
Net income	93.1%	103.1%	96.8%	58.3%
Debt ratios:				
Net income to interest expense ratio	1.8x	1.9x	1.7x	3.4x
Debt to net income ratio	16.4x	17.2x	N/A	N/A
Non-GAAP				
Payout ratios:				
Diluted FFO	45.3%	47.5%	46.0%	47.7%
Diluted FFO, as adjusted for comparability	45.3%	47.3%	46.0%	47.6%
Diluted AFFO	54.8%	70.5%	55.8%	76.6%
Debt ratios:				
Adjusted EBITDA fixed charge coverage ratio	4.7x	4.9x	4.6x	5.0x
Net debt to in-place adjusted EBITDA ratio	6.0x	6.3x	N/A	N/A
Net debt adj. for fully-leased development to in-place adj. EBITDA ratio	5.9x	5.7x	N/A	N/A
Reconciliation of denominators for per share measures				
Denominator for diluted EPS	112,785	112,676	112,762	112,652
Weighted average common units	1,703	1,514	1,664	1,502
Redeemable noncontrolling interests	926	—	937	—
Denominator for diluted FFO per share and as adjusted for comparability	115,414	114,190	115,363	114,154

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Numerators for Payout Ratios				
Dividends on unrestricted common and deferred shares	\$ 33,153	\$ 31,995	\$ 66,296	\$ 63,984
Distributions on unrestricted common units	505	433	1,005	863
Dividends and distributions on restricted shares and units	238	204	505	419
Total dividends and distributions for GAAP payout ratio	33,896	32,632	67,806	65,266
Dividends and distributions on antidilutive shares and units	(241)	(205)	(507)	(421)
Dividends and distributions for non-GAAP payout ratios	<u>\$ 33,655</u>	<u>\$ 32,427</u>	<u>\$ 67,299</u>	<u>\$ 64,845</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	\$ 36,407	\$ 31,642	\$ 70,078	\$ 112,040
Interest expense	20,617	16,519	41,384	32,961
Income tax expense	14	190	182	315
Real estate-related depreciation and amortization	38,161	37,600	76,512	74,595
Other depreciation and amortization	564	609	1,172	1,211
Gain on sales of real estate	—	(14)	—	(49,392)
Adjustments from unconsolidated real estate JVs	1,709	1,559	3,380	3,263
EBITDAre	97,472	88,105	192,708	174,993
Credit loss expense	436	238	458	305
Business development expenses	603	394	1,233	635
Executive transition costs	81	307	511	554
Net gain on other investments	—	—	(477)	—
Adjusted EBITDA	98,592	89,044	<u>\$ 194,433</u>	<u>\$ 176,487</u>
Pro forma NOI adjustment for property changes within period	—	56		
Change in collectability of deferred rental revenue	27	28		
In-place adjusted EBITDA	<u>\$ 98,619</u>	<u>\$ 89,128</u>		
Reconciliations of tenant improvements and incentives, building improvements and leasing costs for operating properties to replacement capital expenditures				
Tenant improvements and incentives	\$ 15,045	\$ 32,619	\$ 27,821	\$ 52,605
Building improvements	5,705	2,766	10,658	4,907
Leasing costs	3,110	3,542	6,700	5,292
Net exclusions from tenant improvements and incentives	(1,040)	(16,007)	(724)	(11,168)
Excluded building improvements and leasing costs	(1,570)	(256)	(2,429)	(762)
Replacement capital expenditures	<u>\$ 21,250</u>	<u>\$ 22,664</u>	<u>\$ 42,026</u>	<u>\$ 50,874</u>

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Reconciliation of interest expense to the denominator for fixed charge coverage-Adjusted EBITDA				
Interest expense	\$ 20,617	\$ 16,519	\$ 41,384	\$ 32,961
Less: Amortization of deferred financing costs	(681)	(628)	(1,366)	(1,260)
Less: Amortization of net debt discounts, net of amounts capitalized	(1,023)	(622)	(2,037)	(1,240)
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	808	791	1,612	1,564
Scheduled principal amortization	662	746	1,431	1,536
Capitalized interest	643	1,194	1,232	1,964
Denominator for fixed charge coverage-Adjusted EBITDA	<u>\$ 21,026</u>	<u>\$ 18,000</u>	<u>\$ 42,256</u>	<u>\$ 35,525</u>
Reconciliation of net income to NOI from real estate operations, same property NOI from real estate operations and same property cash NOI from real estate operations				
Net income	\$ 36,407	\$ 31,642	\$ 70,078	\$ 112,040
Construction contract and other service revenues	(20,258)	(14,243)	(46,861)	(30,063)
Depreciation and other amortization associated with real estate operations	38,161	37,600	76,512	74,595
Construction contract and other service expenses	19,612	13,555	45,619	28,756
General and administrative expenses	8,591	7,287	16,969	15,283
Leasing expenses	2,462	2,345	4,649	4,344
Business development expenses and land carry costs	979	726	2,161	1,221
Interest expense	20,617	16,519	41,384	32,961
Interest and other income, net	(2,884)	(2,143)	(7,006)	(4,399)
Gain on sales of real estate	—	(14)	—	(49,392)
Equity in income of unconsolidated entities	(26)	(111)	(95)	(47)
Unconsolidated real estate JVs NOI allocable to COPT Defense included in equity in income of unconsolidated entities	1,735	1,671	3,475	3,313
Income tax expense	14	190	182	315
NOI from real estate operations	<u>105,410</u>	<u>95,024</u>	<u>207,067</u>	<u>188,927</u>
Non-Same Property NOI from real estate operations	<u>(6,738)</u>	<u>(801)</u>	<u>(12,992)</u>	<u>(1,981)</u>
Same Property NOI from real estate operations	<u>98,672</u>	<u>94,223</u>	<u>194,075</u>	<u>186,946</u>
Straight line rent adjustments and lease incentive amortization	2,501	(2,696)	7,868	(6,266)
Amortization of acquired above- and below-market rents	(69)	(129)	(138)	(295)
Lease termination fees, net	(881)	(1,059)	(1,656)	(2,280)
Tenant funded landlord assets and lease incentives	(2,498)	(2,213)	(10,688)	(3,435)
Cash NOI adjustments in unconsolidated real estate JVs	<u>(111)</u>	<u>(137)</u>	<u>(228)</u>	<u>(290)</u>
Same Property Cash NOI from real estate operations	<u>\$ 97,614</u>	<u>\$ 87,989</u>	<u>\$ 189,233</u>	<u>\$ 174,380</u>

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

	June 30, 2024	December 31, 2023
Reconciliation of total assets to adjusted book		
Total assets	\$ 4,219,338	\$ 4,246,966
Accumulated depreciation	1,468,595	1,400,162
Accumulated amortization of intangibles on property acquisitions and deferred leasing costs	226,739	228,484
COPT Defense's share of liabilities of unconsolidated real estate JVs	60,922	60,583
COPT Defense's share of accumulated depreciation and amortization of unconsolidated real estate JVs	11,199	9,528
Less: Property - operating lease liabilities	(33,818)	(33,931)
Less: Property - finance lease liabilities	(403)	(415)
Less: Cash and cash equivalents	(100,443)	(167,820)
Less: COPT Defense's share of cash of unconsolidated real estate JVs	(1,278)	(852)
Adjusted book	<u>\$ 5,850,851</u>	<u>\$ 5,742,705</u>

	June 30, 2024	December 31, 2023	June 30, 2023
Reconciliation of debt to net debt and net debt adjusted for fully-leased development			
Debt per balance sheet	\$ 2,389,925	\$ 2,416,287	\$ 2,176,174
Net discounts and deferred financing costs	25,995	28,713	21,342
COPT Defense's share of unconsolidated JV gross debt	<u>52,981</u>	<u>52,613</u>	<u>52,364</u>
Gross debt	2,468,901	2,497,613	2,249,880
Less: Cash and cash equivalents	(100,443)	(167,820)	(14,273)
Less: COPT Defense's share of cash of unconsolidated real estate JVs	<u>(1,278)</u>	<u>(852)</u>	<u>(974)</u>
Net debt	2,367,180	2,328,941	2,234,633
Costs incurred on fully-leased development properties	<u>(56,646)</u>	<u>(53,914)</u>	<u>(189,407)</u>
Net debt adjusted for fully-leased development	<u>\$ 2,310,534</u>	<u>\$ 2,275,027</u>	<u>\$ 2,045,226</u>