

NEWS RELEASE

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COPT Defense Reports Second Quarter 2025 Results

EPS of \$0.34

FFO per Share, as Adjusted for Comparability, of \$0.68

6.3% FFO per Share Growth Year-over-Year

2-cents above the Midpoint of Guidance

Increased Midpoint of 2025 FFO per Share Guidance by 1-cent to \$2.67

Implies 3.9% FFO per Share Growth for the Year

Same Property Cash NOI Increased 2.2% in 2Q25 and 4.6% Year-to-Date

Increased Midpoint of 2025 Guidance for the Year by 50 basis points to 3.25%

Continued Strong Occupancy and Leased Levels

Total Portfolio 94.0% Occupied and 95.6% Leased

Defense/IT Portfolio 95.6% Occupied and 96.8% Leased

Strong Leasing in 1H25; On Track to Exceed Initial 2025 Goals

Total Leasing in 2Q25 and 1H25 of 724,000 SF and 1.4 million SF, respectively

Vacancy Leasing in 2Q25 and 1H25 of 233,000 SF and 353,000 SF, respectively

Increased Annual Target to 450,000 SF from 400,000 SF

Tenant Retention in 2Q25 and 1H25 of 90% and 82%, respectively

Increased Midpoint of 2025 Guidance by 250 basis points to 82.5%

Investment Leasing in 2Q25 and 1H25 of 14,000 SF and 103,000 SF, respectively

COLUMBIA, MD (BUSINESS WIRE) July 28, 2025 - COPT Defense Properties ("COPT Defense" or the "Company") (NYSE: CDP) announced results for the second quarter ended June 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 strong results during the second 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 \$0.01 to \$2.67, which implies nearly 4% year-over-year growth.

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 50 basis points to 3.25%, and tenant retention by 250 basis points to 82.5%. Based on our excellent leasing activity, we raised our target for vacancy leasing by 12.5% from 400,000 square feet to 450,000 square feet, with 353,000 square feet signed in the first half of the year, and a strong pipeline of deals in advanced negotiations.

Our favorable business outlook is further supported by continued growth in defense spending as the One Big Beautiful Bill Act, which was signed into law on July 4, 2025, adds \$150 billion to defense spending over the next few years, with \$113 billion allocated to FY 2026. Combining this allocation with the President's FY 2026 budget request, this amounts to nearly \$950 billion and represents a 13% year-over-year increase, with additional funding directed towards the priority missions we support including cybersecurity, intelligence, surveillance and reconnaissance, missile defense, unmanned autonomous vehicles, and naval fleet and aviation activity, among others. We expect this increase in defense spending will continue to support our strong vacancy leasing volumes and external growth through development and drive earnings growth and shareholder value. Looking forward, we continue to anticipate compound annual FFO per share growth of roughly 4% between 2023 to 2026."

Financial Highlights

2nd Quarter Financial Results:

- > Diluted earnings per share ("EPS") was \$0.34 for the quarter ended June 30, 2025, compared to \$0.31 for the quarter ended June 30, 2024.
- > Diluted funds from operations per share ("FFOPS"), as calculated in accordance with Nareit's definition and as adjusted for comparability, was \$0.68 for the quarter ended June 30, 2025, compared to \$0.64 for the quarter ended June 30, 2024.

Operating Performance Highlights

Operating Portfolio Summary:

- > At June 30, 2025, the Company's 24.6 million square foot total portfolio was 94.0% occupied and 95.6% leased, which includes the 22.6 million square foot Defense/IT Portfolio that was 95.6% occupied and 96.8% leased.
- > During the quarter ended June 30, 2025, the Company placed into service 26,000 square feet of development that was 100% leased.

Same Property Performance:

- > At June 30, 2025, the Company's 23.9 million square foot Same Property portfolio was 94.5% occupied and 95.7% leased.
- > The Company's Same Property cash NOI increased 2.2% in the quarter ended June 30, 2025, compared to the same period in 2024.

Leasing:

- > Total Square Feet Leased: For the quarter ended June 30, 2025, the Company leased 724,000 square feet, including 477,000 square feet of renewals, 233,000 square feet of vacancy leasing, and 14,000 square feet of investment leasing. For the six months ended June 30, 2025, the Company executed 1.4 million square feet of total leasing, including 915,000 square feet of renewals, 353,000 square feet of vacancy leasing, and 103,000 square feet of investment leasing.
- > Tenant Retention Rates: During the quarter ended June 30, 2025, the Company renewed 89.7% of expiring square feet in its total portfolio. During the six months ended June 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 six months ended June 30, 2025, straight-line rents on renewals increased 9.5% and 8.8%, respectively, and cash rents on renewed space decreased 3.1% and 2.0%, respectively, while annual escalations on renewing leases averaged 2.4% and 2.5%, respectively.
- > Lease Terms: In the quarter ended June 30, 2025, lease terms averaged 6.2 years on renewing leases, 7.9 years on vacancy leasing, and 5.4 years on investment leasing. For the six months ended June 30, 2025, lease terms averaged 4.9 years on renewing leases, 7.6 years on vacancy leasing, and 9.8 years on investment leasing.

Investment Activity Highlights

- > Development Pipeline: The Company's development pipeline consists of five properties totaling 756,000 square feet that were 62% leased as of June 30, 2025. These projects represent a total estimated investment of \$309 million, of which \$134 million was spent as of June 30, 2025.

Balance Sheet and Capital Transaction Highlights

- > For the quarter ended June 30, 2025, the Company's adjusted EBITDA fixed charge coverage ratio was 4.9x.
- > At June 30, 2025, the Company's net debt to in-place adjusted EBITDA ratio was 5.9x and its net debt adjusted for fully-leased investment properties to in-place adjusted EBITDA ratio was 5.8x.
- > At June 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 4.2 years, 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 second 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 \$1.28-\$1.34 and \$2.63-\$2.69, respectively, to new ranges of \$1.30-\$1.34 and \$2.65-\$2.69, respectively. Management is establishing third quarter guidance for diluted EPS and diluted FFOPS per Nareit and as adjusted for comparability at \$0.32-\$0.34 and \$0.66-\$0.68, 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, 2025		Year Ending December 31, 2025	
	Low	High	Low	High
Diluted EPS	\$ 0.32	\$ 0.34	\$ 1.30	\$ 1.34
Real estate-related depreciation and amortization	0.34	0.34	1.35	1.35
Diluted FFOPS, Nareit definition and as adjusted for comparability	<u>\$ 0.66</u>	<u>\$ 0.68</u>	<u>\$ 2.65</u>	<u>\$ 2.69</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 second quarter 2025 results on its conference call tomorrow, details of which are listed below:

Conference Call Date:	Tuesday, July 29, 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/BI89e5bfa081c749b38c8796f648dd9c1c>

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, 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 96.8% leased.

Forward-Looking Information

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

The areas of risk that may affect these expectations, estimates and projections include, but are not limited to, those risks described in Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 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 June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues				
Lease revenue	\$ 175,598	\$ 165,619	\$ 350,906	\$ 331,052
Other property revenue	1,859	1,466	4,148	2,696
Construction contract and other service revenues	12,458	20,258	22,717	46,861
Total revenues	189,915	187,343	377,771	380,609
Operating expenses				
Property operating expenses	66,915	63,410	138,955	130,156
Depreciation and amortization associated with real estate operations	39,573	38,161	78,932	76,512
Construction contract and other service expenses	11,873	19,612	21,578	45,619
General and administrative expenses	8,202	8,591	16,350	16,969
Leasing expenses	2,613	2,462	5,612	4,649
Business development expenses and land carry costs	1,096	979	2,105	2,161
Total operating expenses	130,272	133,215	263,532	276,066
Interest expense	(20,938)	(20,617)	(41,442)	(41,384)
Interest and other income, net	1,223	2,884	2,791	7,006
Gain on sales of real estate	—	—	300	—
Income before equity in income of unconsolidated entities and income taxes	39,928	36,395	75,888	70,165
Equity in income of unconsolidated entities	355	26	726	95
Income tax expense	(117)	(14)	(220)	(182)
Net income	40,166	36,407	76,394	70,078
Net income attributable to noncontrolling interests				
Common units in the Operating Partnership ("OP")	(846)	(694)	(1,572)	(1,302)
Other consolidated entities	(973)	(599)	(1,735)	(1,053)
Net income attributable to common shareholders	<u>\$ 38,347</u>	<u>\$ 35,114</u>	<u>\$ 73,087</u>	<u>\$ 67,723</u>
Earnings per share ("EPS") computation				
Numerator for diluted EPS				
Net income attributable to common shareholders	\$ 38,347	\$ 35,114	\$ 73,087	\$ 67,723
Amount allocable to share-based compensation awards	(112)	(92)	(229)	(215)
Numerator for diluted EPS	<u>\$ 38,235</u>	<u>\$ 35,022</u>	<u>\$ 72,858</u>	<u>\$ 67,508</u>
Denominator				
Weighted average common shares - basic	112,459	112,293	112,421	112,261
Dilutive effect of share-based compensation awards	765	492	744	501
Weighted average common shares - diluted	<u>113,224</u>	<u>112,785</u>	<u>113,165</u>	<u>112,762</u>
Diluted EPS	<u>\$ 0.34</u>	<u>\$ 0.31</u>	<u>\$ 0.64</u>	<u>\$ 0.60</u>

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,	
	2025	2024	2025	2024
Net income	\$ 40,166	\$ 36,407	\$ 76,394	\$ 70,078
Real estate-related depreciation and amortization	39,573	38,161	78,932	76,512
Gain on sales of real estate	—	—	(300)	—
Depreciation and amortization on unconsolidated real estate JVs	732	778	1,473	1,555
Funds from operations ("FFO")	80,471	75,346	156,499	148,145
FFO allocable to other noncontrolling interests	(1,382)	(984)	(2,540)	(1,820)
Basic FFO allocable to share-based compensation awards	(550)	(599)	(1,080)	(1,186)
Basic FFO available to common share and common unit holders ("Basic FFO")	78,539	73,763	152,879	145,139
Redeemable noncontrolling interest	—	471	—	940
Diluted FFO adjustments allocable to share-based compensation awards	96	46	201	94
Diluted FFO available to common share and common unit holders ("Diluted FFO")	78,635	74,280	153,080	146,173
Executive transition costs	—	81	—	158
Diluted FFO comparability adjustments allocable to share-based compensation awards	—	(1)	—	(1)
Diluted FFO available to common share and common unit holders, as adjusted for comparability	78,635	74,360	153,080	146,330
Straight line rent adjustments and lease incentive amortization	(1,836)	3,788	(3,535)	7,261
Amortization of intangibles and other assets included in net operating income ("NOI")	64	211	226	333
Share-based compensation, net of amounts capitalized	2,924	2,564	5,778	5,209
Amortization of deferred financing costs	657	681	1,324	1,366
Amortization of net debt discounts, net of amounts capitalized	1,060	1,023	2,111	2,037
Replacement capital expenditures	(23,919)	(21,250)	(45,383)	(42,026)
Other	75	58	156	195
Diluted adjusted funds from operations available to common share and common unit holders ("Diluted AFFO")	\$ 57,660	\$ 61,435	\$ 113,757	\$ 120,705
Diluted FFO per share	\$ 0.68	\$ 0.64	\$ 1.33	\$ 1.27
Diluted FFO per share, as adjusted for comparability	\$ 0.68	\$ 0.64	\$ 1.33	\$ 1.27
Dividends/distributions per common share/unit	\$ 0.305	\$ 0.295	\$ 0.61	\$ 0.59

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

	June 30, 2025	December 31, 2024		
Balance Sheet Data				
Properties, net of accumulated depreciation	\$ 3,682,556	\$ 3,630,526		
Total assets	\$ 4,286,950	\$ 4,254,191		
Debt per balance sheet	\$ 2,438,591	\$ 2,391,755		
Total liabilities	\$ 2,717,951	\$ 2,693,624		
Redeemable noncontrolling interest	\$ 23,258	\$ 23,974		
Total equity	\$ 1,545,741	\$ 1,536,593		
Debt to assets	56.9%	56.2%		
Net debt to adjusted book	40.6%	40.4%		
Defense/IT Portfolio Data (as of period end)				
Number of operating properties	198	197		
Total operational square feet (in thousands)	22,583	22,549		
% Occupied	95.6%	95.4%		
% Leased	96.8%	96.7%		
	For the Three Months Ended June 30,	For the Six Months Ended June 30,		
	2025	2024	2025	2024
GAAP				
Payout ratio				
Net income	87.7%	93.1%	92.2%	96.8%
Debt ratios				
Net income to interest expense ratio	1.9x	1.8x	1.8x	1.7x
Debt to net income ratio	15.2x	16.4x	N/A	N/A
Non-GAAP				
Payout ratios				
Diluted FFO	44.5%	45.3%	45.7%	46.0%
Diluted FFO, as adjusted for comparability	44.5%	45.3%	45.7%	46.0%
Diluted AFFO	60.7%	54.8%	61.5%	55.8%
Debt ratios				
Adjusted EBITDA fixed charge coverage ratio	4.9x	4.7x	4.8x	4.6x
Net debt to in-place adjusted EBITDA ratio	5.9x	6.0x	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	113,224	112,785	113,165	112,762
Weighted average common units	2,177	1,703	2,113	1,664
Redeemable noncontrolling interest	—	926	—	937
Denominator for diluted FFO per share and as adjusted for comparability	115,401	115,414	115,278	115,363

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Numerators for Payout Ratios				
Dividends on unrestricted common and deferred shares	\$ 34,324	\$ 33,153	\$ 68,642	\$ 66,296
Distributions on unrestricted common units	666	505	1,327	1,005
Dividends and distributions on restricted shares and units	218	238	454	505
Total dividends and distributions for GAAP payout ratio	35,208	33,896	70,423	67,806
Dividends and distributions on antidilutive shares and units	(194)	(241)	(407)	(507)
Dividends and distributions for non-GAAP payout ratios	<u>\$ 35,014</u>	<u>\$ 33,655</u>	<u>\$ 70,016</u>	<u>\$ 67,299</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	\$ 40,166	\$ 36,407	\$ 76,394	\$ 70,078
Interest expense	20,938	20,617	41,442	41,384
Income tax expense	117	14	220	182
Real estate-related depreciation and amortization	39,573	38,161	78,932	76,512
Other depreciation and amortization	468	564	1,010	1,172
Gain on sales of real estate	—	—	(300)	—
Adjustments from unconsolidated real estate JVs	1,515	1,709	3,033	3,380
EBITDAre	102,777	97,472	200,731	192,708
Credit loss expense	1,187	436	1,702	458
Business development expenses	741	603	1,334	1,233
Executive transition costs	21	81	78	511
Net gain on other investments	—	—	—	(477)
Adjusted EBITDA	104,726	98,592	<u>\$ 203,845</u>	<u>\$ 194,433</u>
Pro forma NOI adjustment for property changes within period	57	—		
Change in collectability of deferred rental revenue	20	27		
In-place adjusted EBITDA	<u>\$ 104,803</u>	<u>\$ 98,619</u>		
Reconciliations of tenant improvements and incentives, building improvements and leasing costs for operating properties to replacement capital expenditures				
Tenant improvements and incentives	\$ 15,293	\$ 15,045	\$ 29,051	\$ 27,821
Building improvements	5,641	5,705	7,513	10,658
Leasing costs	4,929	3,110	8,390	6,700
Net (exclusions from) additions to tenant improvements and incentives	(241)	(1,040)	3,297	(724)
Excluded building improvements	(1,703)	(1,570)	(1,904)	(2,388)
Excluded leasing costs	—	—	(964)	(41)
Replacement capital expenditures	<u>\$ 23,919</u>	<u>\$ 21,250</u>	<u>\$ 45,383</u>	<u>\$ 42,026</u>

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Reconciliation of interest expense to the denominator for fixed charge coverage-Adjusted EBITDA				
Interest expense	\$ 20,938	\$ 20,617	\$ 41,442	\$ 41,384
Less: Amortization of deferred financing costs	(657)	(681)	(1,324)	(1,366)
Less: Amortization of net debt discounts, net of amounts capitalized	(1,060)	(1,023)	(2,111)	(2,037)
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	759	808	1,511	1,612
Scheduled principal amortization	457	662	918	1,431
Capitalized interest	1,126	643	2,053	1,232
Denominator for fixed charge coverage-Adjusted EBITDA	<u>\$ 21,563</u>	<u>\$ 21,026</u>	<u>\$ 42,489</u>	<u>\$ 42,256</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	\$ 40,166	\$ 36,407	\$ 76,394	\$ 70,078
Construction contract and other service revenues	(12,458)	(20,258)	(22,717)	(46,861)
Depreciation and other amortization associated with real estate operations	39,573	38,161	78,932	76,512
Construction contract and other service expenses	11,873	19,612	21,578	45,619
General and administrative expenses	8,202	8,591	16,350	16,969
Leasing expenses	2,613	2,462	5,612	4,649
Business development expenses and land carry costs	1,096	979	2,105	2,161
Interest expense	20,938	20,617	41,442	41,384
Interest and other income, net	(1,223)	(2,884)	(2,791)	(7,006)
Gain on sales of real estate	—	—	(300)	—
Equity in income of unconsolidated entities	(355)	(26)	(726)	(95)
Unconsolidated real estate JVs NOI allocable to COPT Defense included in equity in income of unconsolidated entities	1,870	1,735	3,759	3,475
Income tax expense	117	14	220	182
NOI from real estate operations	<u>112,412</u>	<u>105,410</u>	<u>219,858</u>	<u>207,067</u>
Non-Same Property NOI from real estate operations	<u>(3,747)</u>	<u>(1,318)</u>	<u>(6,917)</u>	<u>(1,863)</u>
Same Property NOI from real estate operations	<u>108,665</u>	<u>104,092</u>	<u>212,941</u>	<u>205,204</u>
Straight line rent adjustments and lease incentive amortization	(9)	182	145	4,095
Amortization of acquired above- and below-market rents	(69)	(69)	(138)	(138)
Lease termination fees, net	(728)	(881)	(1,562)	(1,656)
Tenant funded landlord assets and lease incentives	(4,929)	(2,598)	(8,034)	(12,962)
Cash NOI adjustments in unconsolidated real estate JVs	<u>(220)</u>	<u>(254)</u>	<u>(480)</u>	<u>(516)</u>
Same Property Cash NOI from real estate operations	<u>\$ 102,710</u>	<u>\$ 100,472</u>	<u>\$ 202,872</u>	<u>\$ 194,027</u>

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

	June 30, 2025	December 31, 2024
Reconciliation of total assets to adjusted book		
Total assets	\$ 4,286,950	\$ 4,254,191
Accumulated depreciation	1,608,032	1,537,293
Accumulated amortization of intangibles on property acquisitions and deferred leasing costs	225,192	228,154
COPT Defense's share of liabilities of unconsolidated real estate JVs	61,026	61,294
COPT Defense's share of accumulated depreciation and amortization of unconsolidated real estate JVs	14,407	12,817
Less: Property - operating lease liabilities	(47,372)	(49,240)
Less: Property - finance lease liabilities	(377)	(391)
Less: Cash and cash equivalents	(21,288)	(38,284)
Less: COPT Defense's share of cash of unconsolidated real estate JVs	(1,944)	(2,053)
Adjusted book	<u>\$ 6,124,626</u>	<u>\$ 6,003,781</u>

	June 30, 2025	December 31, 2024	June 30, 2024
Reconciliation of debt to net debt and net debt adjusted for fully-leased investment properties			
Debt per balance sheet	\$ 2,438,591	\$ 2,391,755	\$ 2,389,925
Net discounts and deferred financing costs	20,509	23,262	25,995
COPT Defense's share of unconsolidated JV gross debt	<u>53,750</u>	<u>53,750</u>	<u>52,981</u>
Gross debt	2,512,850	2,468,767	2,468,901
Less: Cash and cash equivalents	(21,288)	(38,284)	(100,443)
Less: COPT Defense's share of cash of unconsolidated real estate JVs	<u>(1,944)</u>	<u>(2,053)</u>	<u>(1,278)</u>
Net debt	2,489,618	2,428,430	2,367,180
Costs incurred on fully-leased development properties	(60,302)	(18,774)	(56,646)
Costs incurred on fully-leased operating property acquisitions	<u>—</u>	<u>(17,034)</u>	<u>—</u>
Net debt adjusted for fully-leased investment properties	<u>\$ 2,429,316</u>	<u>\$ 2,392,622</u>	<u>\$ 2,310,534</u>