

NEWS RELEASE

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COPT Defense Announces Tax Treatment of 2023 Distributions

COLUMBIA, MD (BUSINESS WIRE) January 23, 2024 – COPT Defense Properties (NYSE: CDP) (“COPT Defense” or the “Company”) announced the 2023 tax treatment of its common share distributions as described below. Shareholders are encouraged to consult with their tax advisors as to their specific tax treatment of COPT Defense common share distributions.

Please note that both the common share distributions with a record date of December 30, 2022, and payment date of January 17, 2023, and the distributions with a record date of December 29, 2023, and payment date of January 18, 2024, were allocated to 2023 for income tax purposes.

The table below summarizes the income tax treatment of 2023 distributions.

Common Shares (CUSIP #22002T108)

Record Date	Payment Date	Total		2023 Taxable Ordinary Dividends	2023 Total Capital Gain		2023 Return of Capital (2)	2023	
		Total Distribution per Share	Distribution Allocable to 2023		Capital Gain Distribution (1)			Unrecaptured Section 1250 Gain (3)	2023 Section 199A Dividend (4)
12/30/2022	01/17/2023	\$ 0.2750	\$ 0.2750	\$ 0.1402	\$ 0.1348	\$ -	\$ 0.0089	\$ 0.1402	
03/31/2023	04/17/2023	\$ 0.2850	\$ 0.2850	\$ 0.1453	\$ 0.1397	\$ -	\$ 0.0093	\$ 0.1453	
06/30/2023	07/17/2023	\$ 0.2850	\$ 0.2850	\$ 0.1453	\$ 0.1397	\$ -	\$ 0.0093	\$ 0.1453	
09/29/2023	10/16/2023	\$ 0.2850	\$ 0.2850	\$ 0.1453	\$ 0.1397	\$ -	\$ 0.0093	\$ 0.1453	
12/29/2023	01/18/2024	\$ 0.2850	\$ 0.2850	\$ 0.1453	\$ 0.1397	\$ -	\$ 0.0093	\$ 0.1453	
		\$ 1.4150	\$ 1.4150	\$ 0.7214	\$ 0.6936	\$ -	\$ 0.0461	\$ 0.7214	

(1) Section 1061 "One Year Amounts" and "Three Year Amounts" required to be disclosed are both zero for the 2023 distributions. All capital gains are Section 1231 gains.

(2) Represents a return of shareholder investment.

(3) Unrecaptured Section 1250 Gain is a subset of, and included in, the 2023 Total Capital Gain Distribution Amount.

(4) Section 199A Dividend is a subset of, and is included in, the Taxable Ordinary Dividend Amount.

FOR IMMEDIATE RELEASE

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, 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