UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

Mark One

☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2025, or

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from to
Commission File Number 001-12928
AGREE REALTY CORPORATION
(Exact name of registrant as specified in its charter)

Maryland	**38-3148187**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
32301 Woodward Avenue, Royal Oak, Michigan	**48073**
(Address of Principal Executive Offices)	(Zip Code)

(248) 737-4190
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, $0.0001 par value	ADC	New York Stock Exchange
Depositary Shares, each representing one-thousandth of a share of 4.25% Series A Cumulative Redeemable Preferred Stock, $0.0001 par value	ADCPrA	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☒ Accelerated Filer ☐ Non-accelerated Filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

As of July 30, 2025, the Registrant had 110,666,073 shares of common stock issued and outstanding.

AGREE REALTY CORPORATION
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

AGREE REALTY CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per-share data)
(Unaudited)

	June 30, 2025	December 31, 2024
ASSETS		
Real estate investments		
Land	$ 2,663,023	$ 2,514,167
Buildings	5,872,397	5,412,564
Less accumulated depreciation	(638,960)	(564,429)
	7,896,460	7,362,302
Property under development	62,165	55,806
Net real estate investments	7,958,625	7,418,108
Real estate held for sale, net	3,473	—
Cash and cash equivalents	5,824	6,399
Cash held in escrow	3,087	—
Accounts receivable - tenants, net	108,117	106,416
Lease intangibles, net of accumulated amortization of $517,216 and $461,419 at June 30, 2025 and December 31, 2024, respectively	923,092	864,937
Other assets, net	82,526	90,586
Total Assets	$ 9,084,744	$ 8,486,446
LIABILITIES		
Mortgage notes payable, net	$ 41,886	$ 42,210
Unsecured term loan, net	347,767	347,452
Senior unsecured notes, net	2,582,892	2,237,759
Unsecured revolving credit facility and commercial paper notes	247,000	158,000
Dividends and distributions payable	29,039	27,842
Accounts payable, accrued expenses, and other liabilities	132,089	116,273
Lease intangibles, net of accumulated amortization of $48,389 and $46,003 at June 30, 2025 and December 31, 2024, respectively	49,667	46,249
Total Liabilities	3,430,340	2,975,785
Commitments and contingencies (Note 11)		
EQUITY		
Preferred stock, $.0001 par value per share, 4,000,000 shares authorized, 7,000 shares Series A outstanding, at stated liquidation value of $25,000 per share, at June 30, 2025 and December 31, 2024	175,000	175,000
Common stock, $.0001 par value, 360,000,000 and 180,000,000 shares authorized, 110,666,238 and 107,248,705 shares issued and outstanding at June 30, 2025 and December 31, 2024, respectively	11	10
Additional paid-in-capital	5,992,510	5,765,582
Dividends in excess of net income	(545,372)	(470,622)
Accumulated other comprehensive income	31,891	40,076
Total equity - Agree Realty Corporation	5,654,040	5,510,046
Non-controlling interest	364	615
Total Equity	5,654,404	5,510,661
Total Liabilities and Equity	$ 9,084,744	$ 8,486,446

See accompanying notes to condensed consolidated financial statements.

AGREE REALTY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(In thousands, except share and per-share data)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2025	**June 30, 2024**	**June 30, 2025**	**June 30, 2024**
Revenues				
Rental income	$ 175,397	$ 152,424	$ 344,510	$ 301,847
Other	130	151	177	182
Total Revenues	175,527	152,575	344,687	302,029
Operating Expenses				
Real estate taxes	12,833	10,721	24,346	21,422
Property operating expenses	8,416	6,487	16,797	13,860
Land lease expense	550	415	1,036	830
General and administrative	11,332	9,707	22,104	19,222
Depreciation and amortization	58,939	50,454	114,693	98,917
Provision for impairment	2,961	—	7,292	4,530
Total Operating Expenses	95,031	77,784	186,268	158,781
Gain on sale of assets, net	1,510	7,156	2,282	9,252
Gain (loss) on involuntary conversion, net	—	20	—	(35)
Income from Operations	82,006	81,967	160,701	152,465
Other (Expense) Income				
Interest expense, net	(32,274)	(26,416)	(63,037)	(50,867)
Income and other tax expense	(425)	(1,004)	(1,250)	(2,154)
Other income	46	366	87	483
Net Income	49,353	54,913	96,501	99,927
Less net income attributable to non-controlling interest	155	189	307	344
Net income attributable to Agree Realty Corporation	49,198	54,724	96,194	99,583
Less Series A preferred stock dividends	1,859	1,859	3,718	3,718
Net Income Attributable to Common Stockholders	$ 47,339	$ 52,865	$ 92,476	$ 95,865
Net Income Per Share Attributable to Common Stockholders				
Basic	$ 0.43	$ 0.53	$ 0.85	$ 0.95
Diluted	$ 0.43	$ 0.52	$ 0.85	$ 0.95
Other Comprehensive Income				
Net income	$ 49,353	$ 54,913	$ 96,501	$ 99,927
Amortization of interest rate swaps	(880)	(675)	(1,616)	(1,305)
Change in fair value and settlement of interest rate swaps	3,435	4,172	(6,596)	15,716
Total comprehensive income	51,908	58,410	88,289	114,338
Less comprehensive income attributable to non-controlling interest	163	201	280	394
Comprehensive Income Attributable to Agree Realty Corporation	$ 51,745	$ 58,209	$ 88,009	$ 113,944
Weighted Average Number of Common Shares Outstanding - Basic	109,758,046	100,349,943	108,419,011	100,319,591
Weighted Average Number of Common Shares Outstanding - Diluted	110,377,221	100,454,703	108,996,422	100,415,466

See accompanying notes to condensed consolidated financial statements.

AGREE REALTY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(In thousands, except share and per-share data)
(Unaudited)

	Preferred Stock		Common Stock				Accumulated Other		
	Shares	Amount	Shares	Amount	Additional Paid-In Capital	Dividends in excess of net income	Comprehensive Income	Non-Controlling Interest	Total Equity
Balance, December 31, 2024	7,000	$ 175,000	107,248,705	$ 10	$ 5,765,582	$ (470,622)	$ 40,076	$ 615	$ 5,510,661
Issuance of common stock, net of issuance costs	—	—	2,665,998	1	183,090	—	—	—	183,091
Repurchase of common shares	—	—	(50,038)	—	(3,645)	—	—	—	(3,645)
Issuance of restricted stock under the 2024 Omnibus Incentive Plan	—	—	153,925	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	3,129	—	—	—	3,129
Series A preferred dividends declared for the period	—	(1,859)	—	—	—	—	—	—	(1,859)
Dividends and distributions declared for the period	—	—	—	—	—	(82,574)	—	(264)	(82,838)
Amortization, changes in fair value, and settlement of interest rate swaps	—	—	—	—	—	—	(10,732)	(35)	(10,767)
Net income	—	1,859	—	—	—	45,137	—	152	47,148
Balance, March 31, 2025	7,000	$ 175,000	110,018,590	$ 11	$ 5,948,156	$ (508,059)	$ 29,344	$ 468	$ 5,644,920
Issuance of common stock, net of issuance costs	—	—	663,892	—	41,104	—	—	—	41,104
Repurchase of common shares	—	—	(128)	—	(9)	—	—	—	(9)
Forfeiture of restricted stock	—	—	(16,116)	—	(52)	—	—	—	(52)
Stock-based compensation	—	—	—	—	3,311	—	—	—	3,311
Series A preferred dividends declared for the period	—	(1,859)	—	—	—	—	—	—	(1,859)
Common stock dividends and distributions declared for the period	—	—	—	—	—	(84,652)	—	(267)	(84,919)
Amortization, changes in fair value, and settlement of interest rate swaps	—	—	—	—	—	—	2,547	8	2,555
Net income	—	1,859	—	—	—	47,339	—	155	49,353
Balance, June 30, 2025	7,000	$ 175,000	110,666,238	$ 11	$ 5,992,510	$ (545,372)	$ 31,891	$ 364	$ 5,654,404
Cash dividends declared per depositary share of Series A preferred stock:									
For the three months ended March 31, 2025		$ 0.266							
For the three months ended June 30, 2025		$ 0.266							
Cash dividends declared per common share:									
For the three months ended March 31, 2025				$ 0.759					
For the three months ended June 30, 2025				$ 0.768					

See accompanying notes to condensed consolidated financial statements.

AGREE REALTY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(In thousands, except share and per-share data)
(Unaudited)

	Preferred Stock		Common Stock		Additional	Dividends in excess of net	Accumulated Other Comprehensive	Non-Controlling	Total
	Shares	Amount	Shares	Amount	Paid-In Capital	income	Income	Interest	Equity
Balance, December 31, 2023	7,000	$ 175,000	100,519,355	$ 10	$ 5,354,120	$ (346,473)	$ 16,554	$ 942	$ 5,200,153
Repurchase of common shares	—	—	(37,957)	—	(2,183)	—	—	—	(2,183)
Issuance of stock under the 2020 Omnibus Incentive Plan	—	—	147,656	—	—	—	—	—	—
Forfeiture of restricted stock	—	—	(79)	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	2,425	—	—	—	2,425
Series A preferred dividends declared for the period	—	(1,859)	—	—	—	—	—	—	(1,859)
Dividends and distributions declared for the period	—	—	—	—	—	(74,732)	—	(257)	(74,989)
Amortization, changes in fair value, and settlement of interest rate swaps	—	—	—	—	—	—	10,876	38	10,914
Net income	—	1,859	—	—	—	43,000	—	155	45,014
Balance, March 31, 2024	7,000	$ 175,000	100,628,975	$ 10	$ 5,354,362	$ (378,205)	$ 27,430	$ 878	$ 5,179,475
Repurchase of common shares	—	—	(126)	—	(7)	—	—	—	(7)
Forfeiture of restricted stock	—	—	(4,225)	—	(17)	—	—	—	(17)
Stock-based compensation	—	—	—	—	2,805	—	—	—	2,805
Series A preferred dividends declared for the period	—	(1,859)	—	—	—	—	—	—	(1,859)
Dividends and distributions declared for the period	—	—	—	—	—	(75,469)	—	(260)	(75,729)
Amortization, changes in fair value, and settlement of interest rate swaps	—	—	—	—	—	—	3,485	12	3,497
Net income	—	1,859	—	—	—	52,865	—	189	54,913
Balance, June 30, 2024	7,000	$ 175,000	100,624,624	$ 10	$ 5,357,143	$ (400,809)	$ 30,915	$ 819	$ 5,163,078
Cash dividends declared per depositary share of Series A preferred stock:									
For the three months ended March 31, 2024		$ 0.266							
For the three months ended June 30, 2024		$ 0.266							
Cash dividends declared per common share:									
For the three months ended March 31, 2024				$ 0.741					
For the three months ended June 30, 2024				$ 0.750					

See accompanying notes to condensed consolidated financial statements.

AGREE REALTY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended	
	June 30, 2025	**June 30, 2024**
Cash Flows from Operating Activities		
Net income	$ 96,501	$ 99,927
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	114,693	98,917
Amortization from above (below) market lease intangibles, net	17,083	16,592
Amortization from financing costs, credit facility costs and debt discount	3,482	2,655
Stock-based compensation	6,388	5,213
Straight-line accrued rent	(7,798)	(6,343)
Provision for impairment	7,292	4,530
Settlement of interest rate swaps	13,551	4,355
Gain on sale of assets	(2,282)	(9,252)
Change in accounts receivable	6,097	(6,352)
Change in other assets	(14,350)	(9,908)
Change in accounts payable, accrued expenses, and other liabilities	5,645	11,628
Net Cash Provided by Operating Activities	246,302	211,962
Cash Flows from Investing Activities		
Acquisition of real estate investments and other assets	(685,993)	(316,910)
Development of real estate investments and other assets, net of reimbursements (including capitalized interest of $939 in 2025 and $701 in 2024)	(47,680)	(41,158)
Payment of leasing costs	(297)	(696)
Net proceeds from sale of assets	8,158	56,679
Net Cash Used in Investing Activities	(725,812)	(302,085)
Cash Flows from Financing Activities		
Proceeds from common stock offerings, net	224,195	—
Repurchase of common shares	(3,654)	(2,190)
Unsecured revolving credit facility and commercial paper notes borrowings	6,351,250	325,000
Unsecured revolving credit facility and commercial paper notes repayments	(6,262,250)	(509,000)
Payments of mortgage notes payable	(505)	(474)
Proceeds from senior unsecured notes	397,188	444,722
Payments of senior unsecured notes	(50,000)	—
Payment of Series A preferred dividends	(3,718)	(3,718)
Payment of common stock dividends	(166,030)	(149,873)
Distributions to non-controlling interest	(531)	(517)
Payments for financing costs	(3,923)	(4,097)
Net Cash Provided by Financing Activities	482,022	99,853
Increase in Cash and Cash Equivalents and Cash Held in Escrow	2,512	9,730
Cash and cash equivalents and cash held in escrow, beginning of period	6,399	14,524
Cash and cash equivalents and cash held in escrow, end of period	$ 8,911	$ 24,254
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest (net of amounts capitalized)	$ 59,325	$ 43,819
Cash paid for income tax	$ 2,591	$ 4,091
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Lease right of use assets added under new ground leases	$ 1,767	$ 365
Lease right of use assets removed as a result of acquisition of real property	$ 2,736	$ —
Series A preferred dividends declared and unpaid	$ 620	$ 620
Common stock dividends and limited partners' distributions declared and unpaid	$ 28,419	$ 25,243
Change in accrual of development, construction and other real estate investment costs	$ 7,721	$ (2,455)

See accompanying notes to condensed consolidated financial statements.

AGREE REALTY CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2025
(Unaudited)

Note 1 – Organization

Agree Realty Corporation (the "Company"), a Maryland corporation, is a fully integrated real estate investment trust ("REIT") primarily focused on the ownership, acquisition, development and management of retail properties net leased to industry leading tenants. The Company was founded in 1971 by its current Executive Chairman, Richard Agree, and its common stock was listed on the New York Stock Exchange in 1994.

The Company's assets are held by, and all of its operations are conducted through, directly or indirectly, Agree Limited Partnership (the "Operating Partnership"), of which Agree Realty Corporation is the sole general partner and in which it held a 99.7% common equity interest as of June 30, 2025 and December 31, 2024. There is a one-for-one relationship between the limited partnership interests in the Operating Partnership ("Operating Partnership Common Units") owned by the Company and shares of Company common stock outstanding. The Company also owns 100% of the Series A preferred equity interest in the Operating Partnership. This preferred equity interest corresponds on a one-for-one basis to the Company's Series A Preferred Stock (Refer to Note 6 – *Common and Preferred Stock*), providing income and distributions to the Company equal to the dividends payable on that stock.

The non-controlling interest in the Operating Partnership consisted of a 0.3% common ownership interest in the Operating Partnership held by the Company's founder and Executive Chairman as of June 30, 2025 and December 31, 2024. The Operating Partnership Common Units may, under certain circumstances, be exchanged for shares of common stock on a one-for-one basis. The Company, as sole general partner of the Operating Partnership, has the option to settle exchanged Operating Partnership Common Units held by others for cash based on the current trading price of its shares. Assuming the exchange of all non-controlling Operating Partnership Common Units, there would have been 111,013,857 shares of common stock outstanding at June 30, 2025.

As of June 30, 2025, the Company owned 2,513 properties, with a total gross leasable area ("GLA") of approximately 52.0 million square feet.

The terms the "Company," "Management," "we," "our" or "us" refer to Agree Realty Corporation and all of its consolidated subsidiaries, including the Operating Partnership.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for audited financial statements. The unaudited condensed consolidated financial statements reflect all adjustments (consisting only of normal recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of the results for the interim periods presented. Operating results for the three and six months ended June 30, 2025 may not be indicative of the results that may be expected for the year ending December 31, 2025.

Amounts as of December 31, 2024 included in the condensed consolidated financial statements have been derived from the audited consolidated financial statements as of that date. The unaudited condensed consolidated financial statements, included herein, should be read in conjunction with the audited consolidated financial statements and notes thereto, as well as Management's Discussion and Analysis of Financial Condition and Results of Operations, in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

Consolidation

Under the agreement of limited partnership of the Operating Partnership, the Company, as the sole general partner, has exclusive responsibility and discretion in the management and control of the Operating Partnership. The Company consolidates the Operating Partnership under the guidance set forth in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 810, *Consolidation*, and as a result, the unaudited condensed consolidated financial statements include the accounts of the Company, the Operating Partnership and its wholly owned subsidiaries. All intercompany accounts and transactions are eliminated, including the Company's Series A preferred equity interest in the Operating Partnership.

Real Estate Investments

The Company records the acquisition of real estate at cost, including acquisition and closing costs. For properties developed by the Company, all direct and indirect costs related to planning, development and construction, including interest, real estate taxes and other miscellaneous costs incurred during the construction period, are capitalized for financial reporting purposes and recorded as property under development until construction has been completed.

Assets Held for Sale

Assets are classified as real estate held for sale based on specific criteria as outlined in FASB ASC Topic 360, *Property, Plant & Equipment*. Properties classified as real estate held for sale are recorded at the lower of their carrying value or their fair value, less anticipated selling costs. Any properties classified as held for sale are not depreciated. Assets are generally classified as real estate held for sale once management has actively engaged in marketing the asset and has received a firm purchase commitment that is expected to close within one year.

Acquisitions of Real Estate

The acquisition of property for investment purposes is typically accounted for as an asset acquisition. The Company allocates the purchase price to land, building, and identified intangible assets and liabilities, based in each case on their relative estimated fair values and without giving rise to goodwill. Intangible assets and liabilities represent the value of in-place leases and above- or below-market leases and above- or below-market debt, if any. In making estimates of fair values, the Company may use various sources, including data provided by independent third parties, as well as information obtained by the Company as a result of its due diligence, including expected future cash flows of the property and various characteristics of the markets where the property is located.

In allocating the fair value of the identified tangible and intangible assets and liabilities of an acquired property, land is valued based upon comparable market data or independent appraisals. Buildings are valued on an as-if vacant basis based on a cost approach utilizing estimates of cost and the economic age of the building or an income approach utilizing various market data. In-place lease intangibles are valued based on the Company's estimates of costs related to tenant acquisition and the carrying costs that would be incurred during the time it would take to locate a tenant if the property were vacant, considering current market conditions and costs to execute similar leases at the time of the acquisition. Above- and below-market lease intangibles are recorded based on the present value of the difference between the contractual amounts to be paid pursuant to the leases at the time of acquisition and the Company's estimate of current market lease rates for the property. In the case of sale-leaseback transactions, it is typically assumed that the lease is not in-place prior to the close of the transaction.

Depreciation and Amortization

Land, buildings and improvements are recorded and stated at cost. The Company's properties are depreciated using the straight-line method over the estimated remaining useful life of the assets, which are generally 40 years for buildings and 10 to 20 years for improvements. Properties classified as held for sale and properties under development or redevelopment are not depreciated. Major replacements and betterments, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives.

In-place lease intangible assets and the capitalized above- and below-market lease intangibles are amortized over the non-cancelable term of the lease as well as any option periods included in the estimated fair value. In-place lease intangible assets are amortized to amortization expense and above- and below-market lease intangibles are amortized as a net adjustment to rental income. In the event of early lease termination, the remaining net book value of any above- or below-market lease intangible is recognized as an adjustment to rental income.

The following schedule summarizes the Company's amortization of lease intangibles for the periods presented (*in thousands*):

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Lease intangibles (in-place)	$ 19,509	$ 16,288	$ 37,406	$ 32,140
Lease intangibles (above-market)	10,308	9,648	20,275	19,333
Lease intangibles (below-market)	(1,771)	(1,351)	(3,192)	(2,741)
Total	**$ 28,046**	**$ 24,585**	**$ 54,489**	**$ 48,732**

The following schedule represents estimated future amortization of lease intangibles as of June 30, 2025 (*in thousands*):

Year Ending December 31,	2025 (remaining)	2026	2027	2028	2029	Thereafter	Total
Lease intangibles (in-place)	$ 37,339	$ 71,791	$ 64,738	$ 57,029	$ 48,885	$ 220,608	$ 500,390
Lease intangibles (above-market)	20,956	40,457	37,816	34,073	30,532	258,868	422,702
Lease intangibles (below-market)	(2,783)	(5,333)	(4,985)	(4,193)	(3,578)	(28,795)	(49,667)
Total	**$ 55,512**	**$ 106,915**	**$ 97,569**	**$ 86,909**	**$ 75,839**	**$ 450,681**	**$ 873,425**

Impairments

The Company reviews real estate investments and related lease intangibles for possible impairment when certain events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable through operations plus estimated disposition proceeds. Events or changes in circumstances that may occur include, but are not limited to, significant changes in real estate market conditions, a change in estimated residual values, a change in the Company's ability or expectation to re-lease properties that are vacant or become vacant or a change in the anticipated holding period for a property.

Management determines whether an impairment in value has occurred by comparing the estimated future cash flows (undiscounted and without interest charges), including the residual value of the real estate, to the carrying value of the individual asset.

Impairments are measured to the extent the carrying value exceeds the estimated fair value.

The valuation of impaired assets is determined using valuation techniques including discounted cash flow analysis, analysis of recent comparable sales transactions and purchase offers received from third parties, which are Level 3 inputs. The Company may consider a single valuation technique or multiple valuation techniques, as appropriate, when estimating the fair value of its real estate. Estimating future cash flows is highly subjective and estimates can differ significantly from actual results.

Cash and Cash Equivalents and Cash Held in Escrow

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents consist of deposit, checking, and money market accounts. The account balances periodically exceed the Federal Deposit Insurance Corporation ("FDIC") insurance coverage or are held in accounts without any federal insurance, and as a result, there is a credit risk related to amounts on deposit in excess of FDIC insurance coverage. Cash held in escrow primarily relates to proposed like-kind exchange transactions pursued under Section 1031 of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code") or cash that is not immediately available to the Company due to other contractual agreements.

The following table provides a reconciliation of cash and cash equivalents and cash held in escrow, both as reported within the condensed consolidated balance sheets, to the total of the cash and cash equivalents and cash held in escrow as reported within the condensed consolidated statements of cash flows (*in thousands*):

	June 30, 2025	December 31, 2024
Cash and cash equivalents	$ 5,824	$ 6,399
Cash held in escrow	3,087	—
Total of cash and cash equivalents and cash held in escrow	$ 8,911	$ 6,399

Revenue Recognition and Accounts Receivable

The Company leases real estate to its tenants under long-term net leases which are accounted for as operating leases. Under this method, leases that have fixed and determinable rent increases are recognized on a straight-line basis over the lease term. Rental increases based upon changes in the consumer price indexes, or other variable factors, are recognized only after changes in such factors have occurred and are then applied according to the lease agreements. Certain leases also provide for additional rent based on tenants' sales volumes. These rents are recognized when determinable after the tenant exceeds a sales breakpoint.

Recognizing rent escalations on a straight-line method results in rental revenue in the early years of a lease being higher than actual cash received, creating a straight-line rent receivable asset which is included in the accounts receivable – tenants, net line item in the condensed consolidated balance sheets. The balance of straight-line rent receivables at June 30, 2025 and December 31, 2024 was $85.1 million and $77.3 million, respectively.

The Company's leases provide for reimbursement from tenants for common area maintenance, insurance, real estate taxes and other operating expenses. A portion of the Company's operating cost reimbursement revenue is estimated each period and is recognized as rental revenue in the period the recoverable costs are incurred and accrued, and the related revenue is earned. The balance of unbilled operating cost reimbursement receivable at June 30, 2025 and December 31, 2024 was $15.2 million and $15.8 million, respectively. Unbilled operating cost reimbursement receivable is reflected in accounts receivable - tenants, net in the condensed consolidated balance sheets.

The Company has adopted the practical expedient in FASB ASC Topic 842, Leases ("ASC 842") that allows lessors to combine non-lease components with the lease components when the timing and patterns of transfer for the lease and non-lease components are the same and the lease is classified as an operating lease. As a result, all rentals and reimbursements pursuant to tenant leases are reflected as one-line, rental income, in the condensed consolidated statements of operations and comprehensive income.

The Company reviews the collectability of all charges under its tenant operating leases on a regular basis, including current and future rent and reimbursements for common area maintenance, insurance, real estate taxes and other operating expenses, taking into consideration changes in factors such as the tenant's payment history, the financial condition of the tenant, business conditions in the industry in which the tenant operates and economic conditions in the area where the property is located. In the event that collectability with respect to any tenant changes, the Company recognizes an adjustment to rental revenue. The Company's review of collectability of charges under its operating leases also includes any accrued rental revenue related to the straight-line method of reporting rental revenue.

As of June 30, 2025, the Company had six leases across six tenants where collection is not considered probable. For these tenants, the Company is recording rental income on a cash basis and has written off any outstanding receivables, including straight-line rent receivables.

In addition to the tenant-specific collectability assessment performed, the Company may also recognize a general allowance, as a reduction to rental revenue, for its operating lease receivables which are not expected to be fully collectible based on the potential for settlement of arrears. The Company had no general allowance at June 30, 2025 and December 31, 2024.

Earnings per Share

Earnings per share of common stock has been computed pursuant to the guidance in the FASB ASC Topic 260, *Earnings Per Share*. The guidance requires the classification of the Company's unvested restricted common shares ("restricted shares"), which contain rights to receive non-forfeitable dividends, as participating securities requiring the two-class method of computing net income per share of common stock. In accordance with the two-class method, earnings per share is computed by dividing net income less net income attributable to unvested restricted shares by the weighted average number of shares of common stock outstanding less unvested restricted shares. Diluted earnings per share is computed by dividing net income less net income attributable to unvested restricted shares by the weighted average shares of common shares and potentially dilutive securities in accordance with the treasury stock method.

The following is a reconciliation of the numerator and denominator used in the computation of basic and diluted net earnings per share of common stock for the periods presented (*in thousands, except for share and unit data*):

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Net income attributable to Agree Realty Corporation	$ 49,198	$ 54,724	$ 96,194	$ 99,583
Less: Series A preferred stock dividends	(1,859)	(1,859)	(3,718)	(3,718)
Net income attributable to common stockholders	47,339	52,865	92,476	95,865
Less: Income attributable to unvested restricted shares	(110)	(145)	(222)	(265)
Net income used in basic and diluted earnings per share	$ 47,229	$ 52,720	$ 92,254	$ 95,600
Weighted average number of common shares outstanding	110,014,003	100,625,877	108,674,968	100,595,525
Less: Unvested restricted shares	(255,957)	(275,934)	(255,957)	(275,934)
Weighted average number of common shares outstanding used in basic earnings per share	109,758,046	100,349,943	108,419,011	100,319,591
Weighted average number of common shares outstanding used in basic earnings per share	109,758,046	100,349,943	108,419,011	100,319,591
Effect of dilutive securities:				
Share-based compensation	179,867	89,582	176,280	88,285
ATM Forward Equity Offerings	256,296	15,178	286,480	7,590
October 2024 Forward Equity Offering	178,556	—	112,423	—
April 2025 Forward Equity Offering	4,456	—	2,228	—
Weighted average number of common shares outstanding used in diluted earnings per share	110,377,221	100,454,703	108,996,422	100,415,466
Operating Partnership Units ("OP Units")	347,619	347,619	347,619	347,619
Weighted average number of common shares and OP Units outstanding used in diluted earnings per share	110,724,840	100,802,322	109,344,041	100,763,085

The following summarizes the number of restricted common shares and performance units that were anti-dilutive and not included in the computation of diluted earnings per share, for the periods presented:

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Common stock related to forward equity offerings	21,293	—	29,587	—
Anti-dilutive share-based compensation	—	1,680	—	1,910

Forward Equity Sales

The Company periodically sells shares of common stock through forward sale agreements to enable the Company to set the price of such shares upon pricing the offering (subject to certain adjustments) while delaying the issuance of such shares and the receipt of the net proceeds by the Company.

To account for the forward sale agreements, the Company considers the accounting guidance governing financial instruments and derivatives. To date, the Company has concluded that its forward sale agreements are not liabilities as they do not embody obligations to repurchase its shares nor do they embody obligations to issue a variable number of shares for which the monetary value are predominantly fixed, varying with something other than the fair value of the shares, or varying inversely in relation to its shares. The Company then evaluates whether the agreements meet the derivatives and hedging guidance scope exception to be accounted for as equity instruments. The Company has concluded that the agreements are classifiable as equity contracts based on the following assessments: (i) none of the agreements' exercise contingencies are based on observable markets or indices besides those related to the market for the Company's own stock price and operations; and (ii) none of the settlement provisions precluded the agreements from being indexed to its own stock.

The Company also considers the potential dilution resulting from the forward sale agreements on the earnings per share calculations. The Company uses the treasury stock method to determine the dilution resulting from forward sale agreements during the period of time prior to settlement.

Equity Offering Costs

Underwriting commissions and costs of equity offerings are reflected as a reduction of additional paid-in-capital in the Company's condensed consolidated balance sheets and condensed consolidated statements of equity.

Income Taxes

The Company has made an election to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code and related regulations. The Company generally will not be subject to federal income taxes on amounts distributed to stockholders, provided that it distributes 100% of its REIT taxable income and meets certain other requirements for qualifying as a REIT. For the periods covered in the condensed consolidated financial statements, the Company believes it has qualified as a REIT. Accordingly, no provision has been made for federal income taxes related to the Company's REIT taxable income in the accompanying condensed consolidated financial statements.

The Company has elected taxable REIT subsidiary ("TRS") status for certain subsidiaries pursuant to the provisions of the REIT Modernization Act. A TRS is able to engage in activities resulting in income that previously would have been disqualified from being eligible REIT income under the federal income tax regulations. As a result, certain activities of the Company which occur within its TRS entities are subject to federal income taxes. All provisions for federal income taxes in the accompanying condensed consolidated financial statements are attributable to the Company's TRS.

The One Big Beautiful Bill Act ("OBBBA"), which passed on July 4, 2025, increased the percentage limit under the REIT asset test applicable to TRSs for taxable years beginning after December 31, 2025, and thus beginning in 2026 the aggregate value of all securities of TRSs held by a REIT may not exceed 25% of the value of its gross assets (rather than the prior 20% limit).

Notwithstanding its qualification for taxation as a REIT, the Company is subject to certain state and local income and franchise taxes, which are included in income and other tax expense on the condensed consolidated statements of operations and comprehensive income.

The Company is subject to the provisions of FASB ASC Topic 740-10 ("ASC 740-10") and regularly analyzes its various federal and state filing positions and only recognizes the income tax effect in its financial statements when certain criteria regarding uncertain income tax positions have been met. The Company believes that its income tax positions are documented and supported and would more likely than not be sustained upon examination by all relevant taxing authorities. Therefore, no provisions for uncertain income tax positions have been recorded pursuant to ASC 740-10 in the condensed consolidated financial statements. The Company has elected to record related interest and penalties, if any, as income and other tax expense on the condensed consolidated statements of operations and comprehensive income. The Company has no material interest or penalties relating to income taxes recognized for three and six months ended June 30, 2025 and 2024.

Earnings and profits that determine the taxability of distributions to stockholders differ from net income reported for financial reporting purposes due to differences in the estimated useful lives and methods used to compute depreciation and the carrying value (basis) of the investments in properties for tax purposes, among other things.

Management's Responsibility to Evaluate Its Ability to Continue as a Going Concern

When preparing financial statements for each annual and interim reporting period, management has the responsibility to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued. In making its evaluation, the Company considers, among other things, any risks and/or uncertainties to its results of operations, contractual obligations in the form of near-term debt maturities, dividend requirements, or other factors impacting the Company's liquidity and capital resources. No conditions or events that raised substantial doubt about the ability to continue as a going concern within one year were identified as of the issuance date of the condensed consolidated financial statements contained in this Quarterly Report on Form 10-Q.

Reclassifications

Certain reclassifications of prior period amounts have been made in the condensed consolidated financial statements and footnotes in order to conform to the current presentation.

Segment Reporting

The Company is primarily engaged in the business of owning, acquiring, developing and managing retail real estate. We organize and operate our business as a single operating segment and the Company's chief operating decision maker, ("CODM"), which is its Chief Executive Officer, does not distinguish or group operations on a geographic, tenant sector, tenant or other basis when assessing the financial performance of the Company's portfolio of properties. Accordingly, the Company has a single reportable segment for disclosure purposes.

The CODM assesses performance and allocates resources based on consolidated net income as reported on the condensed consolidated statements of operations and comprehensive income. The CODM uses consolidated net income to evaluate the performance of the portfolio and to inform decisions about whether to reinvest profits to grow the portfolio or utilize the profits for other purposes including debt extinguishment or dividend payments. The CODM does not regularly review a measure of segment assets to evaluate performance. Significant segment expenses and other segment items are identical to what is reported on the face of the condensed consolidated statements of operations and comprehensive income. Total expenditures for long-lived assets are reported on the condensed consolidated statements of cash flows.

The accounting policies of the reportable segment are the same as those described in Note 2 – *Summary of Significant Accounting Policies*. Revenues are generated through leasing long-lived assets to external customers. There are no inter-entity revenues, and no tenant comprises more than 10 percent of the Company's revenues.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of (1) assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements, and (2) revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Values of Financial Instruments

The Company's estimates of fair value of financial and non-financial assets and liabilities are based on the framework established in the fair value accounting guidance, ASC Topic 820 *Fair Value Measurement* ("ASC 820"). The framework specifies a hierarchy of valuation inputs which was established to increase consistency, clarity and comparability in fair value measurements and related disclosures. The guidance describes a fair value hierarchy based on three levels of inputs that may be used to measure fair value, two of which are considered observable and one that is considered unobservable. The following describes the three levels:

Level 1 – Valuation is based upon quoted prices in active markets for identical assets or liabilities.

Level 2 – Valuation is based upon inputs other than Level 1 inputs that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include option pricing models, discounted cash flow models and similar techniques.

Recent Accounting Pronouncements

In August 2023, the FASB issued ASU 2023-05, *Business Combinations – Joint Venture Formations (Subtopic 805-60)* ("ASU 2023-05"). ASU 2023-05 addresses the accounting for contributions made to a joint venture, upon formation, in a joint venture's separate financial statements. ASU 2023-05 requires a joint venture to apply a new basis of accounting upon formation. By applying a new basis of accounting, a joint venture, upon formation, will recognize and initially measure its assets and liabilities at fair value (with exceptions to fair value measurement that are consistent with the business combinations guidance). ASC 2023-05 is effective prospectively for all joint ventures formed on or after January 1, 2025. The Company does not have joint ventures and as such was not impacted upon adoption of the guidance on January 1, 2025.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740) – Improvements to Income Tax Disclosures* ("ASU 2023-09"). ASU 2023-09 requires annual disclosure of specific categories in the income tax rate reconciliation and to provide additional information for reconciling items that meet a quantitative threshold within the rate reconciliation. In addition, the amendments require annual disclosure of income taxes paid disaggregated by federal, state and foreign jurisdictions as well as individual jurisdictions in which income taxes paid is equal to or greater than 5 percent of total income taxes paid. ASU 2023-09 is effective for annual periods beginning after December 15, 2024 on a prospective basis, however early adoption and retrospective adoption is permitted. The Company continues to evaluate the impact of the guidance and potential additional disclosures required.

In November 2024, the FASB issued ASU 2024-03, Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40) – Disaggregation of Income Statement Expenses ("ASU 2024-03"). Within the notes to the financial statements, the amendment requires tabular disclosure of disaggregated information related to expense captions presented on the face of the income statement that include expense categories such as employee compensation, depreciation, and intangible asset amortization. The amendment does not change the timing or amount of expense recognized, rather it is intended to provide incremental information about the components of an entity's expenses. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and the following interim reporting periods. The Company continues to evaluate the impact of the guidance and additional disclosures required.

Note 3 – Leases

Tenant Leases

The Company is primarily focused on the ownership, acquisition, development and management of retail properties leased to industry leading tenants.

Substantially all of the Company's tenants are subject to net lease agreements. A net lease typically requires the tenant to be responsible for minimum monthly rent and actual property operating expenses incurred, including property taxes, insurance and maintenance. In addition, the Company's tenants are typically subject to future rent increases based on fixed amounts or increases in the consumer price indexes and certain leases provide for additional rent calculated as a percentage of the tenants' gross sales above a specified level. Certain of the Company's properties are subject to leases under which it retains responsibility for specific costs and expenses of the property.

The Company's leases typically provide the tenant with one or more multi-year renewal options to extend their leases, subject to generally the same terms and conditions, including rent increases, consistent with the initial lease term.

The Company attempts to maximize the amount it expects to derive from the underlying real estate property following the end of the lease, to the extent it is not extended. The Company maintains a proactive leasing program that, combined with the quality and locations of its properties, has made its properties attractive to tenants. The Company intends to continue to hold its properties for long-term investment and, accordingly, places a strong emphasis on the quality of construction and an on-going program of regular and preventative maintenance.

The Company has elected the practical expedient in ASC 842 on not separating non-lease components from associated lease components. The lease and non-lease components combined as a result of this election largely include tenant rentals and maintenance charges, respectively. The Company applies the accounting requirements of ASC 842 to the combined component.

The following table includes information regarding contractual lease payments for the Company's operating leases for which it is the lessor, for the periods presented *(in thousands)*:

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Total lease payments	$ 180,348	$ 157,223	$ 354,087	$ 312,086
Less: Operating cost reimbursements, termination income and percentage rents	19,947	18,505	39,742	36,506
Total non-variable lease payments	$ 160,401	$ 138,718	$ 314,345	$ 275,580

At June 30, 2025, future non-variable lease payments to be received from the Company's operating leases are as follows (*in thousands*):

Year Ending December 31,	2025 (remaining)	2026	2027	2028	2029	Thereafter	Total
Future non-variable lease payments	$ 344,240	$ 688,827	$ 664,574	$ 626,888	$ 570,301	$ 2,915,551	$ 5,810,381

Deferred Revenue

As of June 30, 2025 and December 31, 2024, there was $31.1 million and $33.1 million, respectively, in deferred revenues resulting from rents paid in advance. Deferred revenues are recognized within accounts payable, accrued expenses, and other liabilities on the condensed consolidated balance sheets as of those dates.

Land Lease Obligations

The Company is the lessee under land lease agreements for certain of its properties. ASC 842 requires a lessee to recognize right of use assets and lease obligation liabilities that arise from leases, whether qualifying as operating or finance. As of June 30, 2025 and December 31, 2024, the Company had $46.0 million and $47.5 million, respectively, of right of use assets, net, recognized within other assets, net in the condensed consolidated balance sheets, while the corresponding lease obligations, net, of $22.7 million and $21.0 million, respectively, were recognized within accounts payable, accrued expenses, and other liabilities on the condensed consolidated balance sheets as of these dates.

The Company's land leases do not include any variable lease payments. These leases typically provide multi-year renewal options to extend their term as lessee at the Company's option. Option periods are included in the calculation of the lease obligation liability only when options are reasonably certain to be exercised. Certain of the Company's land leases qualify as finance leases as a result of purchase options that are reasonably certain of being exercised or automatic transfer of title to the Company at the end of the lease term.

Amortization of right of use assets for operating land leases is classified as land lease expense and was $0.6 million and $0.4 million for the three months ended June 30, 2025 and 2024, respectively and $1.0 million and $0.8 million for the six months ended June 30, 2025 and 2024, respectively. There was no amortization of right of use assets for finance land leases with purchase options that are reasonably certain of being exercised or automatic transfer of title to the Company at the end of the lease term, as the underlying leased asset (land) has an infinite life. Interest expense on finance land leases was less than $0.1 million during the three months ended June 30, 2025 and 2024 and $0.1 million during the six months ended June 30, 2025 and 2024.

In calculating its lease obligations under ground leases, the Company uses discount rates estimated to be equal to what it would have to pay to borrow on a collateralized basis over a similar term, for an amount equal to the lease payments, in a similar economic environment.

The following tables include information on the Company's land leases for which it is the lessee, for the periods presented *(dollars in thousands):*

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Operating leases:				
Operating cash outflows	$ 444	$ 299	$ 881	$ 598
Weighted-average remaining lease term - operating leases (years)	32.1	29.9	32.1	29.9
Finance leases:				
Operating cash outflows	$ 48	$ 62	$ 96	$ 124
Financing cash outflows	$ 3	$ 22	$ 5	$ 43
Weighted-average remaining lease term - finance leases (years)	26.6	0.3	26.6	0.3
Supplemental Disclosure:				
Right of use assets added under new ground leases	$ —	$ 365	$ 1,767	$ 365
Right of use assets removed as a result of acquisition of real property	(2,736)	—	(2,736)	—
Right of use assets net change	$ (2,736)	$ 365	$ (969)	$ 365

The weighted-average discount rate used in computing operating and finance lease obligations approximated 5% and 4% at June 30, 2025 and 2024, respectively.

The following is a maturity analysis of lease liabilities for operating land leases as of June 30, 2025 (*in thousands*):

Year Ending December 31,	2025 (remaining)	2026	2027	2028	2029	Thereafter	Total
Lease payments	$ 909	$ 1,835	$ 1,683	$ 1,654	$ 1,644	$ 28,559	$ 36,284
Imputed interest	(428)	(819)	(772)	(725)	(677)	(13,321)	(16,742)
Total lease liabilities	$ 481	$ 1,016	$ 911	$ 929	$ 967	$ 15,238	$ 19,542

The following is a maturity analysis of lease liabilities for finance land leases as of June 30, 2025 (*in thousands*):

Year Ending December 31,	2025 (remaining)	2026	2027	2028	2029	Thereafter	Total
Lease payments	$ 90	$ 187	$ 201	$ 201	$ 202	$ 6,143	$ 7,024
Imputed interest	(96)	(192)	(192)	(191)	(191)	(2,964)	(3,826)
Total lease liabilities	$ (6)	$ (5)	$ 9	$ 10	$ 11	$ 3,179	$ 3,198

Note 4 – Real Estate Investments

Real Estate Portfolio

As of June 30, 2025, the Company owned 2,513 properties, with a total GLA of approximately 52.0 million square feet and net real estate investments of $7.96 billion. The Company owned 2,370 properties, with a total GLA of approximately 48.8 million square feet and net real estate investments of $7.42 billion as of December 31, 2024.

Acquisitions

The following summarizes the Company's acquisitions completed during the periods presented *(dollars in thousands*):

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Number of properties acquired	91	47	137	78
Purchase price allocation, including acquisition and closing costs:				
Land	$ 61,185	$ 39,549	$ 147,298	$ 70,583
Building and improvements	216,657	126,440	431,530	209,016
Lease intangibles, net	51,333	21,627	108,543	35,725
Total purchase price, including acquisition and closing costs	$ 329,175	$ 187,616	$ 687,371	$ 315,324

The 2025 and 2024 acquisitions were funded as cash purchases and there was no material contingent consideration associated with these acquisitions. The weighted average amortization period for the lease intangibles, net acquired during the three and six months ended June 30, 2025 was 13.6 years and 14.6 years, respectively. None of the Company's acquisitions during 2025 or 2024 caused any new or existing tenants to comprise 10% or more of the Company's total annualized contractual base rent at June 30, 2025 and 2024.

Developments

The following summarizes the Company's development and Developer Funding Platform ("DFP") activity during the periods presented:

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Projects completed	4	4	10	6
Projects commenced	1	5	5	9
Projects under construction at period-end	15	19	15	19

Dispositions

The following summarizes the Company's disposition activity during the periods presented (*dollars in thousands*):

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Number of properties sold	4	10	5	16
Net proceeds	$ 5,775	$ 35,528	$ 8,158	$ 56,679
Gain on sale of assets, net	$ 1,510	$ 7,156	$ 2,282	$ 9,252

Assets Held for Sale

The Company classified three properties as real estate held for sale as of June 30, 2025 and did not classify any properties as real estate held for sale as of December 31, 2024. Real estate held for sale, net in the condensed consolidated balance sheets is comprised of the following (*in thousands*):

	June 30, 2025
Land	$ 723
Building	2,812
Accumulated depreciation	(194)
	3,341
Lease intangibles, net	132
Total real estate held for sale, net	$ 3,473

Subsequent to June 30, 2025, one additional property was classified as real estate held for sale.

Provisions for Impairment

As a result of the Company's review of real estate investments, it recognized the following provision for impairment for the periods presented (*dollars in thousands*):

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Number of properties impaired	3	—	7	3
Provision for impairment	$ 2,961	$ —	$ 7,292	$ 4,530
Estimated fair value of impaired properties at time of impairment	$ 3,172	$ —	$ 7,658	$ 13,700

Note 5 – Debt

As of June 30, 2025, the Company had total gross indebtedness of $3.25 billion, including (i) $43.4 million of mortgage notes payable; (ii) $350.0 million unsecured term loan; (iii) $2.61 billion of senior unsecured notes; and (iv) $247.0 million outstanding under the Revolving Credit Facility (defined below) and Commercial Paper Program (defined below).

Mortgage Notes Payable

As of June 30, 2025, the Company had total gross mortgage indebtedness of $43.4 million, which was collateralized by related real estate and tenants' leases with an aggregate net book value of approximately $74.8 million. The weighted average interest rate on the Company's mortgage notes payable was 3.70% as of June 30, 2025 and 3.73% as of December 31, 2024.

Mortgage notes payable consisted of the following as of the dates presented (*in thousands*):

	June 30, 2025	December 31, 2024
Note payable in monthly installments of $92 including interest at 6.27% per annum, with a final monthly payment due July 2026	$ 1,149	$ 1,654
Note payable in monthly installments of interest only at 3.63% per annum, with a balloon payment due December 2029	42,250	42,250
Total principal	43,399	43,904
Unamortized debt issuance costs and assumed debt discount, net	(1,513)	(1,694)
Total	$ 41,886	$ 42,210

The mortgage loans encumbering the Company's properties are generally non-recourse, subject to certain exceptions for which the Company would be liable for any resulting losses incurred by the lender. These exceptions vary from loan to loan, but generally include fraud or material misrepresentations, misstatements or omissions by the borrower, intentional or grossly negligent conduct by the borrower that harms the property or results in a loss to the lender, filing of a bankruptcy petition by the borrower, either directly or indirectly, and certain environmental liabilities. At June 30, 2025, there were no mortgage loans with full or partial recourse to the Company.

The Company has entered into mortgage loans that are secured by multiple properties and contain cross-default and cross-collateralization provisions. Cross-collateralization provisions allow a lender to foreclose on multiple properties in the event that the Company defaults under the loan. Cross-default provisions allow a lender to foreclose on the related property in the event a default is declared under another loan.

Unsecured Term Loan

The following table presents the unsecured term loan principal balances net of unamortized debt issuance costs as of the dates presented (*in thousands*):

	All-in Interest Rate (1)	Maturity	June 30, 2025	December 31, 2024
2029 Unsecured Term Loan	4.52 %	January 2029	$ 350,000	$ 350,000
Total principal			350,000	350,000
Unamortized debt issuance costs, net			(2,233)	(2,548)
Total			$ 347,767	$ 347,452

(1) Interest rate as of June 30, 2025 reflects the credit spread of 85 basis points, plus a 10 basis point SOFR adjustment and the impact of interest rate swaps which converted $350.0 million of SOFR-based interest to a fixed weighted average interest rate of 3.57%.

In July 2023, the company closed on the unsecured $350.0 million 5.5-year term loan (the “2029 Unsecured Term Loan”) which includes an accordion option that allows the Company to request additional lender commitments up to a total of $500.0 million. Borrowings under the 2029 Unsecured Term Loan are priced at SOFR plus a spread of 80 to 160 basis points over SOFR, depending on the Company’s credit ratings, plus a SOFR adjustment of 10 basis points. Based on the Company’s credit ratings at the time of closing, pricing on the 2029 Unsecured Term Loan was 95 basis points over SOFR. The Company used the existing $350.0 million interest rate swaps to hedge the variable SOFR priced interest to a weighted average fixed rate of 3.57% until January 2029.

On August 8, 2024, the Company entered into the First Amendment to Term Loan Agreement (the “First Amendment”) with PNC Bank, National Association, as Administrative Agent, and a syndicate of lenders named therein, and with certain indirect subsidiaries of the Operating Partnership as guarantors. The First Amendment amended the 2029 Unsecured Term Loan by implementing various covenant and technical amendments to make the 2029 Unsecured Term Loan’s provisions consistent with corresponding provisions in the Revolving Credit Facility (see “Senior Unsecured Revolving Credit Facility” below). The First Amendment does not change the maturity or the pricing terms of the 2029 Unsecured Term Loan.

Senior Unsecured Notes

The following table presents the senior unsecured notes principal balances net of unamortized debt issuance costs and original issue discounts for the Company's private placement and public offerings as of the dates presented (*in thousands*):

	All-in Interest Rate (1)	Coupon Rate	Maturity	June 30, 2025	December 31, 2024
2025 Senior Unsecured Notes	4.16 %	4.16 %	May 2025	$ —	$ 50,000
2027 Senior Unsecured Notes	4.26 %	4.26 %	May 2027	50,000	50,000
2028 Senior Unsecured Public Notes	2.11 %	2.00 %	June 2028	350,000	350,000
2028 Senior Unsecured Notes	4.42 %	4.42 %	July 2028	60,000	60,000
2029 Senior Unsecured Notes	4.19 %	4.19 %	September 2029	100,000	100,000
2030 Senior Unsecured Notes	4.32 %	4.32 %	September 2030	125,000	125,000
2030 Senior Unsecured Public Notes	3.49 %	2.90 %	October 2030	350,000	350,000
2031 Senior Unsecured Notes	4.42 %	4.47 %	October 2031	125,000	125,000
2032 Senior Unsecured Public Notes	3.96 %	4.80 %	October 2032	300,000	300,000
2033 Senior Unsecured Public Notes	2.13 %	2.60 %	June 2033	300,000	300,000
2034 Senior Unsecured Public Notes	5.65 %	5.63 %	June 2034	450,000	450,000
2035 Senior Unsecured Public Notes	5.35 %	5.60 %	June 2035	400,000	—
Total principal				2,610,000	2,260,000
Unamortized debt issuance costs and original issue discounts, net				(27,108)	(22,241)
Total				$ 2,582,892	$ 2,237,759

(1) The all-in interest rate reflects the straight-line amortization of the terminated swap agreements and original issuance discount, as applicable.

The Company entered into forward-starting interest rate swap agreements to hedge against variability in future cash flows on forecasted issuances of debt. Refer to Note 8 – *Derivative Instruments and Hedging Activity*. In connection with pricing certain Senior Unsecured Notes and Senior Unsecured Public Notes, the Company terminated forward-starting interest rate swap agreements to fix the interest rate on all or a portion of the respective notes.

Senior Unsecured Notes – Private Placements

The Senior Unsecured Notes were issued in private placements (collectively the "Private Placements") to individual investors. The Private Placements did not involve a public offering in reliance on the exemption from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act").

Senior Unsecured Notes – Public Offerings

The Senior Unsecured Public Notes (collectively the "Public Notes") are fully and unconditionally guaranteed by Agree Realty Corporation and certain wholly owned subsidiaries of the Operating Partnership. These guarantees are senior unsecured obligations of the guarantors, rank equally in right of payment with all other existing and future senior unsecured indebtedness and are effectively subordinated to all secured indebtedness of the Operating Partnership and each guarantor (to the extent of the value of the collateral securing such indebtedness).

The Public Notes are governed by an indenture, dated August 17, 2020, among the Operating Partnership, the Company and trustee (as amended and supplemented by an officer's certificate dated at the issuance of each of the Public Notes, the "Indenture"). The Indenture contains various restrictive covenants, including limitations on the ability of the guarantors and the issuer to incur additional indebtedness and requirements to maintain a pool of unencumbered assets.

In May 2025, the Operating Partnership completed an underwritten public offering of $400.0 million in aggregate principal amount of its 5.600% Notes due 2035 (the "2035 Senior Unsecured Public Notes"). The public offering was priced at 99.297% of the principal amount, resulting in proceeds of $397.2 million before deducting debt issuance costs. In connection with the underwritten public offering, the Company terminated $325.0 million of forward-starting interest rate swap agreements that hedged the 2035 Senior Unsecured Public Notes, receiving $13.6 million, net upon termination.

In addition, in May 2025, the Operating Partnership repaid the $50.0 million 2025 Senior Unsecured Notes at maturity.

Senior Unsecured Revolving Credit Facility and Commercial Paper Program

The following table presents the balances outstanding under the senior unsecured revolving credit facility and commercial paper program as of the dates presented (*in thousands*):

	Interest Rate	Maturity	June 30, 2025	December 31, 2024
Senior Unsecured Revolving Credit Facility (1)	5.23 %	August 2028	$ —	$ 158,000
Commercial Paper Notes (2)	4.62 %	Various	247,000	—
Total			$ 247,000	$ 158,000

(1) At June 30, 2025, the Revolving Credit Facility would have incurred interest of 5.23%, which is comprised of SOFR of 4.40%, the pricing grid spread of 72.5 basis points and the 10 basis point SOFR adjustment.
(2) As of June 30, 2025, the weighted-average maturity of the outstanding Commercial Paper Notes was less than one month.

Senior Unsecured Revolving Credit Facility

On August 8, 2024, the Company entered into the Fourth Amended and Restated Revolving Credit Agreement which provides a $1.25 billion senior unsecured revolving credit facility (the “Revolving Credit Facility”).

The Revolving Credit Facility's interest rate is based on a pricing grid with a range of 72.5 to 140 basis points over SOFR, determined by the Company's credit ratings and leverage ratio, plus a SOFR adjustment of 10 basis points. The margins for the Revolving Credit Facility are subject to adjustment based on changes in the Company's leverage ratio and credit ratings.

The Revolving Credit Facility serves as a backstop for the Company’s commercial paper program and includes an accordion option that allows the Company to request additional lender commitments up to a total of $2.00 billion. The Revolving Credit Facility will mature in August 2028 with Company options to extend the maturity date to August 2029.

Prior to entering into the Fourth Amended and Restated Revolving Credit Agreement, the Company had a $1.00 billion revolving credit facility under the First Amendment to the Third Amended and Restated Revolving Credit Agreement. The interest rate under the previous credit facility was based on a pricing grid with a range of 72.5 to 140 basis points over SOFR, determined by the Company's credit ratings and leverage ratio, plus a SOFR adjustment of 10 basis points. Interest under the previous Revolving Credit Facility was comprised of SOFR, the applicable pricing grid spread of 77.5 basis points and the 10 basis point SOFR adjustment. The previous credit facility had a maturity date of January 2026 with options to extend the maturity date to January 2027.

The Company and Richard Agree, the Executive Chairman of the Company, are parties to a Reimbursement Agreement dated October 3, 2023 (the “Reimbursement Agreement”). Pursuant to the Reimbursement Agreement, Mr. Agree has agreed to reimburse the Company for his proportionate share of loss incurred under the Revolving Credit Facility and/or certain other indebtedness in an amount to be determined by facts and circumstances at the time of loss.

Commercial Paper Program

In March 2025, the Operating Partnership established a commercial paper program (the “Commercial Paper Program”), pursuant to which it may issue short-term, fixed rate, unsecured commercial paper notes (the “Commercial Paper Notes”) under the exemption from registration contained in Section 4(a)(2) of the Securities Act. Amounts available under the Commercial Paper Program may be borrowed, repaid and re-borrowed from time to time, with the aggregate principal amount of the Commercial Paper Notes outstanding under the Commercial Paper Program at any time not to exceed $625.0 million. The Commercial Paper Notes can have maturities of up to 397 days from the date of issue and are guaranteed by the Company and certain wholly owned subsidiaries of the Operating Partnership. The Company’s Revolving Credit Facility serves as a liquidity backstop for the repayment of the Commercial Paper Notes outstanding.

Debt Maturities

The following table presents scheduled principal payments related to the Company's debt as of June 30, 2025 (*in thousands*):

	Scheduled Principal	Balloon Payment	Total
Remainder of 2025 (1)	$ 520	$ 247,000	$ 247,520
2026	629	—	629
2027	—	50,000	50,000
2028 (2)	—	410,000	410,000
2029	—	492,250	492,250
Thereafter	—	2,050,000	2,050,000
Total scheduled principal payments	$ 1,149	$ 3,249,250	$ 3,250,399

(1) At June 30, 2025, the Commercial Paper Notes had a weighted-average maturity of less than one month.
(2) The Revolving Credit Facility matures in August 2028, with options to extend the maturity date by six months up to two times, for a maximum maturity of August 2029 and had no borrowings outstanding as of June 30, 2025.

Loan Covenants

Certain loan agreements contain various restrictive covenants, including the following financial covenants: maximum total leverage ratio, maximum secured leverage ratios, consolidated net worth requirements, a minimum fixed charge coverage ratio, a maximum unencumbered leverage ratio, a minimum unsecured interest expense ratio, a minimum interest coverage ratio, a minimum unsecured debt yield and a minimum unencumbered interest expense ratio. As of June 30, 2025, the most restrictive covenant was the minimum unencumbered interest expense ratio. The Company was in compliance with all of its material loan covenants and obligations as of June 30, 2025.

Note 6 – Common and Preferred Stock

Authorized Shares of Common Stock

In May 2025, the Company's stockholders approved an amendment to the Company's Articles of Incorporation to increase the number of authorized shares of the Company's common stock from 180 million shares to 360 million shares.

Shelf Registration

On May 5, 2023, the Company filed an automatic shelf registration statement on Form S-3ASR with the Securities and Exchange Commission registering an unspecified amount of common stock, preferred stock, depositary shares, warrants of the Company and guarantees of debt securities of the Operating Partnership, as well as an unspecified amount of debt securities of the Operating Partnership, at an indeterminate aggregate initial offering price. The Company may periodically offer one or more of these securities in amounts, prices and on terms to be announced when and if these securities are offered. The specifics of any future offerings, along with the use of proceeds of any securities offered, will be described in detail in a prospectus supplement, or other offering materials, at the time of any offering.

Common Stock Offering

In April 2025, the Company completed a follow-on public offering of 5,175,000 shares of common stock, including the full exercise of the underwriters' option to purchase an additional 675,000 shares in connection with the forward sale agreements. As of June 30, 2025, the Company has not settled any of these shares. The offering is anticipated to raise net proceeds of approximately $387.2 million after deducting fees and expenses and making certain adjustments as provided in the forward sale agreements.

In October 2024, the Company completed a follow-on public offering of 5,060,000 shares of common stock, including the full exercise of the underwriters' option to purchase an additional 660,000 shares in connection with the forward sale agreements. As of June 30, 2025, the Company has not settled any of these shares. The offering is anticipated to raise net proceeds of approximately $366.9 million after deducting fees and expenses and making certain adjustments as provided in the forward sale agreements.

Preferred Stock Offering

As of June 30, 2025, the Company had 7,000,000 depositary shares (the "Depositary Shares") outstanding, each representing 1/1,000th of a share of Series A Preferred Stock.

Dividends on the Series A Preferred Shares are payable monthly in arrears on the first day of each month (or, if not on a business day, on the next succeeding business day). The dividend rate is 4.25% per annum of the $25,000 (equivalent to $25.00 per Depositary Share) liquidation preference. Monthly dividends on the Series A Preferred Shares have been and will be in the amount of $0.08854 per Depositary Share, equivalent to $1.0625 per annum.

The Company may not redeem the Series A Preferred Shares before September 2026, except in limited circumstances to preserve its status as a real estate investment trust for federal income tax purposes and except in certain circumstances upon the occurrence of a change of control of the Company. Beginning in September 2026, the Company, at its option, may redeem the Series A Preferred Shares, in whole or from time to time in part, by paying $25.00 per Depositary Share, plus any accrued and unpaid dividends. Upon the occurrence of a change in control of the Company, if the Company does not otherwise redeem the Series A Preferred Shares, the holders have a right to convert their shares into common stock of the Company at the $25.00 per share liquidation value, plus any accrued and unpaid dividends. This conversion value is limited by a share cap if the Company's stock price falls below a certain threshold.

ATM Programs

The Company enters into at-the-market ("ATM") programs through which the Company, from time to time, sells shares of common stock and/or enters into forward sale agreements.

The following table summarizes the ATM programs that were in place during 2025 and 2024:

Program		Program Size *($ million)*	Total Forward Shares Sold	Total Forward Shares Settled	Total Forward Shares Outstanding as of June 30, 2025	Total Net Proceeds Anticipated or Received from Forward Shares Sold *($ million)*
September 2022	(1)	$750.0	10,217,973	10,217,973	—	$670.3
February 2024	(1)	$1,000.0	10,409,017	6,105,388	4,303,629 (3)	$705.1
October 2024		$1,250.0	2,938,499 (2)	—	2,938,499 (4)	$221.7

(1) Applicable ATM program terminated and no future forward sales will occur under the program.
(2) After considering the shares of common stock sold subject to forward sale agreements under the program, the Company had approximately $1.03 billion of availability under the October 2024 Program as of June 30, 2025.
(3) The Company is required to settle the outstanding forward shares of common stock under the program by dates between August 2025 and October 2025.
(4) The Company is required to settle the outstanding forward shares of common stock under the program by dates between June 2026 and October 2026.

The following table summarizes the ATM activity completed during the periods presented:

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Shares of common stock sold under the ATM programs	362,021	3,235,964	2,770,222	3,256,707
Shares of common stock settled under the ATM programs	663,892	—	3,329,890	—
Net proceeds received (in millions)	$ 41.2	$ —	$ 224.5	$ —

Note 7 – Dividends and Distributions Payable

During the three months ended June 30, 2025 and 2024, the Company declared monthly dividends of $0.256 and $0.250, respectively, per common share. Holders of Operating Partnership Common Units are entitled to an equal distribution per Operating Partnership Common Unit held. The dividends and distributions payable for April and May were paid during the three months ended June 30, 2025 and 2024, while the June dividends and distributions were recorded as liabilities on the condensed consolidated balance sheets at June 30, 2025 and 2024. The June 2025 and 2024 dividends per common share and distributions per Operating Partnership Common Units were paid on July 15, 2025 and July 15, 2024, respectively.

During the three months ended June 30, 2025 and 2024, the Company declared monthly dividends on the Series A Preferred Shares in the amount of $0.08854, per Depositary Share. The dividends payable for April and May were paid during the three months ended June 30, 2025 and 2024, while the June dividends and distributions were recorded as a liability on the condensed consolidated balance sheets at June 30, 2025 and 2024. The June 2025 and 2024 dividends per Depositary Share were paid on July 1, 2025 and July 1, 2024, respectively.

Note 8 – Derivative Instruments and Hedging Activity

Background

The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. The Company manages economic risk, including interest rate, liquidity and credit risk primarily by managing the amount, sources and duration of its debt funding and, to a limited extent, the use of derivative instruments. For additional information regarding the leveling of the Company's derivatives, refer to Note 9 – *Fair Value Measurements*.

The Company's objective in using interest rate derivatives is to manage its exposure to interest rate movements and add stability to interest expense. To accomplish this objective, the Company uses interest rate swaps as part of its interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable rate amounts from a counterparty in exchange for the Company making fixed rate payments over the life of the agreement without exchanging the underlying notional amount.

Hedging Activity

In June 2023, the Company entered into $350.0 million of forward-starting interest rate swap agreements to hedge against variability in future cash flows resulting from changes in SOFR. The swaps exchange variable rate SOFR interest on $350.0 million of SOFR indexed debt to a weighted average fixed interest rate of 3.57% beginning August 1, 2023 through the maturity date of January 1, 2029. The swaps are designated to hedge the variable rate interest payments of the 2029 Unsecured Term Loan indexed to SOFR.

In December 2023, the Company entered into forward-starting interest rate swap agreements to hedge against variability in future cash flows resulting from changes in interest rates from the trade date through the forecasted issuance date of $150.0 million of long-term debt. In addition, in May 2024, the Company entered into a $150.0 million US Treasury lock at 4.51% to hedge against variability in future cash flows resulting from changes in interest rates. The Company terminated the $150.0 million forward-starting interest rate swap agreements and the $150.0 million US Treasury lock in May 2024, upon completion of the underwritten public offering of the 2034 Senior Unsecured Public Notes, receiving $4.4 million, net upon termination. This settlement was included as a component of accumulated other comprehensive income ("OCI"), to be recognized as an adjustment to income over the term of the debt.

During 2024 and 2025, the Company entered into $325.0 million of forward-starting interest rate swap agreements to hedge against variability in future cash flows resulting from changes in interest rates from the trade date through the forecasted issuance date of long-term debt. The Company terminated the $325.0 million forward-starting interest rate swap agreements upon completion of the underwritten public offering of the 2035 Senior Unsecured Public Notes, receiving $13.6 million upon termination. This settlement was included as a component of accumulated OCI, to be recognized as an adjustment to income over the term of the debt.

Recognition

The Company recognizes all derivative instruments as either assets or liabilities at fair value on the balance sheets. The Company recognizes its derivatives within other assets, net and accounts payable, accrued expenses and other liabilities on the condensed consolidated balance sheets.

Changes in fair value for hedging instruments designated and qualifying for cash flow hedge accounting treatment are recognized as a component of OCI.

Accumulated OCI relates to (i) the change in fair value of interest rate derivatives and (ii) realized gains or losses on settled derivative instruments. Amounts are reclassified out of accumulated OCI as an adjustment to interest expense for (i) realized gains or losses related to effective interest rate swaps and (ii) realized gains or losses on settled derivative instruments, amortized over the term of the hedged debt transaction. During the next twelve months, the Company estimates that $5.2 million will be reclassified as a decrease to interest expense.

The Company had the following outstanding interest rate derivatives that were designated as cash flow hedges of interest rate risk as of the dates presented (*dollars in thousands*):

	Number of Instruments [1]		Notional Amount[1]	
Interest Rate Derivatives	**June 30, 2025**	**December 31, 2024**	**June 30, 2025**	**December 31, 2024**
Interest rate swaps	3	11	$ 350,000	$ 550,000

(1) Number of instruments and total notional amounts disclosed includes all interest rate swap agreements outstanding at the balance sheets date, including forward-starting interest rate swaps prior to their effective date.

The table below presents the estimated fair value of the Company's derivative financial instruments, as well as their classification in the condensed consolidated balance sheets as of the dates presented (*in thousands*):

	Asset Derivatives	
	June 30, 2025	**December 31, 2024**
Derivatives designated as cash flow hedges:		
Other assets, net	$ —	$ 17,526

	Liability Derivatives	
	June 30, 2025	**December 31, 2024**
Derivatives designated as cash flow hedges:		
Accounts payable, accrued expenses, and other liabilities	$ 2,621	$ —

The tables below present the effect of the Company's derivative financial instruments in the condensed consolidated statements of operations and other comprehensive income for the periods presented (*in thousands*):

	Amount of Income/(Loss) Recognized in OCI on Derivative		Location of Accumulated OCI Reclassified from Accumulated OCI into Income	Amount Reclassified from Accumulated OCI as a (Reduction)/Increase in Interest Expense	
Three Months Ended June 30,	**2025**	**2024**		**2025**	**2024**
Interest rate swaps	$ 4,100	$ 5,722	Interest expense	$ (1,545)	$ (2,225)

	Amount of Income/(Loss) Recognized in OCI on Derivative		Location of Accumulated OCI Reclassified from Accumulated OCI into Income	Amount Reclassified from Accumulated OCI as a (Reduction)/Increase in Interest Expense	
Six Months Ended June 30,	**2025**	**2024**		**2025**	**2024**
Interest rate swaps	$ (5,256)	$ 18,813	Interest expense	$ (2,956)	$ (4,422)

The Company does not use derivative instruments for trading or other speculative purposes and did not have any other derivative instruments or hedging activities as of June 30, 2025.

Credit-Risk-Related Contingent Features

The Company has agreements with its derivative counterparties that contain a provision where the Company could be declared in default on its derivative obligations if repayment of the underlying indebtedness is accelerated by the lender due to the Company's default on the indebtedness.

The fair value of derivative contracts, which includes interest but excludes any adjustments for nonperformance risk, was in a liability position of $2.4 million as of June 30, 2025 and an asset position of $17.9 million as of December 31, 2024, respectively. There was no offsetting of derivative assets or liabilities as of June 30, 2025 and December 31, 2024.

Note 9 – Fair Value Measurements

Assets and Liabilities Measured at Fair Value

The Company accounts for fair values in accordance with ASC 820. ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. ASC 820 applies to reported balances that are required or permitted to be measured at fair value under existing accounting pronouncements; accordingly, the standard does not require any new fair value measurements of reported balances.

ASC 820 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, ASC 820 establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access. Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates, foreign exchange rates and yield curves that are observable at commonly quoted intervals. Level 3 inputs are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity. In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls, is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

Derivative Financial Instruments

The Company uses interest rate swap agreements to manage its interest rate risk. The valuation of these instruments is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves.

To comply with the provisions of ASC 820, the Company incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. In adjusting the fair value of its derivative contracts for the effect of nonperformance risk, the Company has considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts, and guarantees.

Although the Company has determined that the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with its derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by itself and its counterparties. However, as of June 30, 2025 and December 31, 2024, the Company has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that the credit valuation adjustments are not significant to the overall valuation of its derivatives. As a result, the Company has determined that its derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy.

The table below presents the Company's assets and liabilities measured at fair value on a recurring basis and fair value level as of the dates presented (*in thousands*):

	June 30, 2025	December 31, 2024
	Fair Value	Fair Value
	Level 2	Level 2
Derivative assets - interest rate swaps	$ —	$ 17,526
Derivative liabilities - interest rate swaps	$ 2,621	$ —

<u>Other Financial Instruments</u>

The carrying values of cash and cash equivalents, cash held in escrow, accounts receivable and accounts payable and accrued liabilities are reasonable estimates of their fair values because of the short maturity of these financial instruments.

The fair value of the Commercial Paper Notes is estimated to be equal to the carrying amount due to the short-term maturity of the instruments and as the stated interest rates approximate current market rates.

The fair value of the Revolving Credit Facility and Unsecured Term Loan are estimated to be equal to the carrying value as they are variable rate debt.

The Company estimated the fair value of its debt based on its incremental borrowing rates for similar types of borrowing arrangements with the same remaining maturity and on the discounted estimated future cash payments to be made for other debt. The discount rate used to calculate the fair value of debt approximates current lending rates for loans and assumes the debt is outstanding through maturity. Since such amounts are estimates that are based on limited available market information for similar transactions, there can be no assurance that the disclosed value of any financial instrument could be realized by immediate settlement of the instrument.

The table below presents the carrying value, fair value and fair value level of the Company's debt as of the dates presented (*in thousands*):

	June 30, 2025			December 31, 2024		
	Carrying Value	Fair Value		Carrying Value	Fair Value	
		Level 2	Level 3		Level 2	Level 3
Mortgage Notes Payable	$ 41,886	$ —	$ 40,796	$ 42,210	$ —	$ 40,591
Unsecured Term Loan	$ 347,767	$ 347,767	$ —	$ 347,452	$ 347,452	$ —
Senior Unsecured Notes	$ 2,582,892	$ 2,499,776	$ —	$ 2,237,759	$ 2,078,885	$ —
Unsecured Revolving Credit Facility	$ —	$ —	$ —	$ 158,000	$ 158,000	$ —
Commercial Paper Notes	$ 247,000	$ 247,000	$ —	$ —	$ —	$ —

Note 10 – Equity Incentive Plan

In May 2024, the Company's stockholders approved the Agree Realty Corporation 2024 Omnibus Incentive Plan (the "2024 Plan"), which replaced the Agree Realty Corporation 2020 Omnibus Incentive Plan. The 2024 Plan provides for the award to employees, directors and consultants of the Company of options, restricted stock, restricted stock units, stock appreciation rights, performance awards (which may take the form of performance units or performance shares) and other awards to acquire up to an aggregate of 2,000,000 shares of the Company's common stock. As of June 30, 2025, there were 1,720,949 shares of common stock available for issuance under the 2024 Plan.

Restricted Stock - Employees

Restricted shares have been granted to employees which vest based on continued service to the Company.

The holder of a restricted share award is generally entitled at all times on and after the date of issuance of the restricted shares to exercise the rights of a stockholder of the Company, including the right to vote the shares and the right to receive dividends on the shares. Restricted share awards granted prior to 2023 vest over a five-year period while awards granted in 2023 or later vest over a three-year period.

The Company estimates the fair value of restricted share grants at the date of grant and amortizes those amounts into expense on a straight-line basis over the appropriate vesting period. The Company recognized expense related to restricted share grants of $1.6 million and $1.5 million during the three months ended June 30, 2025 and 2024, respectively, and $3.3 million and $2.8 million during the six months ended June 30, 2025 and 2024, respectively.

As of June 30, 2025, there was $10.8 million of total unrecognized compensation costs related to the outstanding restricted shares, which is expected to be recognized over a weighted average period of 2.0 years.

Restricted share activity is summarized as follows:

	Shares Outstanding (*in thousands*)	Weighted Average Grant Date Fair Value
Unvested restricted stock at December 31, 2024	218	$ 63.65
Restricted stock granted	84	72.83
Restricted stock vested	(90)	65.30
Restricted stock forfeited	(16)	65.45
Unvested restricted stock at June 30, 2025	196	$ 66.70

Performance Units

Performance units are subject to a three-year performance period, following the conclusion of which shares awarded are to be determined by the Company's total shareholder return ("TSR") compared to the constituents of the MSCI US REIT Index and a defined peer group. Fifty percent of the award is based upon the TSR percentile rank versus the constituents in the MSCI US REIT Index for the three-year performance period; and fifty percent of the award is based upon TSR percentile rank versus a specified net lease peer group for the three-year performance period. For performance units granted prior to 2023, vesting of the performance units following their issuance will occur ratably over a three-year period, with the initial vesting occurring immediately following the conclusion of the performance period such that all units vest within five years of the original award date. Performance units granted in 2023 or later vest following the conclusion of the performance period such that all units will vest three years from the original award date.

The grant date fair value of these awards is determined using a Monte Carlo simulation pricing model. For the performance units granted prior to 2023, compensation expense is amortized on an attribution method over a five-year period. For performance units granted in 2023 or later, compensation expense is amortized on a straight-line basis over a three-year period. Compensation expense related to performance units is determined at the grant date and is not adjusted throughout the measurement or vesting periods.

The Monte Carlo simulation pricing model for issued grants utilizes the following assumptions: (i) expected term (equal to the remaining performance measurement period at the grant date); (ii) volatility (based on historical volatility); and (iii) risk-free rate (interpolated based on 2- and 3-year rates).

The following assumptions were used when determining the grant date fair value:

	2025	2024
Expected term (years)	2.9	2.9
Volatility	19.6 %	20.0 %
Risk-free rate	4.2 %	4.5 %

The Company recognized expense related to performance units for which the three-year performance period has not yet been completed of $1.3 million and $0.8 million for the three months ended June 30, 2025 and 2024, respectively, and $2.2 million and $1.4 million for the six months ended June 30, 2025 and 2024, respectively. As of June 30, 2025, there was $9.7 million of total unrecognized compensation costs related to performance units for which the three-year performance period has not yet been completed, which is expected to be recognized over a weighted average period of 2.2 years.

For those performance units for which the three-year performance period was completed, however the shares have not yet vested, the Company recognized expense of $0.1 million and $0.1 million for the three months ended June 30, 2025 and 2024, respectively, and $0.3 million and $0.3 million for the six months ended June 30, 2025 and 2024, respectively. As of June 30, 2025, there was $0.5 million of total unrecognized compensation costs related to performance units for which the three-year performance period has been completed, however the shares have not yet vested, which is expected to be recognized over a weighted average period of 1.2 years.

Performance units activity is summarized as follows:

	Target Number of Awards *(in thousands)*	Weighted Average Grant Date Fair Value
Performance units and shares - three-year performance period to be completed at December 31, 2024	157	$ 67.50
Performance units granted	90	79.61
Performance units - three-year performance period completed	(34)	68.59
Performance units and shares - three-year performance period to be completed at June 30, 2025	213	$ 72.42

	Shares Outstanding *(in thousands)*	Weighted Average Grant Date Fair Value
Performance shares - three-year performance period completed but not yet vested at December 31, 2024	26	$ 74.58
Shares earned at completion of three-year performance period (1)	51	68.59
Shares vested	(35)	74.13
Performance shares - three-year performance period completed but not yet vested at June 30, 2025	42	$ 67.64

(1) Performance units granted in 2022 for which the three-year performance period was completed in 2025 were earned at the 150% performance level.

Restricted Stock - Directors

The Company granted restricted shares to non-employee directors which vest over a year, commensurate with the board members' services to the Company.

The holder of a restricted share award is generally entitled at all times on and after the date of issuance of the restricted shares to exercise the rights of a stockholder of the Company, including the right to vote the shares and the right to receive dividends on the shares.

The Company estimates the fair value of board members' restricted share grants at the date of grant and amortizes those amounts into expense on a straight-line basis over the one-year vesting period.

During the six months ended June 30, 2025, 18,467 restricted shares were granted to independent members of the Company's board of directors at a weighted average grant date fair value of $72.83 per share. During the year ended December 31, 2024, 23,389 restricted shares were granted to independent members of the Company's board of directors at a weighted average grant date fair value of $57.51 per share.

The Company recognized expense relating to restricted share grants to the board members of $0.3 million for each of the three months ended June 30, 2025 and 2024 and $0.6 million and $0.7 million for the six months ended June 30, 2025 and

2024, respectively. As of June 30, 2025, there was $0.8 million of total unrecognized compensation costs related to the board members' outstanding restricted shares, which is expected to be recognized over the remainder of their annual service.

Note 11 – Commitments and Contingencies

In the ordinary course of business, the Company is party to various legal actions which the Company considers to be routine in nature and incidental to the operation of its business. The Company believes that the outcome of the proceedings will not have a material adverse effect upon the Company's consolidated financial position or results of operations.

Note 12 – Subsequent Events

In connection with the preparation of its financial statements, the Company has evaluated events that occurred subsequent to June 30, 2025 through the date on which these financial statements were issued to determine whether any of these events required adjustments to or disclosure in the financial statements.

There were no reportable subsequent events or transactions.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following should be read in conjunction with the interim condensed consolidated financial statements of Agree Realty Corporation (the "Company"), a Maryland corporation, including the respective notes thereto, which are included in this Quarterly Report on Form 10-Q. The terms "Company," "Management," "we," "our" and "us" refer to Agree Realty Corporation and all of its consolidated subsidiaries, including Agree Limited Partnership (the "Operating Partnership"), a Delaware limited partnership.

Cautionary Note Regarding Forward-Looking Statements

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and includes this statement for purposes of complying with these safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe the Company's future plans, strategies and expectations, are generally identifiable by use of the words "anticipate," "estimate," "should," "expect," "believe," "intend," "may," "will," "seek," "could," "project" or similar expressions. You should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond the Company's control and which could materially affect the Company's results of operations, financial condition, cash flows, performance or future achievements or events. Factors which may cause actual results to differ materially from current expectations include, but are not limited to: the factors included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, including those set forth under the headings "Business," "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations"; changes in general economic, financial and real estate market conditions; the financial failure of, or other default in payment by, tenants under their leases and the potential resulting vacancies; the Company's concentration with certain tenants and in certain markets, which may make the Company more susceptible to adverse events; changes in the Company's business strategy; risks that the Company's acquisition and development projects will fail to perform as expected; adverse changes and disruption in the retail sector, including due to the adverse impacts of tariffs, and the financing stability of the Company's tenants, which could impact tenants' ability to pay rent and expense reimbursement; the Company's ability to pay dividends; risks relating to information technology and cybersecurity attacks, loss of confidential information and other related business disruptions; risks related to the impacts of artificial intelligence; loss of key management personnel; the potential need to fund improvements or other capital expenditures out of operating cash flow; financing risks, such as the inability to obtain debt or equity financing on favorable terms or at all; the level and volatility of interest rates; the Company's ability to renew or re-lease space as leases expire; limitations in the Company's tenants' leases on real estate tax, insurance and operating cost reimbursement obligations; loss or bankruptcy of one or more of the Company's major tenants, and bankruptcy laws that may limit the Company's remedies if a tenant becomes bankrupt and rejects its leases; potential liability for environmental contamination, which could result in substantial costs; the Company's level of indebtedness, which could reduce funds available for other business purposes and reduce the Company's operational flexibility; covenants in the Company's credit agreements and unsecured notes, which could limit the Company's flexibility and adversely affect its financial condition; credit market developments that may reduce availability under the Company's revolving credit facility; an increase in market interest rates which could raise the Company's interest costs on existing and future debt; a decrease in interest rates, which may lead to additional competition for the acquisition of real estate or adversely affect the Company's results of operations; the Company's hedging strategies, which may not be successful in mitigating the Company's risks associated with interest rates; legislative or regulatory changes, including changes to laws governing real estate investment trusts ("REITs"); the Company's ability to maintain its qualification as a REIT for federal income tax purposes and the limitations imposed on its business by its status as a REIT; and the Company's failure to qualify as a REIT for federal income tax purposes, which could adversely affect the Company's operations and ability to make distributions.

Overview

The Company is a fully integrated REIT primarily focused on the ownership, acquisition, development and management of retail properties net leased to industry leading tenants. The Company was founded in 1971 by its current Executive Chairman, Richard Agree, and its common stock was listed on the New York Stock Exchange ("NYSE") in 1994. The Company's assets are held by, and all of its operations are conducted through, directly or indirectly, the Operating Partnership, of which the Company is the sole general partner and in which it held a 99.7% common interest as of June 30, 2025. Refer to Note 1-*Organization* in the Notes to the condensed consolidated financial statements in this Quarterly Report on Form 10-Q for further information on the ownership structure. Under the agreement of limited partnership of the Operating Partnership, the Company, as the sole general partner, has exclusive responsibility and discretion in the management and control of the Operating Partnership.

As of June 30, 2025, the Company's portfolio consisted of 2,513 properties located in all 50 states and totaling approximately 52.0 million square feet of gross leasable area ("GLA"). The portfolio was approximately 99.6% leased and had a weighted average remaining lease term of approximately 8.0 years. A significant majority of the Company's properties are leased to national tenants and approximately 67.8% of our annualized base rent was derived from tenants, or parent entities thereof, with an investment grade credit rating from S&P Global Ratings, Moody's Investors Service, Fitch Ratings or the National Association of Insurance Commissioners. Substantially all of our tenants are subject to net lease agreements. A net lease typically requires the tenant to be responsible for minimum monthly rent and property operating expenses including property taxes, insurance and maintenance.

The Company elected to be taxed as a REIT for federal income tax purposes commencing with the taxable year ended December 31, 1994. We believe that we have been organized and have operated in a manner that has allowed us to qualify as a REIT for federal income tax purposes and we intend to continue operating in such a manner.

Results of Operations

Overall

The Company's real estate investment portfolio grew from approximately $6.95 billion in net investment amount representing 2,202 properties with 45.8 million square feet of GLA as of June 30, 2024 to approximately $7.96 billion in net investment amount representing 2,513 properties with 52.0 million square feet of GLA at June 30, 2025. The Company's real estate investments were made throughout and between the periods presented and were not all outstanding for the entire period; accordingly, a portion of the increase in rental income between periods is related to recognizing revenue in 2025 on acquisitions that were made during 2024. Similarly, the full rental income impact of acquisitions made during 2025 to date will not be seen until the remainder of 2025.

Acquisitions

The following summarizes the acquisitions completed by the Company during the periods presented *(dollars in thousands)*:

	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
Number of properties acquired	91	137
Location (by state)	29	36
Tenant retail sectors	21	25
Weighted-average lease term (years)	12.2	12.8
Underwritten weighted-average capitalization rate (1)	7.1%	7.2%
Total purchase price, including acquisition and closing costs	$ 329,175	$ 687,371

(1) Weighted-average capitalization rate for acquisitions is the sum of contractual fixed annual rents computed on a straight-line basis over the primary lease terms and anticipated annual net tenant recoveries, divided by the purchase and sales prices for occupied properties.

Development and Developer Funding Platform

The following summarizes the Company's development and Developer Funding Platform activity during the periods presented:

	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
Projects completed	4	10
Projects commenced	1	5
Projects under construction at period-end	15	15

Dispositions

The following summarizes the Company's disposition activity during the periods presented (*dollars in thousands*):

	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
Number of properties sold	4	5
Net proceeds	$ 5,775	$ 8,158
Gain on sale of assets, net	$ 1,510	$ 2,282

Comparison of the three months ended June 30, 2025 to the three months ended June 30, 2024

	Three Months Ended		Variance	
	June 30, 2025	June 30, 2024	(in dollars)	(percentage)
Rental Income	$ 175,397	$ 152,424	$ 22,973	15 %
Real Estate Tax Expense	$ 12,833	$ 10,721	$ 2,112	20 %
Property Operating Expense	$ 8,416	$ 6,487	$ 1,929	30 %
Depreciation and Amortization Expense	$ 58,939	$ 50,454	$ 8,485	17 %

The variances in rental income, real estate tax expense, property operating expense and depreciation and amortization expense shown above were due to the acquisition and the ownership of an increased number of properties during the three months ended June 30, 2025 compared to the three months ended June 30, 2024, as further described under *Results of Operations - Overall* above.

General and administrative expenses increased $1.6 million, or 17%, to $11.3 million for the three months ended June 30, 2025, compared to $9.7 million for the three months ended June 30, 2024. The increase was primarily the result of growth in compensation costs due to inflationary increases and higher stock-based compensation expense. General and administrative expenses as a percentage of total revenue was 6.5% for the three months ended June 30, 2025 up from 6.4% for the three months ended June 30, 2024.

Interest expense, net increased $5.9 million, or 22%, to $32.3 million for the three months ended June 30, 2025, compared to $26.4 million for the three months ended June 30, 2024. The increase in interest expense, net was primarily a result of higher levels of borrowings during the three months ended June 30, 2025 compared to the three months ended June 30, 2024 in order to finance the acquisition and development of additional properties. Interest expense, net increased approximately $5.1 million related to the $400.0 million 2035 Senior Unsecured Public Notes that were issued in May 2025 and the $450.0 million 2034 Senior Unsecured Public Notes that were issued in May 2024, partially offset by a decrease in interest due to the repayment of the $50.0 million 2025 Senior Unsecured Notes in May 2025. In addition, interest expense on the Revolving Credit Facility (defined below) and Commercial Paper Notes (defined below) increased approximately $0.9 million due to higher levels of borrowings, partially offset by lower average borrowing rates, during the three months ended June 30, 2025 compared to the same period in 2024.

The Company recognized a $3.0 million provision for impairment during the three months ended June 30, 2025, while no impairment was recognized during the three months ended June 30, 2024. Provisions for impairment are recorded when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable through operations plus estimated disposition proceeds and are not necessarily comparable period-to-period.

A net gain on the sale of assets of $1.5 million was recognized on the disposition of four assets during the three months ended June 30, 2025 as compared to a net gain on the sale of assets of $7.2 million on the disposition of 10 assets during the three months ended June 30, 2024. Gains and losses on sales of assets are dependent on levels of disposition activity and the carrying value of the assets relative to their sales prices. As a result, such gains on sales, net are not necessarily comparable period-to-period.

Income and other tax expense decreased $0.6 million to $0.4 million for the three months ended June 30, 2025, compared to $1.0 million for the three months ended June 30, 2024 due to decreases in taxes as a result of state tax law changes and related refunds.

Net income decreased $5.5 million, or 10%, to $49.4 million for the three months ended June 30, 2025, compared to $54.9 million for the three months ended June 30, 2024. The change was the result of the growth in the portfolio offset by the items discussed above. After allocation of income to non-controlling interest and preferred stockholders, net income attributable to common stockholders decreased $5.6 million, or 10%, to $47.3 million for the three months ended June 30, 2025, compared to $52.9 million for the three months ended June 30, 2024.

Comparison of the six months ended June 30, 2025 to the six months ended June 30, 2024

	Six Months Ended		Variance	
	June 30, 2025	June 30, 2024	(in dollars)	(percentage)
Rental Income	$ 344,510	$ 301,847	$ 42,663	14 %
Real Estate Tax Expense	$ 24,346	$ 21,422	$ 2,924	14 %
Property Operating Expense	$ 16,797	$ 13,860	$ 2,937	21 %
Depreciation and Amortization Expense	$ 114,693	$ 98,917	$ 15,776	16 %

The variances in rental income, real estate tax expense, property operating expense and depreciation and amortization expense shown above were due to the acquisition and the ownership of an increased number of properties during the six months ended June 30, 2025 compared to the six months ended June 30, 2024, as further described under *Results of Operations - Overall* above.

General and administrative expenses increased $2.9 million, or 15%, to $22.1 million for the six months ended June 30, 2025, compared to $19.2 million for the six months ended June 30, 2024. The increase was primarily the result of growth in compensation costs due to inflationary increases and higher stock-based compensation expense. General and administrative expenses as a percentage of total revenue was 6.4% for the six months ended June 30, 2025 and the six months ended June 30, 2024.

Interest expense, net increased $12.1 million, or 24%, to $63.0 million for the six months ended June 30, 2025, compared to $50.9 million for the six months ended June 30, 2024. The increase in interest expense, net was primarily a result of higher levels of borrowings during the six months ended June 30, 2025 compared to the six months ended June 30, 2024 in order to finance the acquisition and development of additional properties. Interest expense, net increased approximately $11.6 million related to the $400.0 million 2035 Senior Unsecured Public Notes that were issued in May 2025 and the $450.0 million 2034 Senior Unsecured Public Notes that were issued in May 2024, partially offset by a decrease in interest due to the repayment of the $50.0 million 2025 Senior Unsecured Notes in May 2025. In addition, interest expense on the Revolving Credit Facility and Commercial Paper Notes increased approximately $0.9 million due to higher levels of borrowings, partially offset by lower average borrowing rates, during six months ended June 30, 2025 compared to the same period in 2024.

The Company recognized a $7.3 million provision for impairment during the six months ended June 30, 2025, while $4.5 million was recognized during the six months ended June 30, 2024. Provisions for impairment are recorded when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable through operations plus estimated disposition proceeds and are not necessarily comparable period-to-period.

A net gain on the sale of assets of $2.3 million was recognized on the disposition of five assets during the six months ended June 30, 2025 as compared to a net gain on the sale of assets of $9.3 million on the disposition of 16 assets during the six months ended June 30, 2024. Gains and losses on sales of assets are dependent on levels of disposition activity and the carrying value of the assets relative to their sales prices. As a result, such gains on sales, net are not necessarily comparable period-to-period.

Income and other tax expense decreased $0.9 million to $1.3 million for the six months ended June 30, 2025, compared to $2.2 million for the six months ended June 30, 2024 due to decreases in taxes as a result of state tax law changes and related refunds.

Net income decreased $3.4 million, or 3%, to $96.5 million for the six months ended June 30, 2025, compared to $99.9 million for the six months ended June 30, 2024. The change was the result of the growth in the portfolio offset by the items discussed above. After allocation of income to non-controlling interest and preferred stockholders, net income attributable to common stockholders decreased $3.4 million, or 4%, to $92.5 million for the six months ended June 30, 2025, compared to $95.9 million for the six months ended June 30, 2024.

Liquidity and Capital Resources

The Company's principal demands for funds include payment of operating expenses, payment of principal and interest on its outstanding indebtedness, dividends and distributions to its stockholders and holders of the units of the Operating Partnership (the "Operating Partnership Common Units"), and future property acquisitions and development.

In April 2025, the Company completed a follow-on public offering of 5,175,000 shares of common stock, including the full exercise of the underwriters' option to purchase an additional 675,000 shares in connection with the forward sale agreements. As of June 30, 2025, the Company has not settled any of these shares. The offering is anticipated to raise net proceeds of approximately $387.2 million after deducting fees and expenses and making certain adjustments as provided in the forward sale agreements.

In May 2025, the Operating Partnership completed an underwritten public offering of $400.0 million in aggregate principal amount of its 5.600% Notes due 2035 (the "2035 Senior Unsecured Public Notes"). The public offering was priced at 99.297% of the principal amount, resulting in proceeds of $397.2 million before deducting debt issuance costs. In connection with the underwritten public offering, the Company terminated $325.0 million of forward-starting interest rate swap agreements that hedged the 2035 Senior Unsecured Public Notes, receiving $13.6 million, net upon termination.

In addition, in May 2025, the Operating Partnership repaid the $50.0 million 2025 Senior Unsecured Notes at maturity.

The Company expects to meet its short-term liquidity requirements through cash and cash equivalents held as of June 30, 2025, cash provided from operations, settlement of outstanding forward equity and borrowings under its Revolving Credit Facility (defined below). As of June 30, 2025, the Company had over $2.30 billion of liquidity, which consists of cash and cash equivalents, including cash held in escrow of $8.9 million, unsettled forward equity of $1.29 billion and $1.00 billion of availability under our Revolving Credit Facility, adjusted to reflect the outstanding Commercial Paper Notes, subject to compliance with covenants.

The Company anticipates funding its long-term capital needs through cash provided from operations, borrowings under its Revolving Credit Facility, the issuance of debt and the issuance or settlement of common or preferred equity or other instruments convertible into or exchangeable for common or preferred equity.

We continually evaluate alternative financing and believe that we can obtain financing on reasonable terms. However, there can be no assurance that additional financing or capital will be available, or that the terms will be acceptable or advantageous to us. Our ability to access capital on favorable terms as well as to use cash from operations to continue to meet our liquidity needs is uncertain and cannot be predicted and could be affected by various risks and uncertainties, including, but not limited to the risks detailed in Part I, Item 1A titled "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 and in the other reports the Company has filed with the Securities and Exchange Commission ("SEC").

Capitalization

As of June 30, 2025, the Company's total enterprise value was approximately $11.53 billion. Total enterprise value consisted of $8.11 billion of common equity (based on the June 30, 2025 closing price of the Company's common stock on the NYSE of $73.06 per share and assuming the conversion of Operating Partnership Common Units), $175.0 million of preferred equity (stated at liquidation value) and $3.25 billion of total debt principal including (i) $247.0 million of borrowings under its Revolving Credit Facility and outstanding Commercial Paper Notes; (ii) $2.61 billion of senior unsecured notes; (iii) $350.0 million under its unsecured term loan; (iv) $43.4 million of mortgage notes payable; less $8.9 million cash, cash equivalents and cash held in escrow. The Company's total debt principal to total enterprise value was 28.2% as of June 30, 2025.

At June 30, 2025, the non-controlling interest in the Operating Partnership consisted of a 0.3% common ownership interest in the Operating Partnership. The Operating Partnership Common Units may, under certain circumstances, be exchanged for shares of Company common stock on a one-for-one basis. The Company, as sole general partner of the Operating Partnership, has the option to settle exchanged Operating Partnership Common Units held by others for cash based on the current trading price of our shares. Assuming the exchange of all Operating Partnership Common Units, there would have been 111,013,857 shares of common stock outstanding as of June 30, 2025.

Equity

Authorized Shares of Common Stock

In May 2025, the Company's stockholders approved an amendment to the Company's Articles of Incorporation to increase the number of authorized shares of the Company's common stock from 180 million shares to 360 million shares.

Shelf Registration

On May 5, 2023, the Company filed with the SEC an automatic shelf registration statement on Form S-3ASR, registering an unspecified amount of common stock, preferred stock, depositary shares, warrants of the Company and guarantees of debt securities of the Operating Partnership, as well as an unspecified amount of debt securities of the Operating Partnership, at an indeterminate aggregate initial offering price. The Company may periodically offer one or more of these securities in amounts, prices and on terms to be announced when and if these securities are offered. The specifics of any future offerings, along with the use of proceeds of any securities offered, will be described in detail in a prospectus supplement, or other offering materials, at the time of any offering.

Common Stock Offering

In April 2025, the Company completed a follow-on public offering of 5,175,000 shares of common stock, including the full exercise of the underwriters' option to purchase an additional 675,000 shares in connection with the forward sale agreements. As of June 30, 2025, the Company has not settled any of these shares. The offering is anticipated to raise net proceeds of approximately $387.2 million after deducting fees and expenses and making certain adjustments as provided in the forward sale agreements.

In October 2024, the Company completed a follow-on public offering of 5,060,000 shares of common stock, including the full exercise of the underwriters' option to purchase an additional 660,000 shares in connection with the forward sale agreements. As of June 30, 2025, the Company has not settled any of these shares. The offering is anticipated to raise net proceeds of approximately $366.9 million after deducting fees and expenses and making certain adjustments as provided in the forward sale agreements.

Preferred Stock Offering

As of June 30, 2025, the Company had 7,000,000 depositary shares (the "Depositary Shares") outstanding, each representing 1/1,000th of a share of Series A Preferred Stock.

Dividends on the Series A Preferred Shares are payable monthly in arrears on the first day of each month (or, if not on a business day, on the next succeeding business day). The dividend rate is 4.25% per annum of the $25,000 (equivalent to $25.00 per Depositary Share) liquidation preference. Monthly dividends on the Series A Preferred Shares are $0.08854 per Depositary Share, equivalent to $1.0625 per annum.

The Company may not redeem the Series A Preferred Shares before September 2026 except in limited circumstances to preserve its status as a real estate investment trust for federal income tax purposes and except in certain circumstances upon the occurrence of a change of control of the Company. Beginning in September 2026, the Company, at its option, may redeem the Series A Preferred Shares, in whole or from time to time in part, by paying $25.00 per Depositary Share, plus any accrued and unpaid dividends. Upon the occurrence of a change in control of the Company, if the Company does not otherwise redeem the Series A Preferred Shares, the holders have a right to convert their shares into common stock of the Company at the $25.00 per share liquidation value, plus any accrued and unpaid dividends. This conversion value is limited by a share cap if the Company's stock price falls below a certain threshold.

ATM Programs

The Company enters into at-the-market ("ATM") programs through which the Company, from time to time, sells shares of common stock and/or enters into forward sale agreements.

The following table summarizes the ATM programs that were in place during 2025 and 2024:

Program	Program Size *($ million)*	Total Forward Shares Sold	Total Forward Shares Settled	Total Forward Shares Outstanding as of June 30, 2025	Total Net Proceeds Anticipated or Received from Forward Shares Sold *($ million)*
September 2022 (1)	$750.0	10,217,973	10,217,973	—	$670.3
February 2024 (1)	$1,000.0	10,409,017	6,105,388	4,303,629 (3)	$705.1
October 2024	$1,250.0	2,938,499 (2)	—	2,938,499 (4)	$221.7

(1) Applicable ATM program terminated and no future forward sales will occur under the program.
(2) After considering the shares of common stock sold subject to forward sale agreements under the program, the Company had approximately $1.03 billion of availability under the October 2024 Program as of June 30, 2025.
(3) The Company is required to settle the outstanding forward shares of common stock under the program by dates between August 2025 and October 2025.
(4) The Company is required to settle the outstanding forward shares of common stock under the program by dates between June 2026 and October 2026.

The following table summarizes the ATM activity completed during the periods presented:

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Shares of common stock sold under the ATM programs	362,021	3,235,964	2,770,222	3,256,707
Shares of common stock settled under the ATM programs	663,892	—	3,329,890	—
Net proceeds received (in millions)	$ 41.2	$ —	$ 224.5	$ —

Debt

The table below summarizes the Company’s outstanding debt as of the dates presented (*dollars in thousands*):

	All-in Interest Rate	Coupon Rate	Maturity	Principal Amount Outstanding June 30, 2025	Principal Amount Outstanding December 31, 2024
Senior Unsecured Revolving Credit Facility and Commercial Paper Notes					
Revolving Credit Facility [1]	5.23 %		August 2028	$ —	$ 158,000
Commercial Paper Notes [2]	4.62 %		Various	247,000	—
Total Revolving Credit Facility and Commercial Paper Notes				**$ 247,000**	**$ 158,000**
Unsecured Term Loan					
2029 Unsecured Term Loan [3]	4.52 %		January 2029	$ 350,000	$ 350,000
Total Unsecured Term Loan				**$ 350,000**	**$ 350,000**
Senior Unsecured Notes [4]					
2025 Senior Unsecured Notes	4.16 %	4.16 %	May 2025	$ —	$ 50,000
2027 Senior Unsecured Notes	4.26 %	4.26 %	May 2027	50,000	50,000
2028 Senior Unsecured Public Notes [5]	2.11 %	2.00 %	June 2028	350,000	350,000
2028 Senior Unsecured Notes	4.42 %	4.42 %	July 2028	60,000	60,000
2029 Senior Unsecured Notes	4.19 %	4.19 %	September 2029	100,000	100,000
2030 Senior Unsecured Notes	4.32 %	4.32 %	September 2030	125,000	125,000
2030 Senior Unsecured Public Notes [5]	3.49 %	2.90 %	October 2030	350,000	350,000
2031 Senior Unsecured Notes	4.42 %	4.47 %	October 2031	125,000	125,000
2032 Senior Unsecured Public Notes [5]	3.96 %	4.80 %	October 2032	300,000	300,000
2033 Senior Unsecured Public Notes [5]	2.13 %	2.60 %	June 2033	300,000	300,000
2034 Senior Unsecured Public Notes [5]	5.65 %	5.63 %	June 2034	450,000	450,000
2035 Senior Unsecured Public Notes [5]	5.35 %	5.60 %	June 2035	400,000	—
Total Senior Unsecured Notes				**$ 2,610,000**	**$ 2,260,000**
Mortgage Notes Payable					
Portfolio Credit Tenant Lease	6.27 %		July 2026	1,149	1,654
Four Asset Mortgage Loan	3.63 %		December 2029	42,250	42,250
Total Mortgage Notes Payable				**$ 43,399**	**$ 43,904**
Total Principal Amount Outstanding				**$ 3,250,399**	**$ 2,811,904**

(1) At June 30, 2025, the Revolving Credit Facility would have incurred interest of 5.23%, which is comprised of SOFR of 4.40%, the pricing grid spread of 72.5 basis points and the 10 basis point SOFR adjustment.
(2) As of June 30, 2025, the weighted-average maturity of the Commercial Paper Notes outstanding was less than one month.
(3) The interest rate of the 2029 Unsecured Term Loan reflects the credit spread of 85 basis points, plus a 10 basis point SOFR adjustment and the impact of the interest rate swaps which convert $350.0 million of SOFR based interest to a fixed weighted average interest rate of 3.57%.
(4) All-in interest rate for Senior Unsecured Notes reflects the straight-line amortization of the terminated swap agreements and original issuance discounts, as applicable.
(5) The principal amounts outstanding are presented excluding their original issue discounts.

Senior Unsecured Revolving Credit Facility

The Company’s Fourth Amended and Restated Revolving Credit Agreement provides for a $1.25 billion senior unsecured revolving credit facility (the “Revolving Credit Facility”). The Revolving Credit Facility's interest rate is based on a pricing grid with a range of 72.5 to 140 basis points over SOFR, determined by the Company's credit ratings and leverage ratio, plus a SOFR adjustment of 10 basis points. The margins for the Revolving Credit Facility are subject to adjustment based on changes in the Company's leverage ratio and credit ratings.

The Revolving Credit Facility serves as a backstop for the Company’s Commercial Paper Program and includes an accordion option that allows the Company to request additional lender commitments up to a total of $2.00 billion. The Revolving Credit Facility will mature in August 2028 with Company options to extend the maturity date to August 2029.

The Company and Richard Agree, the Executive Chairman of the Company, are parties to a Reimbursement Agreement dated October 3, 2023 (the "Reimbursement Agreement"). Pursuant to the Reimbursement Agreement, Mr. Agree has agreed to reimburse the Company for his proportionate share of loss incurred under the Revolving Credit Facility and/or certain other indebtedness in an amount to be determined by facts and circumstances at the time of loss.

Commercial Paper Program

In March 2025, the Operating Partnership established a commercial paper program (the "Commercial Paper Program"), pursuant to which it may issue short-term, fixed interest rate, unsecured commercial paper notes (the "Commercial Paper Notes") under the exemption from registration contained in Section 4(a)(2) of the Securities Act. Amounts available under the Commercial Paper Program may be borrowed, repaid and re-borrowed from time to time, with the aggregate principal amount of the Commercial Paper Notes outstanding under the Commercial Paper Program at any time not to exceed $625.0 million. The Commercial Paper Notes can have maturities of up to 397 days from the date of issue and are guaranteed by the Company and certain wholly owned subsidiaries of the Operating Partnership. The Company's Revolving Credit Facility serves as a liquidity backstop for the repayment of the Commercial Paper Notes outstanding.

Unsecured Term Loan

In July 2023, the Company closed on the unsecured $350.0 million 5.5-year term loan (the "2029 Unsecured Term Loan") which includes an accordion option that allows the Company to request additional lender commitments up to a total of $500.0 million and matures in January 2029. Borrowings under the 2029 Unsecured Term Loan are priced at SOFR plus a spread of 80 to 160 basis points over SOFR, depending on the Company's credit ratings, plus a SOFR adjustment of 10 basis points. The Company used the existing $350.0 million of forward-starting interest rate swaps to hedge the variable SOFR priced interest to a weighted average fixed rate of 3.57% until January 2029.

Senior Unsecured Notes – Private Placement

The Senior Unsecured Notes were issued in private placements (collectively the "Private Placements") to individual investors. The Private Placements did not involve a public offering in reliance on the exemption from registration pursuant to Section 4(a)(2) of the Securities Act.

Senior Unsecured Notes – Public Offerings

The Senior Unsecured Public Notes (collectively the "Public Notes") are fully and unconditionally guaranteed by Agree Realty Corporation and certain wholly owned subsidiaries of the Operating Partnership. These guarantees are senior unsecured obligations of the guarantors, rank equally in right of payment with all other existing and future senior unsecured indebtedness and are effectively subordinated to all secured indebtedness of the Operating Partnership and each guarantor (to the extent of the value of the collateral securing such indebtedness).

The Public Notes are governed by an indenture, dated August 17, 2020, among the Operating Partnership, the Company and respective trustee (as amended and supplemented by an officer's certificate dated at the issuance of each of the Public Notes, the "Indenture"). The Indenture contains various restrictive covenants, including limitations on the ability of the guarantors and the issuer to incur additional indebtedness and requirements to maintain a pool of unencumbered assets.

In May 2025, the Operating Partnership completed an underwritten public offering of $400.0 million in aggregate principal amount of its 5.600% Notes due 2035 (the "2035 Senior Unsecured Public Notes"). The public offering was priced at 99.297% of the principal amount, resulting in proceeds of $397.2 million before deducting debt issuance costs. In connection with the underwritten public offering, the Company terminated $325.0 million of forward-starting interest rate swap agreements that hedged the 2035 Senior Unsecured Public Notes, receiving $13.6 million, net upon termination.

In May 2025, the Operating Partnership repaid the $50.0 million 2025 Senior Unsecured Notes at maturity.

Mortgage Notes Payable

As of June 30, 2025, the Company had total gross mortgage indebtedness of $43.4 million, which was collateralized by related real estate and tenants' leases with an aggregate net book value of $74.8 million. The weighted average interest rate on the Company's mortgage notes payable was 3.70% as of June 30, 2025.

The Company has entered into mortgage loans which are secured by multiple properties and contain cross-default and cross-collateralization provisions. Cross-collateralization provisions allow a lender to foreclose on multiple properties in the event that the Company defaults under the loan. Cross-default provisions allow a lender to foreclose on the related property in the event a default is declared under another loan.

Loan Covenants

Certain loan agreements contain various restrictive covenants, including the following financial covenants: maximum leverage ratio, maximum secured leverage ratios, consolidated net worth requirements, a minimum fixed charge coverage ratio, a maximum unencumbered leverage ratio, a minimum unsecured interest expense ratio, a minimum interest coverage ratio, a minimum unsecured debt yield and a minimum unencumbered interest expense ratio. As of June 30, 2025, the most restrictive covenant was the minimum unencumbered interest expense ratio. The Company was in compliance with all of its material loan covenants and obligations as of June 30, 2025.

Cash Flows

Operating - Most of the Company's cash from operations is generated by rental income from its real estate investment portfolio. Net cash provided by operating activities for the six months ended June 30, 2025 increased by $34.3 million over the same period in 2024, primarily due to the increase in the size of the Company's real estate investment portfolio, an increase in proceeds from the settlement of interest rate swaps and changes in working capital.

Investing - Net cash used in investing activities was $423.7 million greater during the six months ended June 30, 2025, compared to the same period in 2024 primarily due to:

- $369.1 million increase in cash used for property acquisitions as a result of the overall increase in the level of acquisition activity;

- $48.5 million decrease in proceeds from asset sales due to decreased disposition volume during the six months ended June 30, 2025, compared to the same period in 2024. Proceeds from asset sales are dependent on levels of disposition activity and the specific assets sold and are not necessarily comparable period-to-period; and

- $6.5 million increase in cash used for development of real estate investments and other assets due to changes in the scope of development and DFP projects in progress as well as the timing of payments for these projects and other capital additions.

Financing - Net cash provided by financing activities increased by $382.1 million during the six months ended June 30, 2025, compared to the same period in 2024 primarily due to:

- $273.0 million increase in cash due to net borrowings on the Revolving Credit Facility and Commercial Paper Program. Net borrowings on the Revolving Credit Facility and outstanding Commercial Paper Notes were $89.0 million during the six months ended June 30, 2025, while $184.0 million of net repayments were completed over the same period in 2024;

- $224.2 million increase in net proceeds from the issuance of common stock;

- $50.0 million repayment of the 2025 Senior Unsecured Notes, no similar repayments were made during the six months ended June 30, 2024;
- $47.5 million decrease in proceeds from the issuance of Senior Unsecured Public Notes; and
- $16.2 million increase in total dividends and distributions paid. The Company's annualized common stock dividend declared during the three months ended June 30, 2025 of $3.072 per common share represents a 2.4% increase over the annualized dividend amount of $3.000 per common share declared in the same period in 2024.

Material Cash Requirements

In conducting its business, the Company enters into contractual obligations, including those for debt and operating leases for land.

Details on these obligations as of June 30, 2025, including expected settlement periods, is presented below (*in thousands*):

	2025 (remaining)	2026	2027	2028	2029	Thereafter	Total
Mortgage Notes Payable	$ 520	$ 629	$ —	$ —	$ 42,250	$ —	$ 43,399
Revolving Credit Facility and Commercial Paper Notes (1)	247,000	—	—	—	—	—	247,000
Unsecured Term Loan	—	—	—	—	350,000	—	350,000
Senior Unsecured Notes	—	—	50,000	410,000	100,000	2,050,000	2,610,000
Land Lease Obligations	999	2,022	1,884	1,855	1,846	34,702	43,308
Estimated Interest Payments on Outstanding Debt (2)	63,718	127,315	126,059	120,059	97,084	323,523	857,758
Total	**$ 312,237**	**$ 129,966**	**$ 177,943**	**$ 531,914**	**$ 591,180**	**$ 2,408,225**	**$ 4,151,465**

(1) The Revolving Credit Facility matures in August 2028, with options to extend the maturity date by six months up to two times, for a maximum maturity of August 2029. The weighted-average maturity of the Commercial Paper Notes outstanding at June 30, 2025 was less than one month.
(2) Estimated interest payments calculated for (i) variable rate debt based on the rate in effect at period-end and (ii) fixed rate debt based on the coupon interest rate.

In addition to items reflected in the table above, the Company has preferred stock with cumulative cash dividends, as described under *Equity – Preferred Stock Offering* above.

During the six months ended June 30, 2025, the Company had 25 development or DFP projects completed or under construction, for which 15 remain under construction as of June 30, 2025. Anticipated total costs for the 15 projects are approximately $99.0 million. These construction commitments will be funded using cash provided from operations, current capital resources on hand, or other sources of funding available to the Company.

The Company's recurring obligations under its tenant leases for maintenance, taxes, or insurance will also be funded through the cash sources available to the Company described earlier.

Dividends

During the quarter ended June 30, 2025, the Company declared monthly dividends of $0.256 per common share. Holders of the Operating Partnership Common Units are entitled to an equal distribution per Operating Partnership Common Unit held. The dividends and distributions payable for April and May were paid during the three months ended June 30, 2025, while June dividends and distributions were recorded as a liability on the condensed consolidated balance sheets at June 30, 2025 and were paid on July 15, 2025.

During the quarter ended June 30, 2025, the Company declared monthly dividends on the Series A Preferred Shares in the amount of $0.08854, per Depositary Share. The dividends payable for April and May were paid during the quarter. The June dividends were recorded as a liability on the condensed consolidated balance sheets at June 30, 2025 and were paid on July 1, 2025.

Recent Accounting Pronouncements

Refer to Note 2 – *Summary of Significant Accounting Policies* in the condensed consolidated financial statements for a summary and anticipated impact of each applicable accounting pronouncement on the Company's financial statements.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires the Company's management to use judgment in the application of accounting policies, including making estimates and assumptions. Management bases estimates on the best information available at the time, its experience, and on various other assumptions believed to be reasonable under the circumstances. These estimates affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. If management's judgment or interpretation of the facts and circumstances relating to various transactions or other matters had been different, it is possible that different accounting principles would have been applied, resulting in a different presentation of the interim condensed consolidated financial statements. From time to time, the Company may re-evaluate its estimates and assumptions. In the event estimates or assumptions prove to be different from actual results, adjustments are made in subsequent periods to reflect more current estimates and assumptions about matters that are inherently uncertain. A summary of the Company's critical accounting policies is included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2024. The Company has not made any material changes to these policies during the periods covered by this Quarterly Report on Form 10-Q.

Non-GAAP Financial Measures

Funds from Operations ("FFO" or "Nareit FFO")

FFO is defined by the National Association of Real Estate Investment Trusts, Inc. ("Nareit") to mean net income computed in accordance with GAAP, excluding gains (or losses) from sales of real estate assets and/or changes in control, plus real estate related depreciation and amortization and any impairment charges on depreciable real estate assets, and after adjustments for unconsolidated partnerships and joint ventures. Historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, most real estate industry investors consider FFO to be helpful in evaluating a real estate company's operations.

FFO should not be considered an alternative to net income as the primary indicator of the Company's operating performance, or as an alternative to cash flow as a measure of liquidity. Further, while the Company adheres to the Nareit definition of FFO, its presentation of FFO is not necessarily comparable to similarly titled measures of other REITs due to the fact that all REITs may not use the same definition.

Core Funds from Operations ("Core FFO")

The Company defines Core FFO as Nareit FFO with the addback of (i) noncash amortization of acquisition purchase price related to above- and below- market lease intangibles and discount on assumed mortgage debt and (ii) certain infrequently occurring items that reduce or increase net income in accordance with GAAP. Management believes that its measure of Core FFO facilitates useful comparison of performance to its peers who predominantly transact in sale-leaseback transactions and are thereby not required by GAAP to allocate purchase price to lease intangibles. Unlike many of its peers, the Company has acquired the substantial majority of its net-leased properties through acquisitions of properties from third parties or in connection with the acquisitions of ground leases from third parties.

Core FFO should not be considered an alternative to net income as the primary indicator of the Company's operating performance, or as an alternative to cash flow as a measure of liquidity. Further, the Company's presentation of Core FFO is not necessarily comparable to similarly titled measures of other REITs due to the fact that all REITs may not use the same definition.

Adjusted Funds from Operations (“AFFO”)

AFFO is a non-GAAP financial measure of operating performance used by many companies in the REIT industry. AFFO further adjusts FFO and Core FFO for certain non-cash items that reduce or increase net income computed in accordance with GAAP. Management considers AFFO a useful supplemental measure of the Company’s performance; however, AFFO should not be considered an alternative to net income as an indication of its performance, or to cash flow as a measure of liquidity or ability to make distributions. The Company’s computation of AFFO may differ from the methodology for calculating AFFO used by other equity REITs, and therefore may not be comparable to such other REITs.

Reconciliations

The following table provides a reconciliation of net income to FFO, Core FFO and AFFO for the periods presented (*dollars in thousands, except for per common share and partnership unit data*):

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Reconciliation from Net Income to Funds from Operations				
Net income	$ 49,353	$ 54,913	$ 96,501	$ 99,927
Less Series A preferred stock dividends	1,859	1,859	3,718	3,718
Net income attributable to Operating Partnership common unitholders	47,494	53,054	92,783	96,209
Depreciation of rental real estate assets	38,698	33,531	75,861	65,497
Amortization of lease intangibles - in-place leases and leasing costs	19,679	16,424	37,743	32,420
Provision for impairment	2,961	—	7,292	4,530
(Gain) loss on sale or involuntary conversion of assets, net	(1,510)	(7,176)	(2,282)	(9,217)
Funds from Operations - Operating Partnership common unitholders	$ 107,322	$ 95,833	$ 211,397	$ 189,439
Amortization of above (below) market lease intangibles, net and assumed mortgage debt discount, net	8,620	8,381	17,250	16,759
Core Funds from Operations - Operating Partnership common unitholders	$ 115,942	$ 104,214	$ 228,647	$ 206,198
Straight-line accrued rent	(3,789)	(3,496)	(7,798)	(6,343)
Stock-based compensation expense	3,259	2,789	6,388	5,213
Amortization of financing costs and original issue discounts	1,703	1,302	3,315	2,488
Non-real estate depreciation	562	499	1,089	1,000
Adjusted Funds from Operations - Operating Partnership common unitholders	$ 117,677	$ 105,308	$ 231,641	$ 208,556
Funds from Operations per common share and partnership unit - diluted	$ 0.97	$ 0.95	$ 1.93	$ 1.88
Core Funds from Operations per common share and partnership unit - diluted	$ 1.05	$ 1.03	$ 2.09	$ 2.05
Adjusted Funds from Operations per common share and partnership unit - diluted	$ 1.06	$ 1.04	$ 2.12	$ 2.07
Weighted average shares and Operating Partnership common units outstanding				
Basic	110,105,665	100,697,562	108,766,630	100,667,210
Diluted	110,724,840	100,802,322	109,344,041	100,763,085
Additional supplemental disclosure				
Scheduled principal repayments	$ 254	$ 239	$ 505	$ 474
Capitalized interest	$ 497	$ 398	$ 939	$ 701
Capitalized building improvements	$ 2,762	$ 3,296	$ 3,362	$ 3,789

ITEM 3. Quantitative and Qualitative Disclosures about Market Risk

The Company is exposed to interest rate risk primarily through borrowing activities. There is inherent roll-over risk for borrowings as they mature and are renewed at current market rates. The extent of this risk is not quantifiable or predictable because of the variability of future interest rates and future financing requirements.

The Company's interest rate risk is monitored using a variety of techniques. The table below presents the principal payments (*in thousands)* and the weighted average interest rates on outstanding debt, by year of expected maturity, to evaluate the expected cash flow and sensitivity to interest rate changes. Interest rates shown reflect the impact of the swap agreements employed to fix interest rates.

	2025 (remaining)	2026	2027	2028	2029	Thereafter	Total
Mortgage Notes Payable	$ 520	$ 629	$ —	$ —	$ 42,250	$ —	$ 43,399
Interest Rate	6.27 %	6.27 %			3.63 %		
Revolving Credit Facility (1) and Commercial Paper Notes (2)	$ 247,000	$ —	$ —	$ —	$ —	$ —	$ 247,000
Interest Rate	4.62 %						
Unsecured Term Loan	$ —	$ —	$ —	$ —	$ 350,000	$ —	$ 350,000
Interest Rate (3)					4.52 %		
Senior Unsecured Notes	$ —	$ —	$ 50,000	$ 410,000	$ 100,000	$ 2,050,000	$ 2,610,000
Interest Rate			4.26 %	2.45 %	4.19 %	4.30 %	

(1) The Revolving Credit Facility had no outstanding balance as of June 30, 2025. The Revolving Credit Facility matures in August 2028 with options to extend the maturity date by six months up to two times, for a maximum maturity of August 2029.
(2) The weighted-average maturity of the Commercial Paper Notes outstanding at June 30, 2025 was less than one month.
(3) The interest rate of the Unsecured Term Loan reflects the credit spread of 85 basis points, plus a 10 basis point SOFR adjustment and the impact of the interest rate swaps which convert $350.0 million of SOFR based interest to a fixed interest rate of 3.57%.

The table above incorporates those exposures that exist as of June 30, 2025; it does not consider those exposures or positions which could arise after that date. As a result, the Company's ultimate realized gain or loss with respect to interest rate fluctuations will depend on the exposures that arise during the period and interest rates.

The Company seeks to limit the impact of interest rate changes on earnings and cash flows and to lower the overall borrowing costs by closely monitoring its variable rate debt and converting such debt to fixed rates when the Company deems such conversion advantageous. From time to time, the Company may enter into interest rate swap agreements or other interest rate hedging contracts. While these agreements are intended to lessen the impact of rising interest rates, they also expose the Company to the risks that the other parties to the agreements will not perform. The Company could incur significant costs associated with the settlement of the agreements, the agreements will be unenforceable and the underlying transactions will fail to qualify as highly effective cash flow hedges under GAAP guidance.

In June 2023, the Company entered into $350.0 million of forward-starting interest rate swap agreements to hedge against variability in future cash flows resulting from changes in SOFR. The swaps exchange variable SOFR rate interest on $350.0 million of SOFR indexed debt to a weighted average fixed interest rate of 3.57% beginning August 1, 2023 through the maturity date of January 1, 2029. The swaps are designated to hedge the variable rate interest payments indexed to SOFR in the 2029 Unsecured Term Loan which matures January 2029. As of June 30, 2025, these interest rate swaps were valued as a liability of approximately $2.6 million.

The Company does not use derivative instruments for trading or other speculative purposes and the Company did not have any other derivative instruments or hedging activities as of June 30, 2025. Refer to Note 8 – *Derivative Instruments and Hedging Activity* in the Notes to the condensed consolidated financial statements in this Quarterly Report on Form 10-Q for further information on the Company's hedging activities.

The fair value of the mortgage notes payable and senior unsecured notes is estimated to be $40.8 million and $2.50 billion, respectively, as of June 30, 2025. The fair value of the Commercial Paper Notes is estimated to equal the carrying amount due to the short-term maturity of the instruments and as the stated interest rates approximate current market rates. The fair value of the Revolving Credit Facility and Unsecured Term Loan approximate their carrying values as they are variable rate debt.

At June 30, 2025, our outstanding mortgage notes payable and Senior Unsecured Notes had fixed interest rates. Interest on our Revolving Credit Facility and Unsecured Term Loan is variable, and as a result, we are subject to interest rate risk with respect to such floating-rate debt. In addition, given the short-term nature of the Commercial Paper Notes, we are subject to interest rate risk related to the borrowings.

There are no borrowings outstanding under the Revolving Credit Facility and $247.0 million of Commercial Paper Notes outstanding at June 30, 2025, as a result a hypothetical 100-basis point increase or decrease in market interest rates, assuming no change in the amount outstanding on these borrowings, would change annual interest expense by $2.5 million.

The variable interest rate feature on our Unsecured Term Loan has been mitigated by interest rate swap agreements.

ITEM 4. Controls and Procedures

Disclosure Controls and Procedures

At the end of the period covered by this report, the Company conducted an evaluation, under the supervision and with the participation of its principal executive officer and principal financial officer, of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on this evaluation, the Company's principal executive officer and principal financial officer concluded that its disclosure controls and procedures were effective as of the end of the period covered by this report to ensure that information required to be disclosed by us in reports that the Company files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There was no change in the Company's internal control over financial reporting during its most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1. Legal Proceedings

The Company is not presently involved in any material litigation nor, to its knowledge, is any other material litigation threatened against us, except for routine litigation arising in the ordinary course of business which is expected to be covered by its liability insurance.

ITEM 1A. Risk Factors

For a discussion of the Company's potential risks and uncertainties, see the information under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the three months ended June 30, 2025, the Company withheld shares from employees to satisfy estimated statutory income tax obligations related to the vesting of restricted stock awards. The value of the common stock withheld was based on the closing price of our common stock on the applicable vesting date.

Common stock repurchases during the three months ended June 30, 2025 were:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
April 1, 2025 - April 30, 2025	42	$ 78.72	—	—
May 1, 2025 - May 31, 2025	86	75.17	—	—
June 1, 2025 - June 30, 2025	—	—	—	—
Total	128	$ 76.33	—	—

ITEM 3. Defaults Upon Senior Securities

None.

ITEM 4. Mine Safety Disclosures

Not applicable.

ITEM 5. Other Information

During the quarter ended June 30, 2025, no director or officer adopted or terminated any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement.

ITEM 6. Exhibits

3.1.1	Articles of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013).
3.1.2	Amendment to the Articles of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on May 6, 2015).
3.1.3	Amendment to Articles of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on May 3, 2016).
3.1.4	Articles Supplementary of the Company, dated February 26, 2019 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on February 28, 2019).
3.1.5	Articles of Amendment of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on April 25, 2019).
3.1.6	Amendment to Articles of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on May 10, 2021).
3.1.7	Articles Supplementary of the Company, dated September 13, 2021 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on September 13, 2021).
3.1.8	Amendment to Articles of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on May 16, 2025).
3.2.1	Second Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on December 12, 2024).
4.1	Indenture Officer's Certificate, dated as of May 23, 2025, among the Company, the Parent Guarantor and the Trustee (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on May 23, 2025).
4.2	Form of Global Note for 5.600% Notes due 2035 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on May 23, 2025).
4.3	Form of 2035 Guarantee by and among the Company, the Guarantors and the Trustee (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on May 23, 2025).
10.1	Agree Realty Corporation 2024 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 23, 2024).
22*	Subsidiary Guarantors of Agree Realty Corporation.
31.1*	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, Joel N. Agree, Chief Executive Officer.
31.2*	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, Peter Coughenour, Chief Financial Officer.
32.1*†	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, Joel N. Agree, Chief Executive Officer.

32.2*†	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, Peter Coughenour, Chief Financial Officer.
101*	The following materials from Agree Realty Corporation's Quarterly Report on Form 10-Q for the three months ended June 30, 2025 formatted in Inline iXBRL (eXtensible Business Reporting Language): (i) the condensed consolidated balance sheets, (ii) the condensed consolidated statements of operations and comprehensive income, (iii) the condensed consolidated statements of equity, (iv) the condensed consolidated statements of cash flows, and (v) related notes to these condensed consolidated financial statements.
104*	Cover Page Interactive Date File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

† The certifications attached as Exhibit 32.1 and Exhibit 32.2 accompany this Quarterly Report on Form 10-Q are not deemed filed with the SEC and are not to be incorporated by reference into any filing of Agree Realty Corporation under the Securities Act or the Exchange Act, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Agree Realty Corporation

/s/ Joel N. Agree
Joel N. Agree
President and Chief Executive Officer
(Principal Executive Officer)

/s/ Peter Coughenour
Peter Coughenour
Chief Financial Officer and Secretary
(Principal Financial Officer)

Date: July 31, 2025

Exhibit 22

AGREE REALTY CORPORATION

List of Guarantor Subsidiaries

The 2028, 2030, 2032, 2033, 2034 and 2035 Senior Unsecured Public Notes are fully and unconditionally guaranteed by Agree Realty Corporation and certain of the following wholly owned subsidiaries of the Operating Partnership as of July 31, 2025:

Guarantor	Jurisdiction of Organization
Agree 117 Mission, LLC	Michigan
Agree 2016, LLC	Delaware
Agree Absecon Urban Renewal, LLC	New Jersey
Agree Central, LLC	Delaware
Agree Chapel Hill NC, LLC	Delaware
Agree Columbia SC, LLC	Delaware
Agree Construction Management, LLC	Delaware
Agree Convenience No. 1, LLC	Delaware
Agree CW, LLC	Delaware
Agree Dallas Forest Drive, LLC	Texas
Agree DT Jacksonville NC, LLC	Delaware
Agree Farmington NM, LLC	Delaware
Agree Fort Walton Beach, LLC	Florida
Agree Grandview Heights OH, LLC	Delaware
Agree Greenwich CT, LLC	Delaware
Agree Land East, LLC	Delaware
Agree Land West, LLC	Delaware
Agree Lebanon NH, LLC	Delaware
Agree Littleton CO, LLC	Delaware
Agree Madison AL, LLC	Michigan
Agree Marietta, LLC	Georgia
Agree M-59, LLC	Michigan
Agree MCW, LLC	Delaware
Agree Mena AR, LLC	Delaware
Agree NJ, LLC	Delaware
Agree Onaway MI, LLC	Delaware
Agree Orange CT, LLC	Delaware
Agree Oxford Commons AL, LLC	Delaware
Agree Paterson NJ, LLC	Delaware
Agree Roseville CA, LLC	California
Agree SB, LLC	Delaware
Agree Secaucus NJ, LLC	Delaware
Agree Shelf ES PA, LLC	Delaware
Agree Shelf PA, LLC	Delaware
Agree Southfield, LLC	Michigan
Agree Spring Grove, LLC	Illinois
Agree St Petersburg, LLC	Florida
Agree Stores, LLC	Delaware
Agree Tallahassee, LLC	Florida
Agree TK, LLC	Delaware
Agree Wawa Baltimore, LLC	Maryland
Agree Walker, LLC	Michigan
Agree Wilmington, LLC	North Carolina
AR Land CA, LLC	Delaware

AR Land East, LLC	Delaware
AR Land West, LLC	Delaware
AR WTO, LLC	Delaware
BB Farmington NM, LLC	Delaware
DD 71, LLC	Delaware
DD Brownsville LLC	North Carolina
DD Hempstead LLC	North Carolina
Lunacorp, LLC	Delaware
Mt. Pleasant Shopping Center, L.L.C.	Michigan
Pachyderm Chattanooga TN, LLC	Delaware
Pachyderm Marietta GA, LLC	Delaware
Pachyderm Myrtle Beach SC, LLC	Delaware
Pachyderm Philadelphia PA, LLC	Delaware
Pachyderm Properties, LLC	Delaware
Pachyderm Riverdale GA, LLC	Delaware
Pachyderm Waite Park MN, LLC	Delaware
Paint PA, LLC	Delaware
Safari Properties II, LLC	Delaware

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Joel N. Agree, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2025 of Agree Realty Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2025	/s/ Joel N. Agree
	Name: Joel N. Agree
	Title: President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Peter Coughenour, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2025 of Agree Realty Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2025

/s/ Peter Coughenour

Name: Peter Coughenour
Title: Chief Financial Officer and Secretary

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Based on a review of the Quarterly Report on Form 10-Q for the period ended June 30, 2025 of Agree Realty Corporation (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joel N. Agree, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report, containing the financial statements, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Joel N. Agree
Joel N. Agree
President and Chief Executive Officer

July 31, 2025

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Based on a review of the Quarterly Report on Form 10-Q for the period ended June 30, 2025 of Agree Realty Corporation (the “Company”), as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Peter Coughenour, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report, containing the financial statements, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Peter Coughenour

Peter Coughenour
Chief Financial Officer and Secretary

July 31, 2025