



AGREE REALTY

RETHINK RETAIL

FEBRUARY 2026

Agree Realty Overview (NYSE: ADC)

NET LEASE REIT FOCUSED ON THE ACQUISITION & DEVELOPMENT OF HIGH-QUALITY RETAIL PROPERTIES

OUR
COMPANY

Founded in 1971 by Executive Chairman, Richard Agree

Public on the NYSE since 1994

\$13.2 billion retail net lease REIT headquartered in Royal Oak, Michigan⁽¹⁾

2,674 retail properties totaling approximately 55.5 million square feet in all 50 states

Investment grade issuer ratings of A- from Fitch, Baa1 from Moody's, and BBB+ from S&P

RETHINK
RETAIL

Capitalize on distinct market positioning in the retail net lease space

Focus on industry-leading retailers through our three unique external growth platforms

Leverage our real estate acumen and relationships to identify superior risk-adjusted opportunities

Maintain a conservative and flexible capital structure that enables our growth trajectory

Provide consistent, high-quality earnings growth and a well-covered, growing dividend

As of December 31, 2025, unless otherwise noted. (1) Enterprise Value as of February 23, 2026. Refer to footnote 4 on slide 30 for the Company's definition of Enterprise Value.

consistency

[kuh n-sis-tuh n-see]

noun

steadfast adherence to the same principles, course, or form

Recent Highlights

Raised over \$623 million of forward equity year-to-date through the sale of 8.3 million shares via the Company's ATM program⁽¹⁾

- Introduced 2026 AFFO per share guidance of \$4.54 to \$4.58, representing 5.4% growth at the midpoint⁽²⁾
- Increased 2026 investment guidance to \$1.4 billion to \$1.6 billion⁽²⁾
- Announced 2025 investment activity of \$1.55 billion deployed into high-quality retail net lease assets⁽³⁾
- 34 development or DFP projects completed or under construction during 2025 for a record of over \$225 million⁽⁴⁾
- Approximately 18.2% of annualized base rents acquired in Q4 2025 were derived from ground leased assets

Fortress balance sheet with liquidity of over \$2.5 billion⁽⁵⁾

Over \$1.3 billion of outstanding forward equity⁽¹⁾

Closed a \$350 million 5.5-year, delayed draw term loan at a 4.02% fixed rate⁽⁶⁾

Achieved an A- issuer rating with a stable outlook from Fitch Ratings

Declared monthly cash dividend of \$0.262 per common share for February, representing a 3.6% year-over-year increase⁽⁷⁾

As of December 31, 2025, unless otherwise noted. (1) Anticipated net proceeds based on the applicable forward sale prices as of February 23, 2026. (2) Reflects full-year 2026 guidance provided by the Company on February 10, 2026. (3) Reflects capital deployed into acquisition, development and Developer Funding Platform ("DFP") projects completed or under construction during the twelve months ended December 31, 2025. (4) Reflects total capital committed for the 34 projects. (5) Proforma for the settlement of the Company's outstanding forward equity as of February 23, 2026. (6) Inclusive of \$350 million of forward-starting SOFR swaps. (7) Declared by the Company on February 5, 2026. Note: this presentation includes non-GAAP financial measures, and a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures is included in the Appendix herewith.

Positioned for Growth



Approximately \$1.6 billion of hedged capital⁽¹⁾



Total liquidity of over \$2.5 billion⁽²⁾



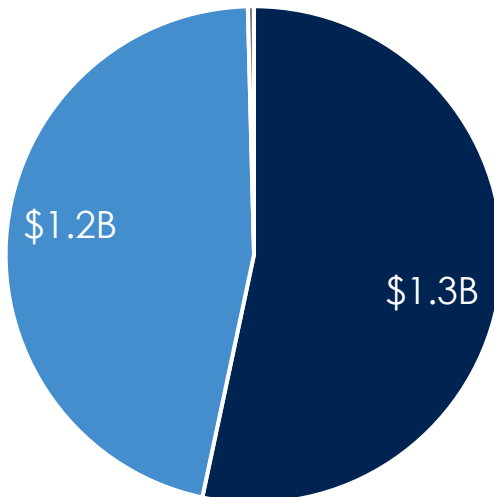
Closed a \$350 million 5.5-year term loan at a 4.02% fixed rate⁽³⁾



No material debt maturities until 2028

Total Liquidity

~\$10M



- Outstanding Forward Equity
- Revolver & Term Loan Capacity
- Cash

“We enter 2026 with over \$2.0 billion of liquidity and strong investment pipelines, putting us in excellent position to achieve our full-year 2026 AFFO per share guidance of \$4.54 to \$4.58.”

- JOEY AGREE, Q4 2025 EARNINGS RELEASE

As of February 23, 2026. (1) Hedged capital includes \$250 million of forward-starting interest rate swaps fixing the base rate for a future 10-year unsecured debt issuance at approximately 4.1%, combined with over \$1.3 billion of outstanding forward equity. (2) Proforma for the settlement of the Company's outstanding forward equity as of February 23, 2026. (3) Inclusive of \$350 million of forward-starting SOFR swaps.

ADC's Retail Thought Leadership

- ✓ Launched acquisition platform in 2010 with a focus on e-commerce resistance
- ✓ Launched **RETHINK RETAIL** campaign to challenge misperceptions about the future of brick & mortar
- ✓ Published proprietary ADC White Papers highlighting omnichannel retail trends



- ✓ Avoided or actively disposed of troubled retail sectors including theaters, pharmacy, car washes, health & fitness and entertainment retail
- ✓ Early identification of promising retailers:



Omni-Channel Vision

IDENTIFIED CRITICAL ROLE OF NET LEASE IN DRIVING OMNI-CHANNEL STRATEGY

“So, I think **as retailers look forward in 2016 and beyond and they're looking in the omni-channel world, how is their e-commerce presence, online ordering, physical pick up,** more and more retailers are going to realize the benefit of net leased retail.”

- Joey Agree, Q1 2016 Earnings Call



“**COVID reaffirmed our belief that, one, we're heading toward a world where all retailers are omni-channel.** Brick-and-mortar is an integral part of that omnichannel overall experience.”

- Joey Agree, 2022 Citi Conference

“Even in today's uncertain macro environment, we are seeing the highest level of retailer demand for new brick-and-mortar locations since the Great Financial Crisis. Nearly every retailer in our sandbox is focused on adding net new stores, underscoring the critical role that retail net lease assets play in an omnichannel retail world.” - Joey Agree, Q2 2025 Earnings Call



“The strongest and most resilient retailers in today's omni-channel world have embraced a comprehensive approach that blurs the historical lines between e-commerce distribution and brick & mortar operations.”

- Agree Knowledge Base: Omni-Channel 101

Investment Foresight

A DEEPER DIVE ON ADC'S THOUGHT LEADERSHIP & TRACK RECORD OF EXECUTION



Q1 2017

"...it's a great company, it's got a fantastic balance sheet. ...and we have a great relationship and respect for them."

Q3 2018

"We have a fantastic relationship with their real estate team. **The business is really thriving. They have no national competition.** They also have the highest-rated e-commerce website of any retailer."

October 2020

Rated BBB by S&P and Baa1 by Moody's

Q2 2016

"While neither Tractor Supply Company nor Hobby Lobby maintains a public credit rating, **both possess investment-grade quality financials with very strong balance sheets.**"

Q3 2013

Acquired first Tractor Supply

ADC has acquired over 125 locations since 2013 and today TSCO is our 2nd largest tenant.

As of December 31, 2025. Exposure measured as a percentage of ABR.

The quotes above reflect statements made by ADC management on the Company's quarterly earnings calls. The chart reflects Tractor Supply's market capitalization from 12/31/2012 to 12/31/2025.

Investment Foresight

A DEEPER DIVE ON ADC'S THOUGHT LEADERSHIP & TRACK RECORD OF EXECUTION



Q1 2018

"Now you see Gerber Collision in the collision space. Again, a company that's **owned by Boyd Group of Canada, conservative, disciplined leaders in the collision space.**"

Q4 2018

"...We think they're the premier auto collision operator in the United States...**We'll continue to work with them on all types of opportunities through all 3 external growth platforms...**"

Q1 2022

"...identifying early on a retailer that **we thought was in a tremendous position to access a fragmented space and had the balance sheet capabilities to do so.**"

Q4 2025

Boyd Group Services Inc. **launched its U.S. IPO**, strengthening its presence in U.S. capital markets and broadening its investor base

Q3 2017

Acquired first Gerber Collision

2014

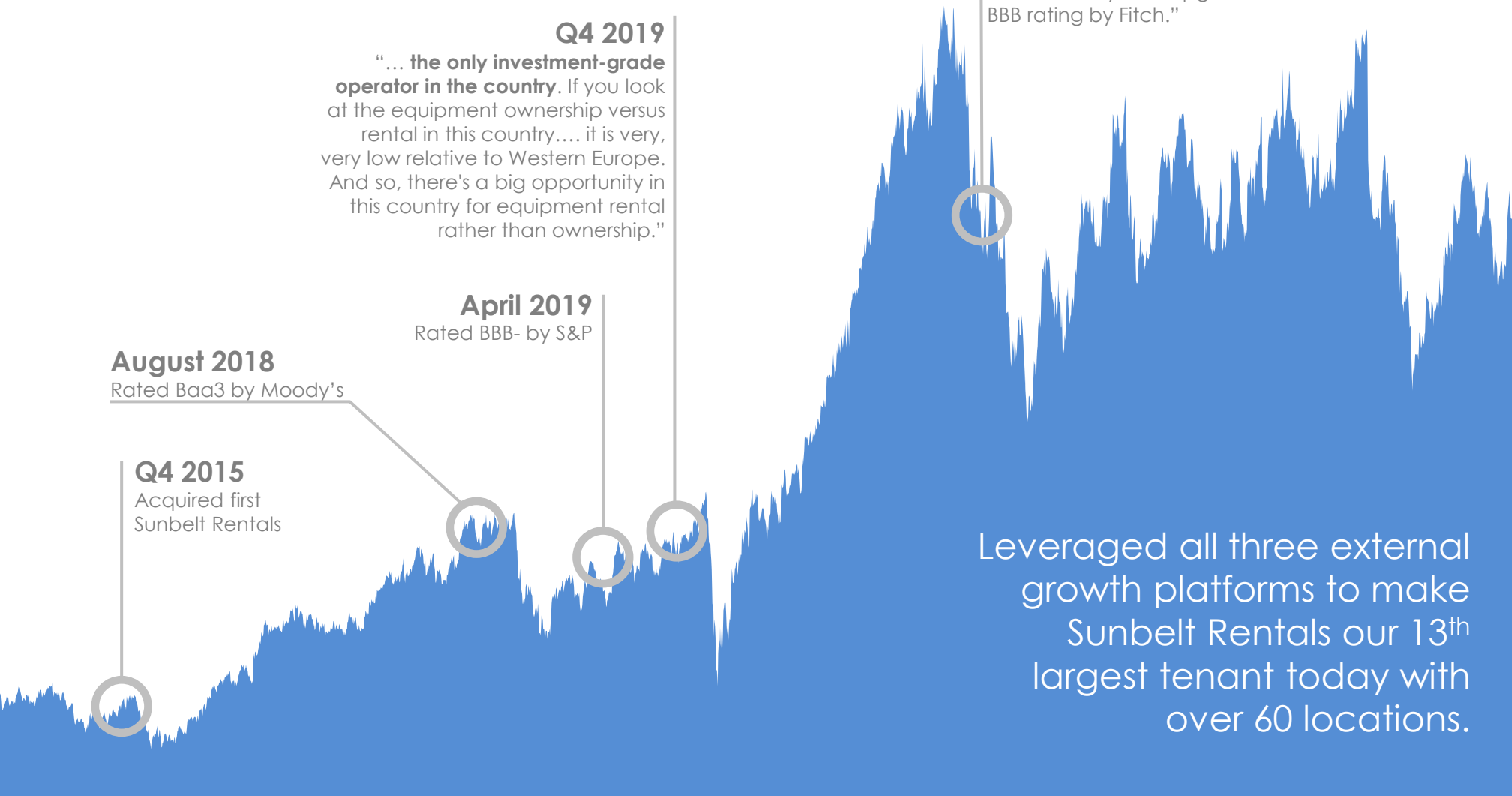
Identified and met with The Boyd Group for the first time

ADC built preferred development relationship with Gerber Collision, developing 25 locations to help spearhead organic growth. They are now our 11th largest tenant with over 110 locations.

As of December 31, 2025. Exposure measured as a percentage of ABR.
The quotes above reflect statements made by ADC management on the Company's quarterly earnings calls. The chart reflects The Boyd Group's market capitalization from 12/31/2013 to 12/31/2025.

Investment Foresight

A DEEPER DIVE ON ADC'S THOUGHT LEADERSHIP & TRACK RECORD OF EXECUTION



Q4 2019

"... the only investment-grade operator in the country. If you look at the equipment ownership versus rental in this country.... it is very, very low relative to Western Europe. And so, there's a big opportunity in this country for equipment rental rather than ownership."

April 2019

Rated BBB- by S&P

August 2018

Rated Baa3 by Moody's

Q4 2015

Acquired first Sunbelt Rentals

Q1 2022

"Our decision to invest in Sunbelt Rentals was recently reinforced by their upgraded BBB rating by Fitch."

Leveraged all three external growth platforms to make Sunbelt Rentals our 13th largest tenant today with over 60 locations.

As of December 31, 2025. Exposure measured as a percentage of ABR.

The quotes above reflect statements made by ADC management on the Company's quarterly earnings calls. The chart reflects Ashtead Group's market capitalization from 12/31/2014 to 12/31/2025.

Investment Foresight

A DEEPER DIVE ON ADC'S THOUGHT LEADERSHIP & TRACK RECORD OF EXECUTION



August 2015

Upgraded to A2
by Moody's

January 2015

Jerry Rossi, former Group
President of The TJX
Companies, joined Agree
Realty's Board of Directors

Q3 2012

Developed first
TJ Maxx

Q2 2017

"At the same
time, in terms
of women's
apparel, you
look at **T.J.
Maxx...the off-
price retailers
have thrived.**"

Q4 2017

"the TJX Companies ...is
now our #5 tenant. **We
have a strong bias towards
off-price retail and the
experience and value
proposition that it provides
for consumers.** We enjoy a
strong working relationship
with TJX..."

Q4 2023

"the off-price retailers, it's all the TJX
concepts...**These operators have
the desire to continue to expand
across all of their different flags.**"

Since 2012, ADC has
acquired or developed
over 60 TJX locations,
and TJX is now our 5th
largest tenant.

As of December 31, 2025. Exposure measured as a percentage of ABR.

The quotes above reflect statements made by ADC management on the Company's quarterly earnings calls. The chart reflects The TJX Companies' market capitalization from 12/30/2011 to 12/31/2025.

Investment Foresight

A DEEPER DIVE ON ADC'S THOUGHT LEADERSHIP & TRACK RECORD OF EXECUTION

Walgreens

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
30%	27%	22%	17%	12%	8%	5%	3%	2%	1%	1%	1%	1%	<1%

ADC reduced Walgreens exposure from 30% in 2012 to less than 1% and reduced overall Pharmacy exposure to less than 4%.

Q2 2017
 "our Walgreens concentration was down to 8.8% at quarter end, below our goal of sub-10% by year-end."

Q1 2019
 "I think the pharmacy space, in general, really has some work to do on the front end predominantly of those stores. And we'd like to see some ingenuity and creativity driving traffic into those stores and driving margin as well as top line revenue to the front end of those stores."

Q1 2021
 "With this transaction, CVS has surpassed Walgreens as our largest pharmacy tenant...we continue to favor CVS as the sector leader, given their innovation and adaptation to consumer preferences and overall market dynamics in the pharmacy space."

2023
Downgraded to Baa3 by Moody's in January.
Downgraded to BBB- by S&P in October.
Downgraded to Ba2 by Moody's in December.

2024
Downgraded to Ba3 by Moody's in July.
Downgraded to BB by S&P in July.
Downgraded to BB- by S&P in December.

2025
 Walgreens entered into a definitive agreement to be acquired by private equity firm Sycamore Partners. The transaction closed in August 2025.

Exposure is as of year-end 2012 through December 31, 2025, and is measured as a percentage of ABR. The quotes above reflect statements made by ADC management on the Company's quarterly earnings calls.

Capital Markets Leader

INNOVATIVE BALANCE SHEET MANAGEMENT



ADC was the first net lease REIT to issue forward equity in March 2018



Since 2018, \$39B of forward equity has been raised in the net lease space



Lowest cost preferred equity issuance in net lease REIT history at 4.25%



Closed a market leading, delayed draw, 5.5-year term loan at a fixed rate of 4.02%⁽¹⁾

“We view the forward equity offering as a prudent way to further fortify our balance sheet and lock in an accretive cost of capital while mitigating external risks and market volatility.”

- JOEY AGREE, Q3 2018 EARNINGS CALL

***Forward equity has accounted for ~95%
of all net lease issuance since 2023***

As of December 31, 2025. (1) Inclusive of \$350 million of forward-starting SOFR swaps.

Disciplined Capital Allocator

CONSERVATIVE WACC CALCULATION DRIVES CONSISTENT & SUPERIOR EARNINGS GROWTH

NET LEASE INVESTMENT SPREADS



150+ bps – **Pedal to the Metal!**



100 - 150 bps – Investments Generate Healthy Accretion



75 - 100 bps – Investments Generate Sufficient Accretion



<75 bps – Investments Not Sufficiently Accretive



Cost of equity is based on forward 12-month consensus AFFO per share



Cost of debt reflects anticipated rate for 10-year unsecured bond offering



Using short-term debt and adding unburdened free cash flow artificially improves cost of capital by ~70 bps

WACC CALCULATION COMPARISON

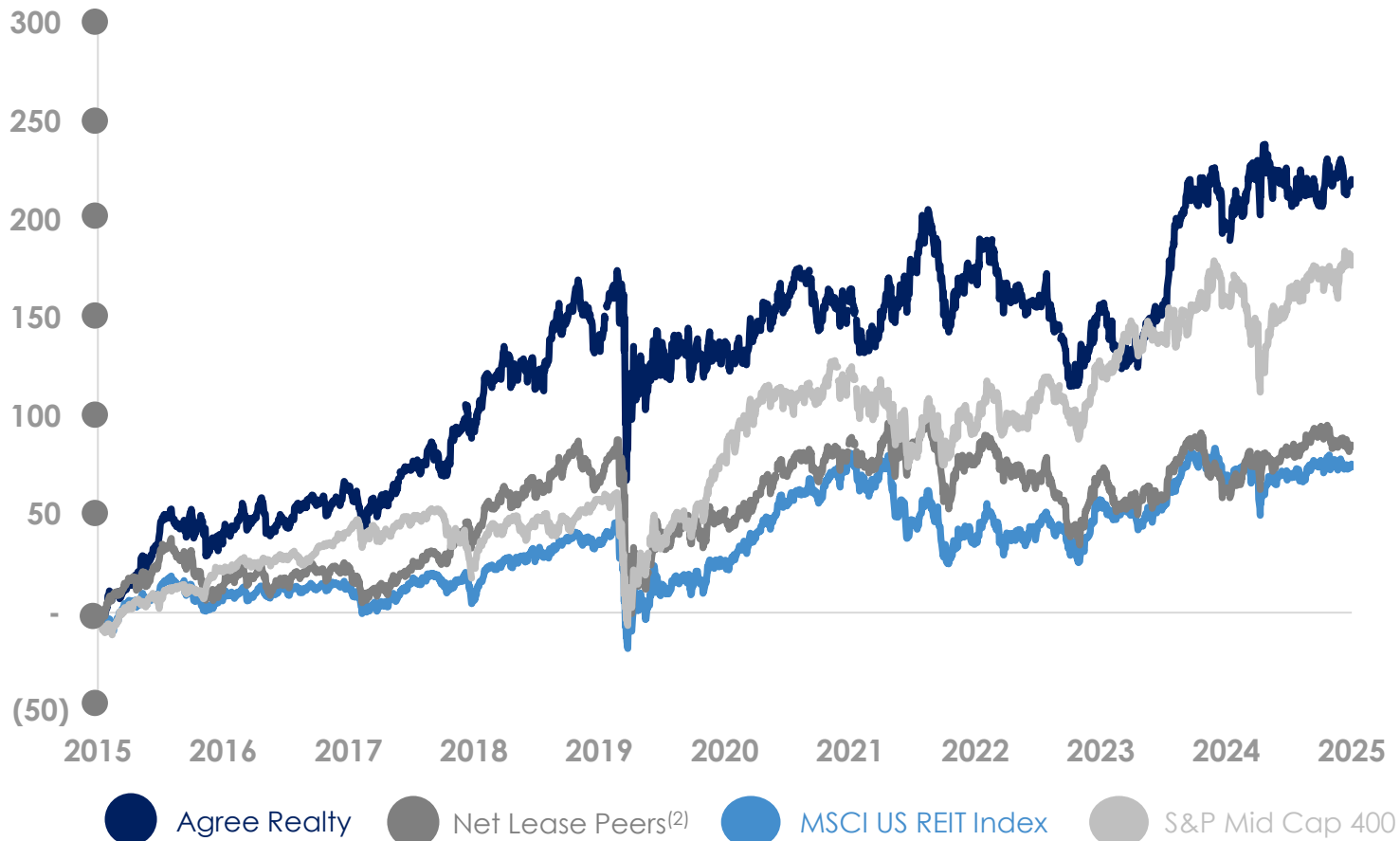
ADC WACC CALCULATION			PEER WACC CALCULATION		
WEIGHTING	FORM OF CAPITAL	COST	WEIGHTING	FORM OF CAPITAL	COST
75%	Equity ⁽¹⁾	5.7%	65%	Equity ⁽¹⁾	5.7%
25%	Long-Term Debt ⁽²⁾	5.0%	25%	Five-Year Term Loan	4.1%
			10%	Free Cash Flow After Dividend	0.0%
WACC		5.5%	WACC		4.8%

As of February 23, 2026. (1) The cost of equity is calculated using the share price as of February 23, 2026, compared to consensus forward 12-month AFFO per share. (2) Long-term debt reflects anticipated rate for 10-year unsecured bond offering based in part on market estimates. Any differences are the result of rounding.

Best-in-Class Total Shareholder Returns

10-YEAR TOTAL SHAREHOLDER RETURNS HAVE OUTPERFORMED PEERS AND MAJOR INDICES

Return on Investment⁽¹⁾



Our strong earnings growth, well-covered dividend, high-quality portfolio, and fortress balance sheet have driven best-in-class total shareholder returns.

As of December 31, 2025. Comparison includes ADC, the MSCI US REIT Index (RMZ), the S&P MidCap 400, and the Triple Net Lease Peer Group. (1) Return on Investment is calculated on a daily basis using total return metrics, which reflect stock price appreciation along with the reinvestment of dividends. (2) The Triple Net Lease Peer Group includes the following companies: EPR Properties, Getty Realty Corp., NNN REIT, Inc., Realty Income Corporation, and W.P. Carey. Past performance is not necessarily indicative of future results.

The Country's Leading Retail Portfolio



Agree Realty Snapshot




















Company Overview

Share Price ⁽¹⁾	\$79.32
Equity Market Capitalization ⁽¹⁾⁽²⁾	\$9.5 Billion
Property Count	2,674
Net Debt to EBITDA	4.9x / 3.8x ⁽³⁾
Investment Grade % ⁽⁴⁾	66.8%

Top Retail Sectors (\$ in millions)

TENANT SECTOR	ANNUALIZED BASE RENT	% OF TOTAL
Grocery Stores	\$75.3	10.3%
Home Improvement	66.4	9.0%
Convenience Stores	56.2	7.7%
Tire & Auto Service	55.9	7.6%
Auto Parts	49.4	6.7%
Dollar Stores	47.3	6.4%
Off-Price Retail	43.9	6.0%
Farm & Rural Supply	37.4	5.1%
General Merchandise	36.6	5.0%
Pharmacy	26.2	3.6%
Other	238.8	32.6%
Total	\$733.4	100.0%

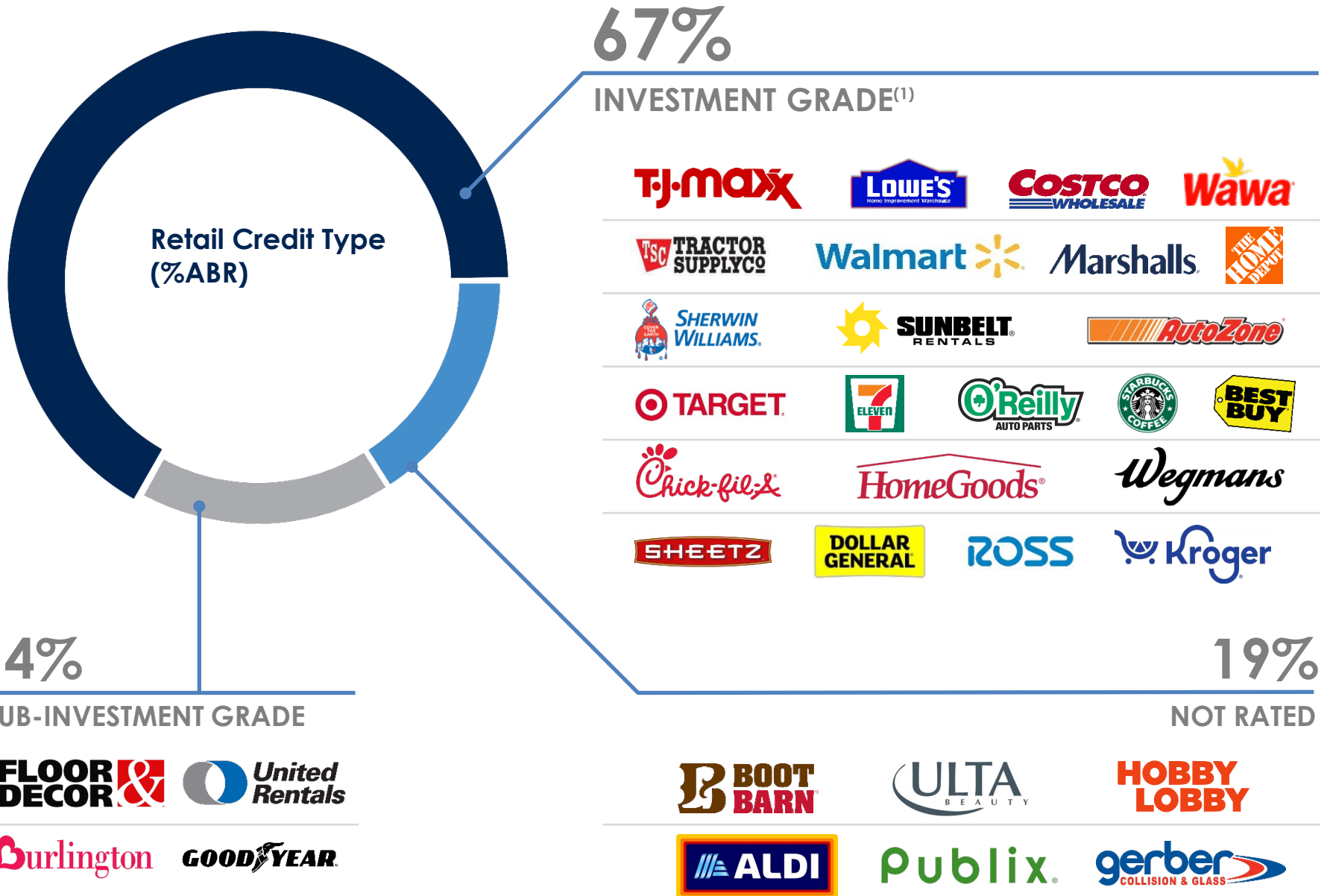
Top Tenants (\$ in millions)

TENANT / CONCEPT	ANNUALIZED BASE RENT	% OF TOTAL
 Walmart	\$41.2	5.6%
 TRACTOR SUPPLY CO	35.6	4.9%
 DOLLAR GENERAL	28.6	3.9%
 Reilly AUTO PARTS	22.3	3.0%
 TJX	22.2	3.0%
 BEST BUY	22.1	3.0%
 CVS pharmacy	21.3	2.9%
 Kroger	21.0	2.9%
 LOWE'S	21.0	2.9%
 HOBBY LOBBY	20.9	2.9%
 gerber COLLISION & GLASS	18.9	2.6%
 7-ELEVEN	18.0	2.5%
 SUNBELT RENTALS	17.2	2.3%
 Burlington	15.1	2.1%
 THE HOME DEPOT	14.1	1.9%
 SHERWIN-WILLIAMS	13.9	1.9%
 GPC NAPA AUTO PARTS	12.2	1.7%
 DOLLAR TREE	12.0	1.6%
 Wawa	11.1	1.5%
Other	344.7	46.9%
Total	\$733.4	100.0%

As of December 31, 2025, unless otherwise noted. Any differences are a result of rounding. (1) As of February 23, 2026. (2) Reflects common shares and OP units outstanding multiplied by the closing price as of February 23, 2026. (3) Proforma for the settlement of the Company's outstanding forward equity as of December 31, 2025. (4) Refer to footnote 1 on slide 17 for the Company's definition of Investment Grade.

Strong Investment Grade Portfolio

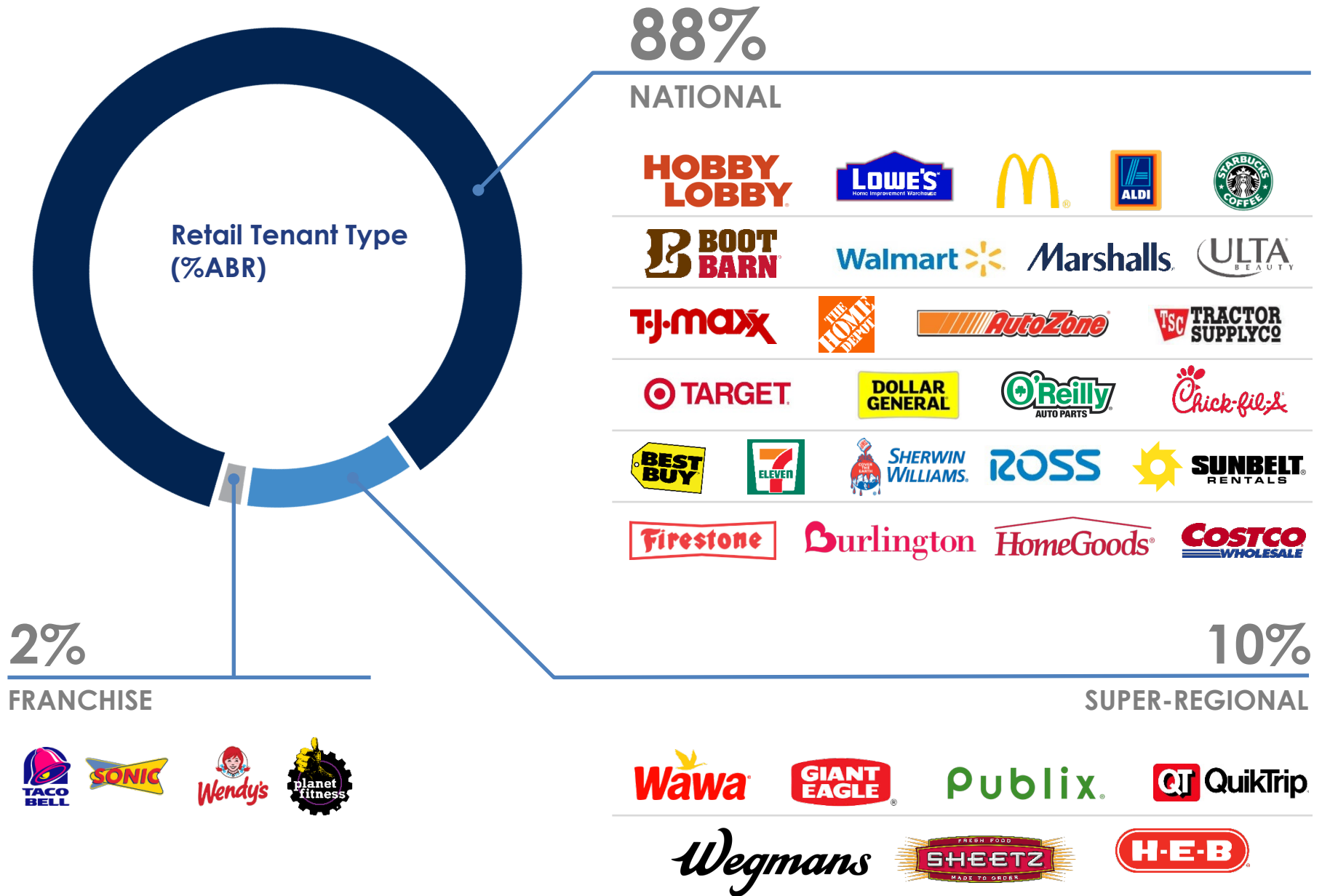
BEST-IN-CLASS RETAILERS WITH CONSERVATIVE BALANCE SHEETS



As of December 31, 2025. Any differences are a result of rounding. (1) Based on ABR 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.

National and Super-Regional Retailers

INDUSTRY LEADERS OPERATING IN E-COMMERCE RESISTANT SECTORS

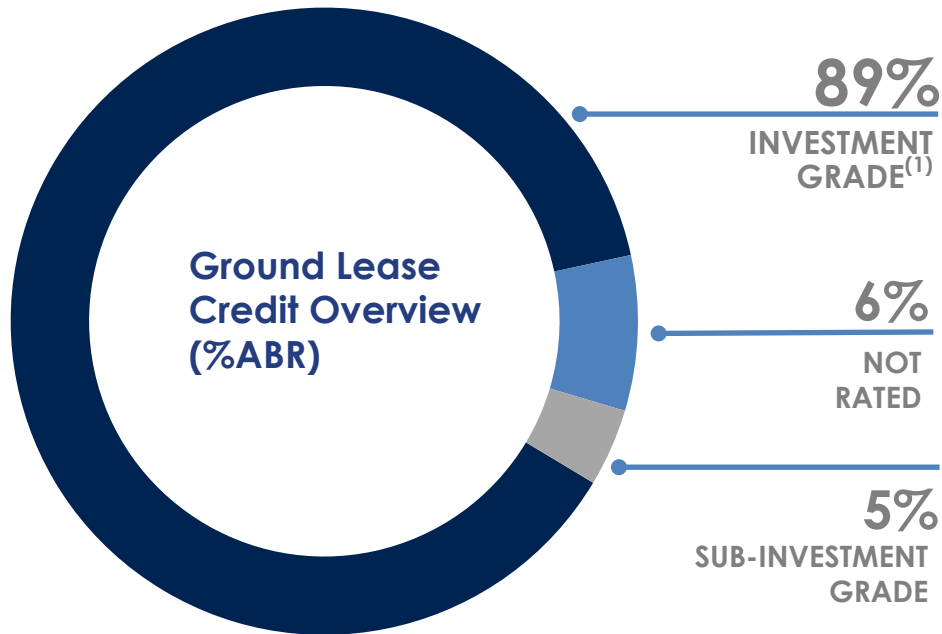
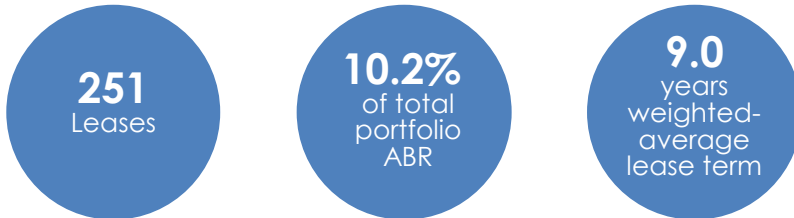


As of December 31, 2025. Any differences are a result of rounding.

Ground Lease Portfolio Breakdown

FEE SIMPLE OWNERSHIP + SIGNIFICANT TENANT INVESTMENT

Ground Lease Portfolio Overview



Top Ground Lease Tenants (% ABR)



As of December 31, 2025. (1) Refer to footnote 1 on slide 17 for the Company's definition of Investment Grade. Any differences are a result of rounding.

Ground Lease Value Creation

FIRST EXPIRATION HIGHLIGHTS EMBEDDED VALUE WITH 159% RECAPTURE RATE

Chase Bank - Stockbridge, GA



Prior Lease

Rent Per Square Foot	\$29.26
Remaining Lease Term ⁽¹⁾	0.1 years
Rental Increases	None Remaining
Options	None Remaining
Annualized Base Rent	\$110,007

New Lease

Rent Per Square Foot	\$46.54
New Lease Term ⁽²⁾	15 Years
Rental Increases	10% Every 5 Years
Options	3 x 5 Years x 10%
Annualized Base Rent	\$193,083

Recapture rate reflects current rent per square foot vs. prior rent per square foot. (1) Reflects remaining lease term at the time the lease extension was executed. (2) New lease commenced in Q1 2023.

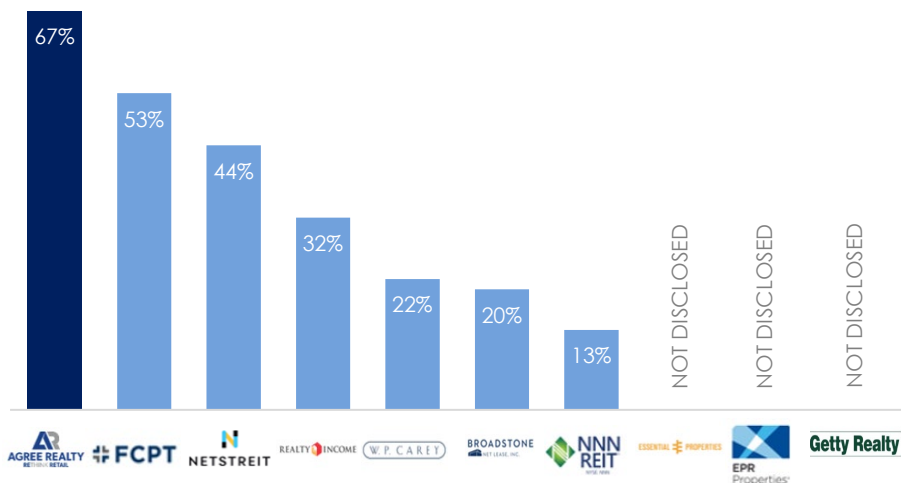
Leading, Pure-Play Retail Net Lease REIT

HIGHLY DIVERSIFIED PORTFOLIO WITH THE LOWEST RENT PSF AND HIGHEST INVESTMENT GRADE %

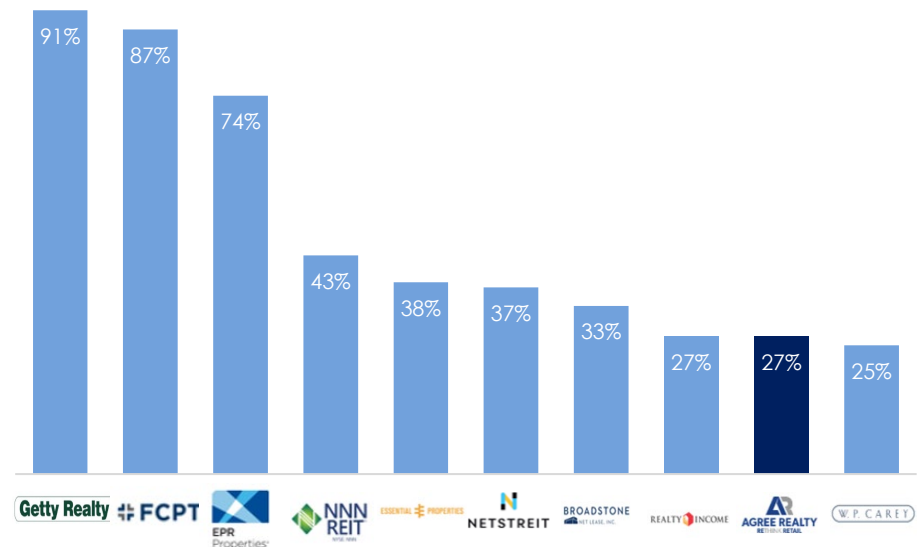
Retail Rent PSF⁽¹⁾



Investment Grade Concentration



Top 3 Sector Concentration⁽²⁾



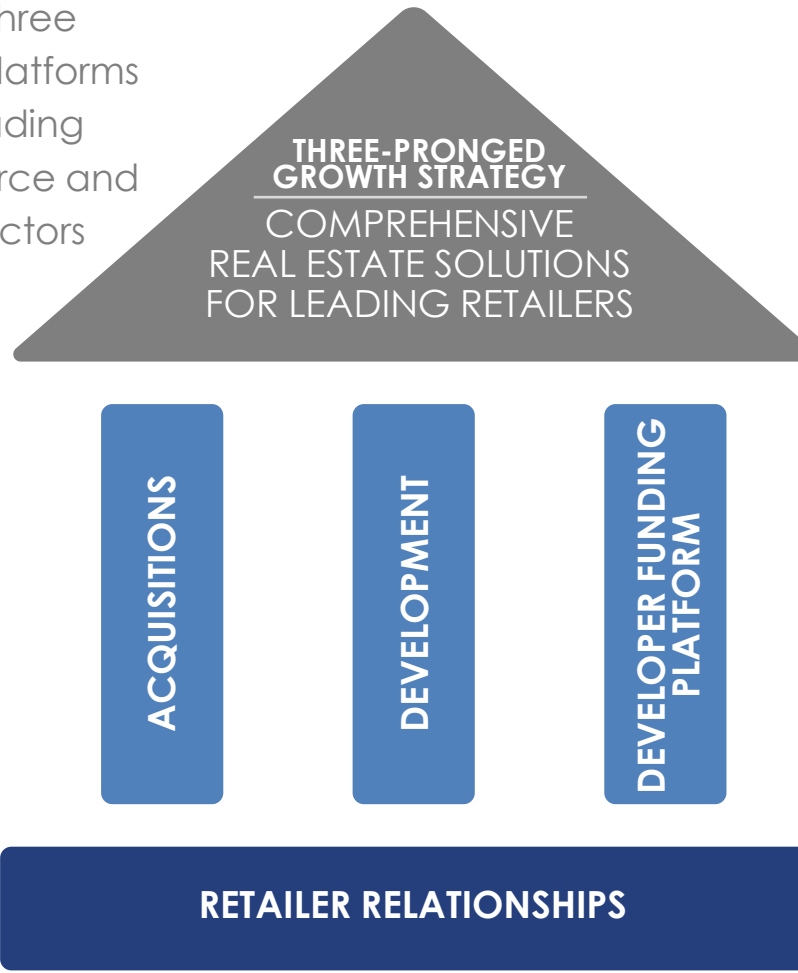
As of December 31, 2025, unless otherwise noted. EPR data as of September 30, 2025. (1) Rent PSF was calculated using a cash-based annualized rent figure, where available, based on each company's definition. Based on retail rent and square footage. (2) W. P. Carey and Realty Income report similar or lower Top 3 Sector Concentrations due in part to significantly broader sector classifications—90 and 92 sectors, respectively—compared to ADC's more targeted categorization across 32 retail-focused sectors.

Disciplined Investment Strategy & Active Portfolio Management



Our Investment Strategy

Agree leverages its three distinct investment platforms to target industry-leading retailers in e-commerce and recession resistant sectors

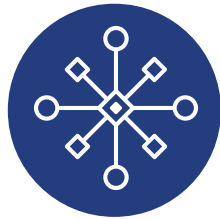


Engage in consistent dialogue to understand store performance and tenant sustainability
Leverage relationships to identify the best risk-adjusted opportunities



What Has ADC Been Investing In?

The retail landscape continues to dynamically evolve as market forces cause disruption and change. To mitigate risk in a period of continued disruption, the Company adheres to a number of investment criteria, with a **focus on four core principles**:



OMNI-CHANNEL CRITICAL

(E-COMMERCE RESISTANCE)

Focus on leading operators that have matured in omni-channel structure or those in e-commerce resistant sectors



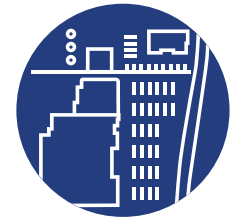
RECESSION RESISTANCE

Emphasize a balanced portfolio with exposure to counter-cyclical sectors and retailers with strong credit profiles



AVOIDANCE OF PRIVATE EQUITY SPONSORSHIP

Strong emphasis on leading operators with strong balance sheets and avoidance of private equity sponsored retailers



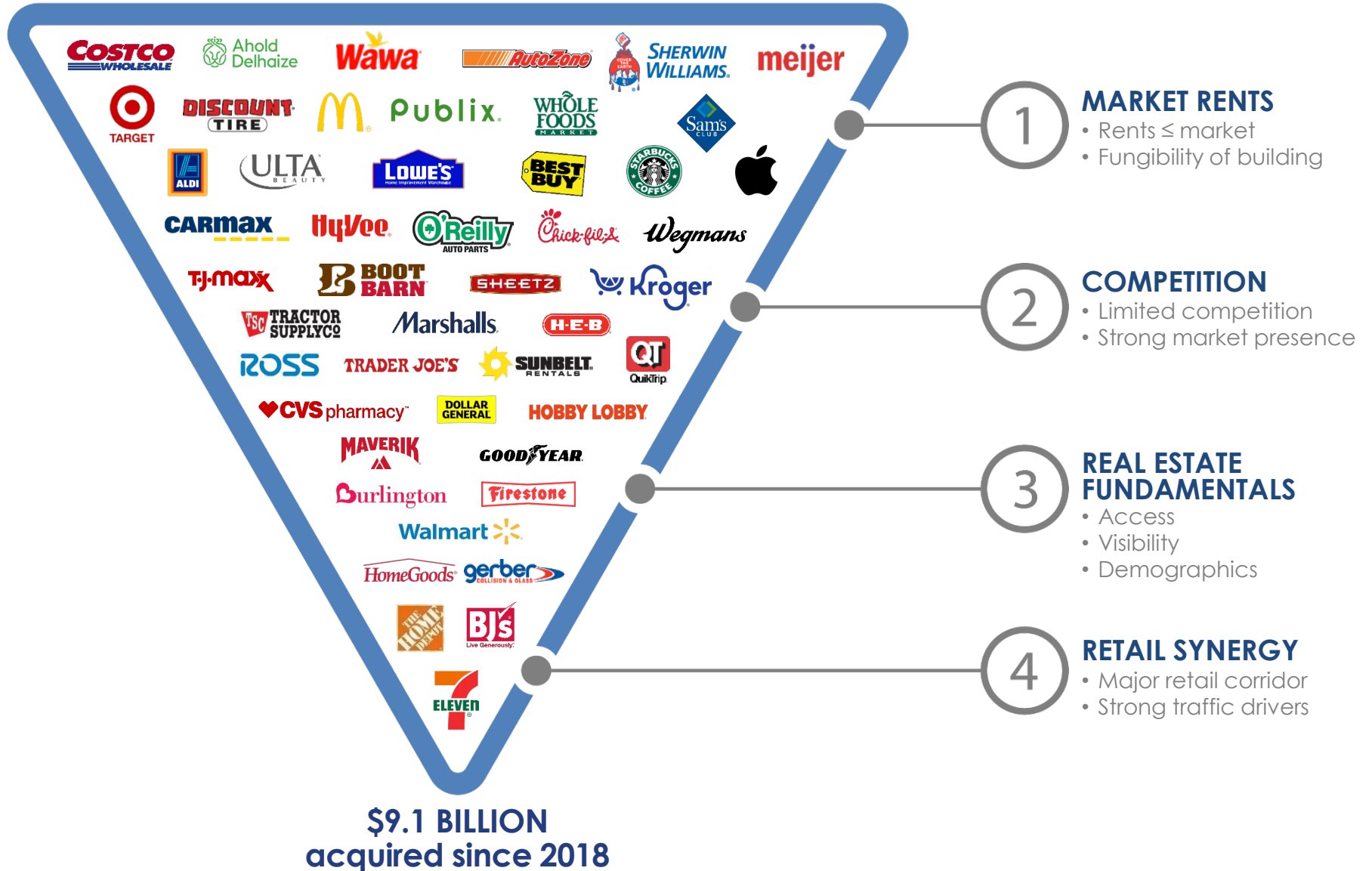
STRONG REAL ESTATE FUNDAMENTALS & FUNGIBLE BUILDINGS

Protects against unforeseen changes to our top-down investment philosophy

Large & Fragmented Opportunity Set

TOP-DOWN FOCUS ON LEADING RETAILERS IN THE U.S. PAIRED WITH A BOTTOMS-UP REAL ESTATE ANALYSIS

ADC reviewed over \$98 billion of opportunities since 2018



As of December 31, 2025.

Sandbox Offers Runway for Growth

170,000+ NET LEASE OPPORTUNITIES AND GROWING WITH BEST-IN-CLASS RETAILERS

13,400+
Grocery
Stores



9,000+
Home
Improvement Stores



5,600+
Tire & Auto
Service Stores



30,900+
Convenience
Stores



30,100+
Dollar
Stores



6,800+
Off-Price
Retail Stores



23,500+
Auto Parts
Stores



7,100+
General
Merchandise Stores



2,600+
Farm & Rural
Supply Stores



1,300+
Consumer
Electronics Stores



1,000+
Crafts &
Novelties Stores



1,400+
Warehouse
Clubs



2,800+
Equipment
Rental Stores



500+
Dealerships



34,700+
Quick-Service
Restaurants



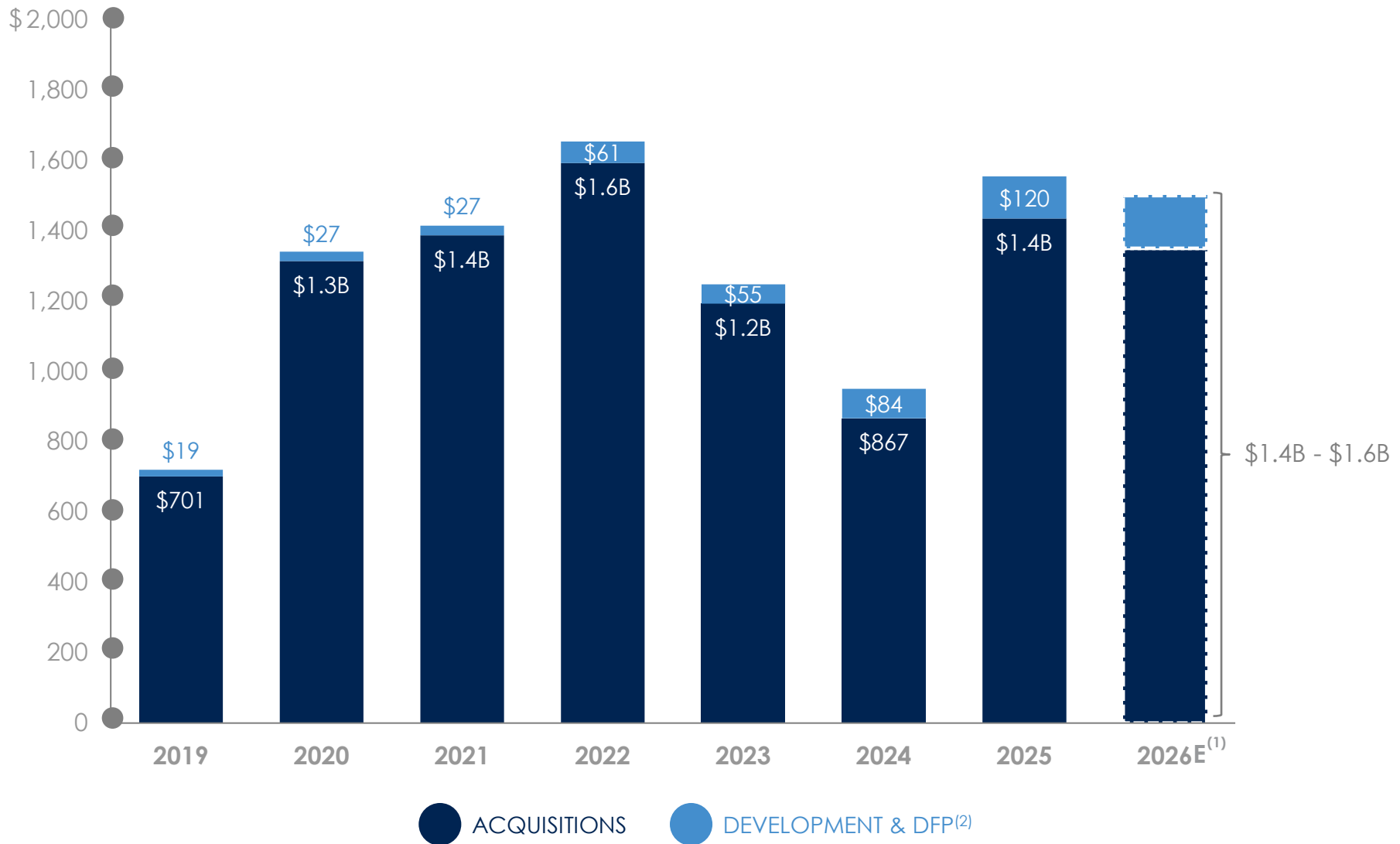
As of February 5, 2026. Store counts include both leased and owned locations and were obtained from company filings and third-party sources including CS News, CSP Daily News, CT Insider, and Progressive Grocer. Table is representative and does not include all retailers.

Track Record of Execution

ADC HAS INVESTED NEARLY \$11 BILLION IN HIGH-QUALITY RETAIL NET LEASE PROPERTIES SINCE 2010

Investment Activity

(\$ in millions, unless otherwise noted)



As of December 31, 2025, unless otherwise noted. (1) Reflects increased full-year 2026 investment guidance provided by the Company on February 10, 2026. Investment volume includes capital deployed through the Company's acquisition, development and DFP platforms. (2) Reflects capital deployed into development and DFP projects completed or under construction during the period.

Active Portfolio Management

FOCUSED ON NON-CORE ASSET SALES & CAPITAL RECYCLING

Total Dispositions 2010-2025: \$602 million



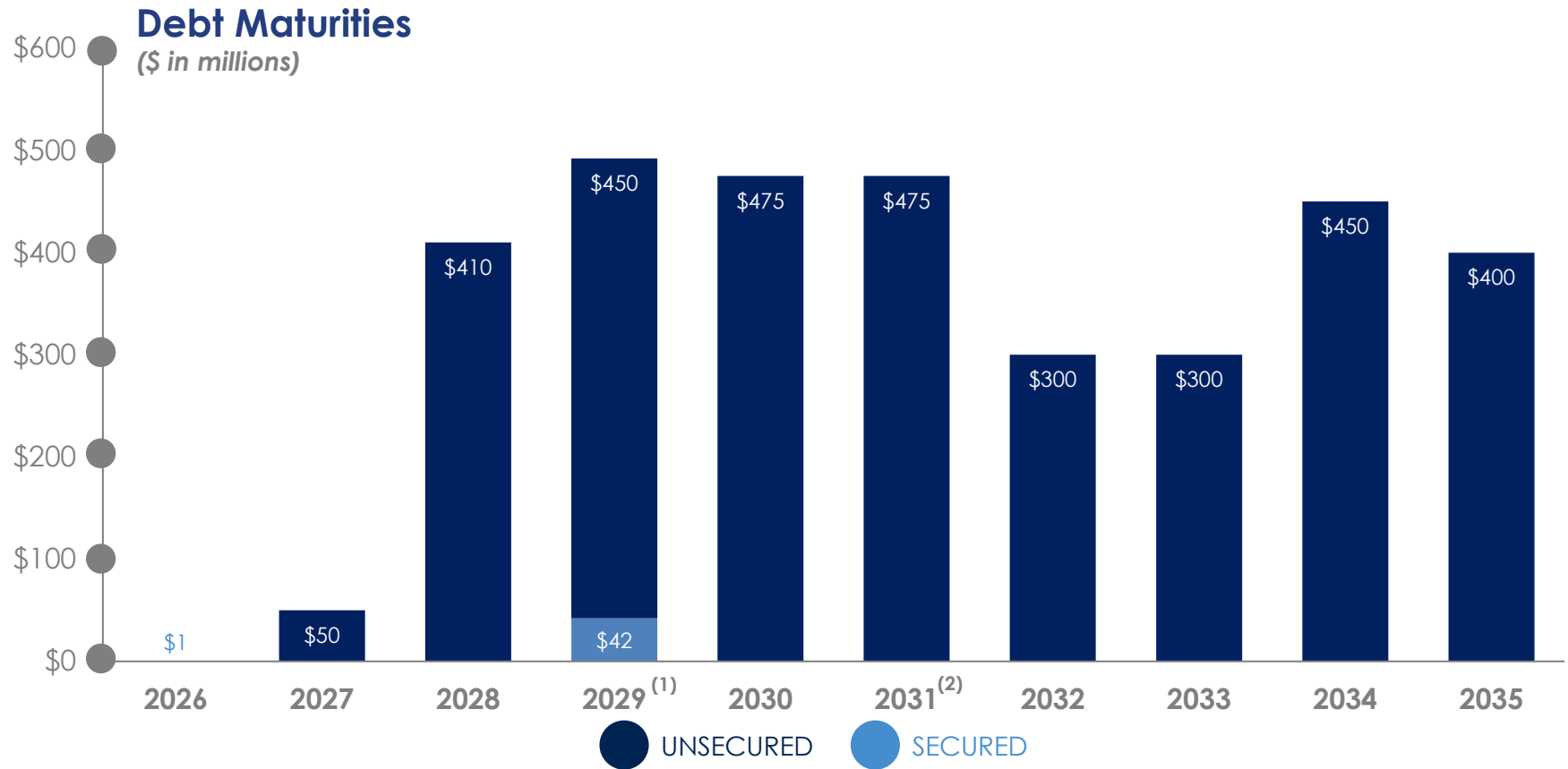
As of December 31, 2025. Graph is representative and does not include all dispositions.

Fortified Balance Sheet



Leading With Our Fortress Balance Sheet

NO MATERIAL DEBT MATURITIES UNTIL 2028



CAPITALIZATION STATISTICS	
Equity Market Capitalization ⁽³⁾	\$9.5 Billion
Enterprise Value ⁽³⁾⁽⁴⁾	\$13.2 Billion
Total Debt to Enterprise Value	27.4%

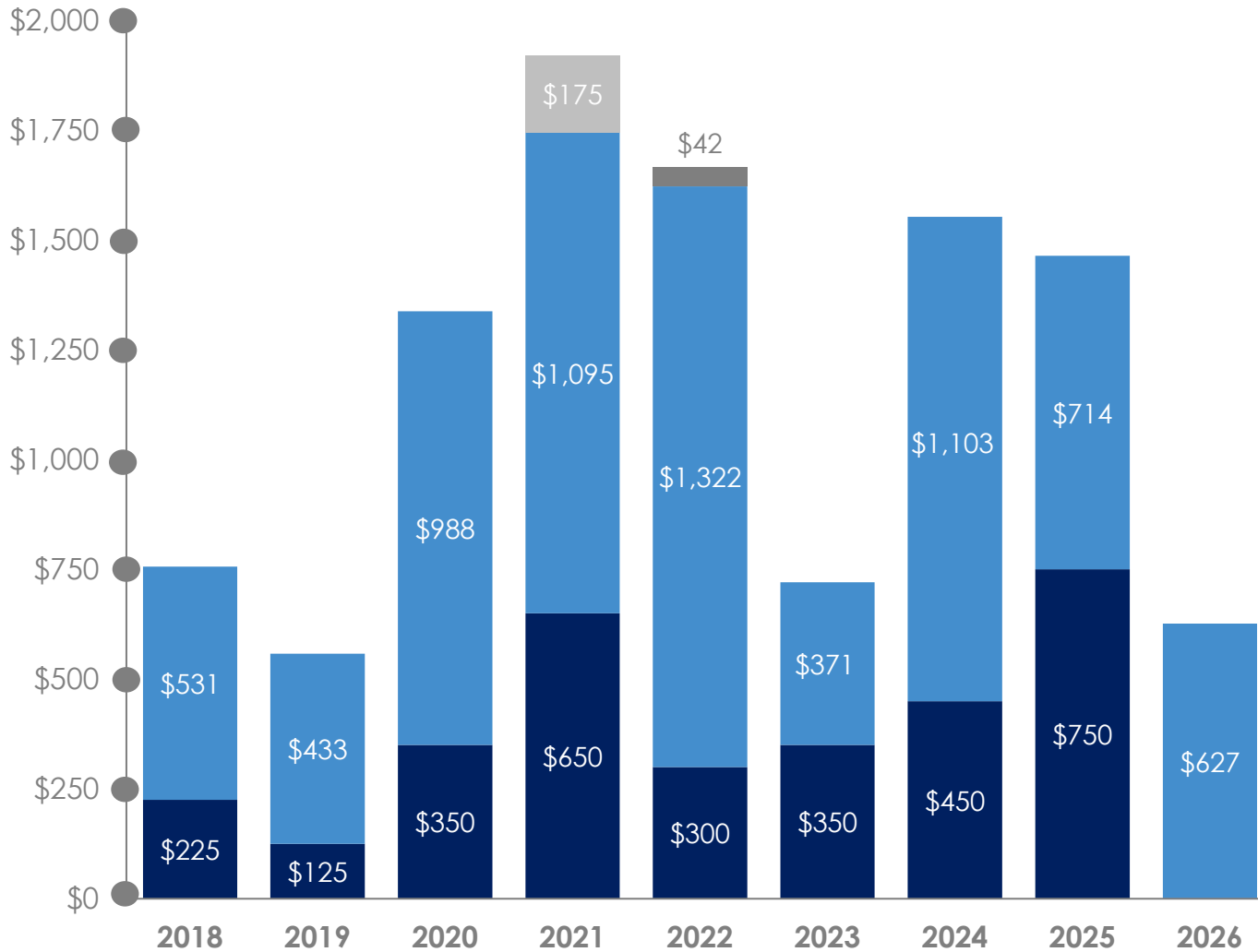
CREDIT METRICS	
Fixed Charge Coverage Ratio	4.2x
Net Debt to Recurring EBITDA ⁽⁵⁾	4.9x / 3.8x ⁽⁶⁾
Issuer Ratings	A- / Baa1 / BBB+
Ratings Outlooks	Stable / Stable / Stable

As of December 31, 2025, unless otherwise noted. The Debt Maturities schedule excludes \$320.5 million of outstanding short-term commercial paper notes as of December 31, 2025. (1) There were no outstanding borrowings on the Company's revolving credit facility as of December 31, 2025. The revolving credit facility matures in August 2029 assuming two 6-month extension options are exercised. (2) Reflects the closing of the \$350 million term loan which occurred on November 17, 2025. No amounts had been drawn as of December 31, 2025. (3) As of February 23, 2026. (4) Enterprise Value is calculated as the sum of net debt, the liquidation value of preferred equity and equity market capitalization. (5) Reflects net debt to annualized Q4 2025 recurring EBITDA. (6) Proforma for the settlement of the Company's outstanding forward equity as of December 31, 2025.

Capital Markets Track Record

STRONG CAPITAL MARKETS EXECUTION HAS PROVIDED AMPLE LIQUIDITY; APPROXIMATELY \$12 BILLION OF ACTIVITY SINCE 2010

Capital Markets Activity (\$ in millions)



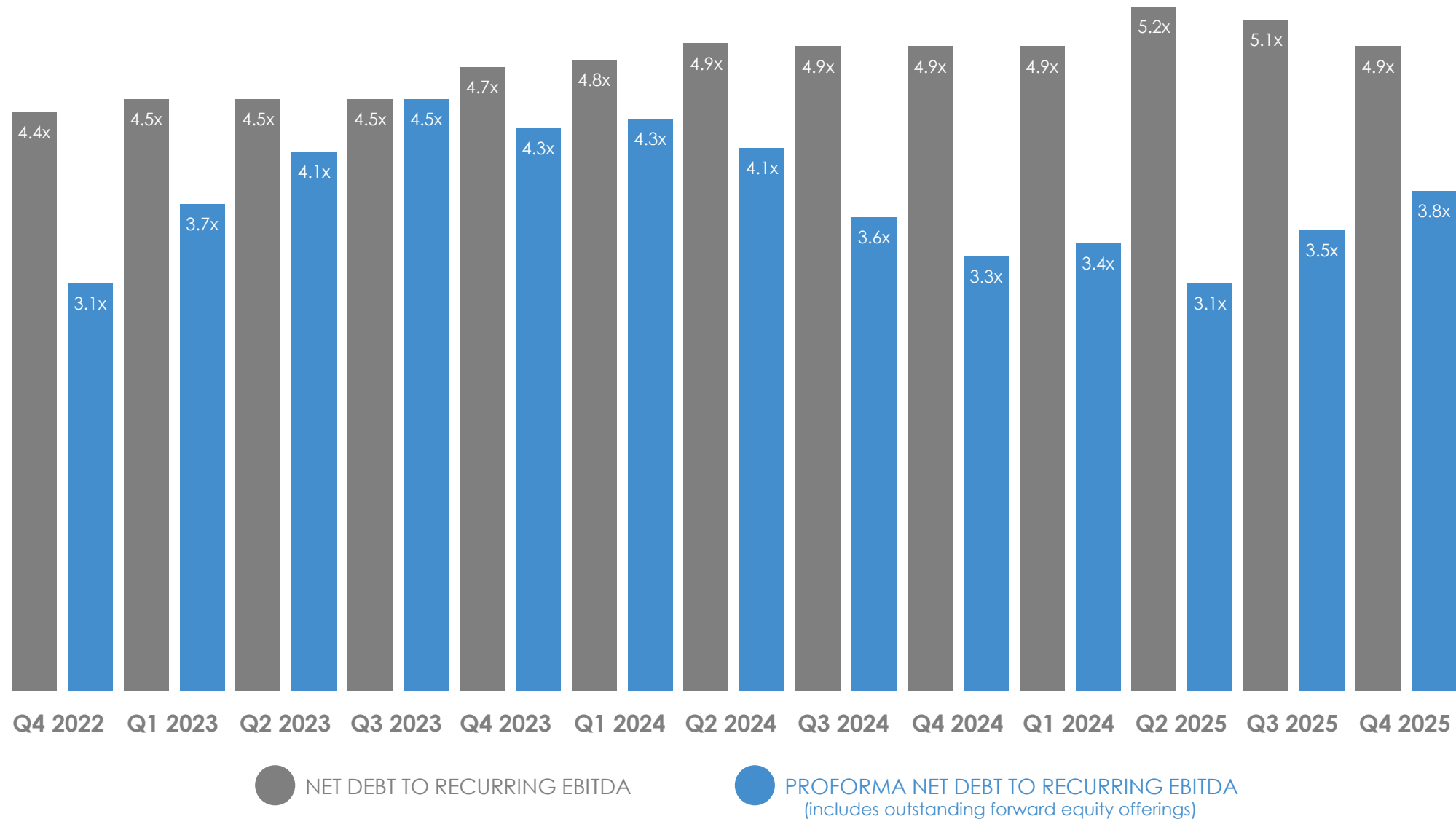
SECURED DEBT
 UNSECURED DEBT
 COMMON EQUITY
 PREFERRED EQUITY



Reflects gross proceeds from equity and long-term debt raised through February 23, 2026. Forward equity and delayed-draw debt offerings are shown in the year they were raised, rather than settled or drawn.

Low Leverage = Strong Positioning

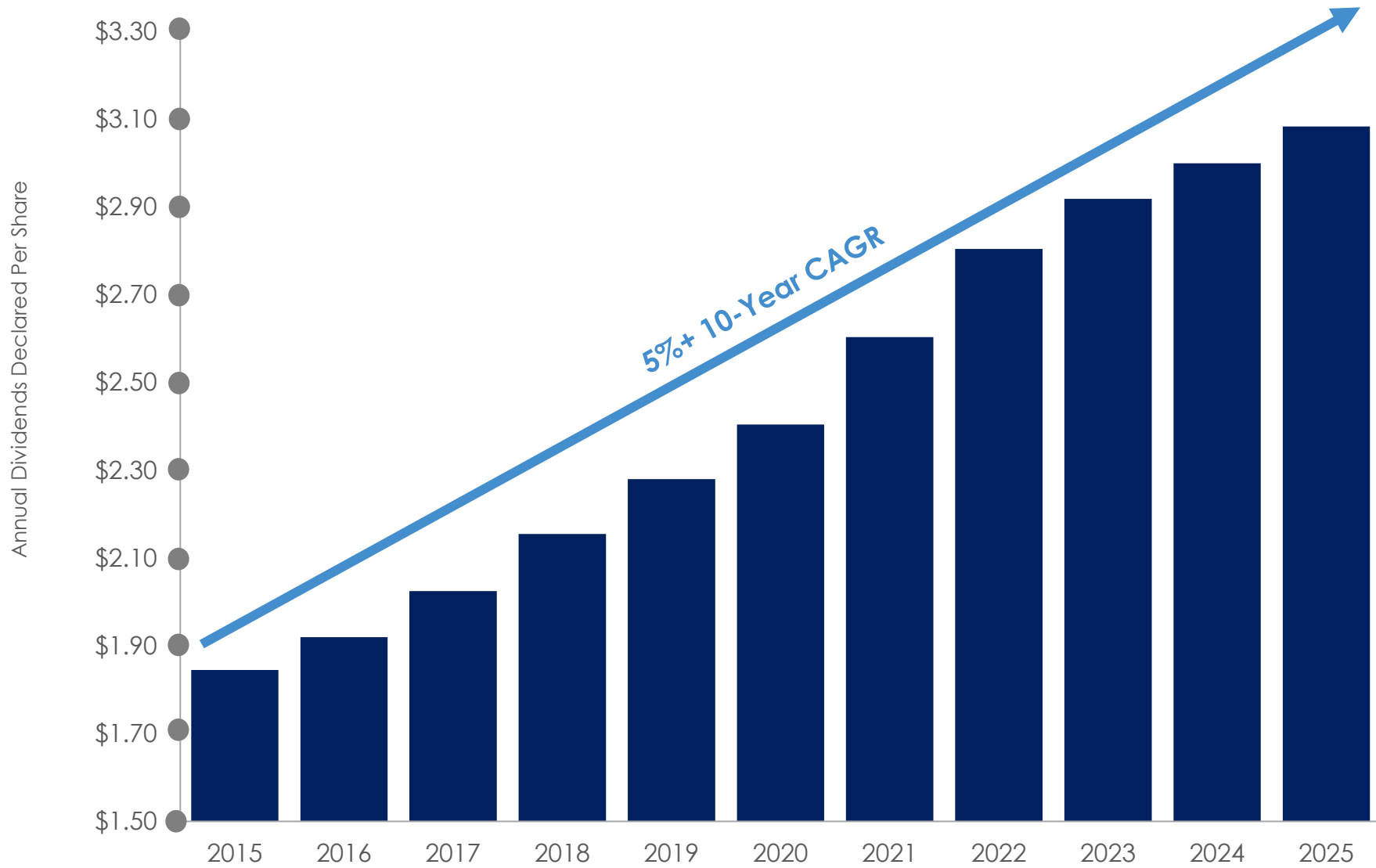
ADC HAS BEEN AT OR BELOW 4.5X PROFORMA NET DEBT TO RECURRING EBITDA SINCE 2018



As of December 31, 2025. Proforma Net Debt to Recurring EBITDA deducts the Company's outstanding forward equity offerings for each period from the Company's net debt for each period.

Growing, Well-Covered Monthly Dividend

168 CONSECUTIVE COMMON DIVIDENDS PAID; AVERAGE AFFO PAYOUT RATIO OF ~74% OVER PAST 10 YEARS



As of February 23, 2026. Reflects common dividends per share declared in each year, rounded to two decimals.

Agree Realty's ESG Practices

DEDICATED TO SUSTAINABILITY AND GOOD CORPORATE CITIZENSHIP



ENVIRONMENTAL PRACTICES

Focus on industry leading, national & super-regional retailers provides for a relationship with some of the most environmentally conscientious retailers in the world

The Company anticipates its new headquarters will achieve LEED certification, with features including EV charging stations, motion activated lighting and high-quality building materials

Executed over 100 green leases with tenants, resulting in Gold-level recognition from Green Lease Leaders for three consecutive years



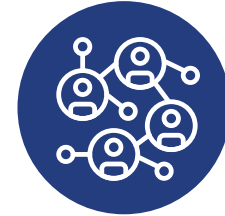
SOCIAL RESPONSIBILITY

The Agree Wellness program focuses on Health Wellness & Financial Wellness to enhance employee well-being

Ongoing professional development is offered to help all team members advance their careers

The Company has recently sponsored charities including the Bottomless Toy Chest, CARE House of Oakland County, and Michigan Veteran's Foundation

ADC has received awards from Globe St, Crain's Detroit Business, and Best and Brightest in Wellness recognizing its outstanding corporate culture and wellness initiatives



CORPORATE GOVERNANCE

ADC's Board has 10 directors, eight of whom are independent; six new independent directors added since 2018

The Board added a third female Director, appointing Linglong He in January 2024

The Nominating & Governance Committee has formal oversight responsibility for the Company's ESG program

The Company enhanced its alignment with the ISSB IFRS S1 and S2 disclosure standards, building on our previous work with the SASB and TCFD frameworks and reflecting our dedication to transparent reporting



Investment Summary Highlights

FORTIFIED
BALANCE SHEET

Robust
growth
trajectory

Well-covered
& consistent
dividend

HIGHEST-QUALITY RETAIL REAL ESTATE

**MULTI-YEAR
TRACK RECORD
OF EXECUTION**

**INVESTMENT GRADE
ISSUER RATINGS**

APPENDIX

Earnings Guidance

The table below provides estimates for significant components of our 2026 earnings guidance.

	2026 Guidance
AFFO per share ⁽¹⁾⁽²⁾	\$4.54 to \$4.58
Investment volume ⁽³⁾	\$1.4 to \$1.6 billion
Disposition volume	\$25 to \$75 million
General and administrative expense (% of adjusted revenue) ⁽⁴⁾⁽⁵⁾	5.3% to 5.6%
Non-reimbursable real estate expenses (% of adjusted revenue) ⁽⁴⁾	1.0% to 1.5%
Income and other tax expense	\$2 to \$3 million
Treasury stock method dilution ⁽⁶⁾	Approximately \$0.01

The Company's 2026 guidance is subject to risks and uncertainties more fully described in this presentation and in the Company's filings with the Securities and Exchange Commission (the "SEC"). (1) The Company does not provide guidance with respect to the most directly comparable GAAP financial measure or provide reconciliations to GAAP from its forward-looking non-GAAP financial measure of AFFO per share guidance due to the inherent difficulty of forecasting the effect, timing and significance of certain amounts in the reconciliation that would be required by Item 10(e)(1)(i)(B) of Regulation S-K. Examples of these amounts include impairments of assets, gains and losses from sales of assets, and depreciation and amortization from new acquisitions or developments. In addition, certain non-recurring items may also significantly affect net income but are generally adjusted for in AFFO. Based on our historical experience, the dollar amounts of these items could be significant and could have a material impact on the Company's GAAP results for the guidance period. (2) The Company's AFFO per share guidance utilizes the current forward SOFR curve to forecast interest expense related to any outstanding commercial paper notes and revolver borrowings during the year. (3) Reflects an increase from the prior 2026 investment volume guidance of \$1.25 billion to \$1.50 billion, issued on January 5, 2026. (4) Adjusted revenue equates to "Total Revenues" as presented in our consolidated statements of operations and comprehensive income, excluding the amortization of above and below market lease intangibles. (5) Cash G&A expense is expected to be in a range of 3.7% to 4.0% of adjusted revenue. Cash G&A is defined as "General and administrative" expenses as presented in our consolidated statements of operations and comprehensive income, less stock-based compensation expense. (6) Represents the estimated dilutive impact of the Company's outstanding forward equity calculated in accordance with the treasury stock method, which is included in the AFFO per share guidance range.

Debt Summary

	All-in Interest Rate	Maturity	Total Debt Outstanding as of December 31, 2025
Senior Unsecured Revolving Credit Facility and Commercial Paper Notes			
Revolving Credit Facility ⁽¹⁾	4.50%	August 2028	\$0
Commercial Paper Notes ⁽²⁾	3.94%	Various	320,500
Total Revolving Credit Facility and Commercial Paper Notes	3.94%		\$320,500
Unsecured Term Loans			
2029 Unsecured Term Loan ⁽³⁾	4.37%	January 2029	\$350,000
2031 Unsecured Term Loan ⁽⁴⁾	4.02%	May 2031	\$0
Total Unsecured Term Loans	4.37%		\$350,000
Senior Unsecured Notes⁽⁵⁾			
2027 Senior Unsecured Notes	4.26%	May 2027	\$50,000
2028 Senior Unsecured Public Notes ⁽⁶⁾	2.11%	June 2028	350,000
2028 Senior Unsecured Notes	4.42%	July 2028	60,000
2029 Senior Unsecured Notes	4.19%	September 2029	100,000
2030 Senior Unsecured Notes	4.32%	September 2030	125,000
2030 Senior Unsecured Public Notes ⁽⁶⁾	3.49%	October 2030	350,000
2031 Senior Unsecured Notes	4.42%	October 2031	125,000
2032 Senior Unsecured Public Notes ⁽⁶⁾	3.96%	October 2032	300,000
2033 Senior Unsecured Public Notes ⁽⁶⁾	2.13%	June 2033	300,000
2034 Senior Unsecured Public Notes ⁽⁶⁾	5.65%	June 2034	450,000
2035 Senior Unsecured Public Notes ⁽⁶⁾	5.35%	June 2035	400,000
Total Senior Unsecured Notes	4.01%		\$2,610,000
Mortgage Notes Payable			
Portfolio Credit Tenant Lease	6.27%	July 2026	\$628
Four Asset Mortgage Loan	3.63%	December 2029	42,250
Total Mortgage Notes Payable	3.67%		\$42,878
Total Fixed Rate Debt⁽⁷⁾	4.05%		\$3,002,878
Total Debt	4.04%		\$3,323,378

As of December 31, 2025, unless otherwise noted. Dollars are in thousands. (1) The Revolving Credit Facility would have incurred interest of 4.50%, which is comprised of SOFR of 3.77% and the pricing grid spread of 72.5 basis points. (2) 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 80 basis points and the impact of the interest rate swaps which convert \$350 million of SOFR based interest to a fixed interest rate of 3.57%. (4) No amounts had been drawn as of December 31, 2025. If amounts were drawn under the 2031 Unsecured Term Loan, the applicable interest rate would have reflected the credit spread of 80 basis points and the impact of the interest rate swaps which convert \$350.0 million of SOFR based interest to a fixed interest rate of 3.22%. (5) All-in interest rate for Senior Unsecured Notes reflects the straight-line amortization of the terminated swap agreements and original issuance discounts, as applicable. (6) The principal amounts outstanding are presented excluding their original issue discounts. (7) Excludes Revolving Credit Facility and Commercial Paper borrowings.

Reconciliation of Non-GAAP Financial Measures

	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Mortgage notes payable, net	\$47,971	\$47,842	\$47,701	\$42,952	\$42,811	\$42,666	\$42,518	\$42,366	\$42,210	\$42,050	\$41,886	\$41,718	\$41,546
Unsecured term loan, net	-	-	-	346,639	346,798	346,947	347,115	347,274	347,452	347,609	347,767	347,900	348,074
Senior unsecured notes, net	1,792,047	1,792,611	1,793,198	1,793,777	1,794,312	1,794,874	2,236,223	2,236,948	2,237,759	2,238,451	2,582,892	2,583,685	2,584,608
Unsecured revolving credit facility	100,000	196,000	303,000	49,000	227,000	330,000	43,000	49,000	158,000	322,000	247,000	389,000	320,500
Total Debt per the Consolidated Balance Sheet	\$1,940,018	\$2,036,453	\$2,143,899	\$2,232,368	\$2,410,921	\$2,514,487	\$2,668,856	\$2,675,588	\$2,785,421	\$2,950,110	\$3,219,545	\$3,362,303	\$3,294,728
Unamortized debt issuance costs and discounts, net	20,377	19,720	19,050	21,731	20,947	20,145	28,537	27,563	26,483	25,544	30,854	29,838	28,650
Total Debt	\$1,960,395	\$2,056,173	\$2,162,949	\$2,254,099	\$2,431,868	\$2,534,632	\$2,697,393	\$2,703,151	\$2,811,904	\$2,975,654	\$3,250,399	\$3,392,141	\$3,323,378
Cash and cash equivalents	(\$27,763)	(\$11,809)	(\$8,068)	(\$6,384)	(\$10,907)	(\$6,314)	(\$9,639)	(\$13,237)	(\$6,399)	(\$7,915)	(\$5,824)	(\$13,696)	(\$16,295)
Cash held in escrows	(1,146)	(1,131)	(4,179)	(3)	(3,617)	(9,120)	(14,615)	0	0	(3,254)	(3,087)	(3,182)	(4,327)
Net Debt	\$1,931,486	\$2,043,233	\$2,150,702	\$2,247,712	\$2,417,344	\$2,519,198	\$2,673,139	\$2,689,914	\$2,805,505	\$2,964,485	\$3,241,488	\$3,375,263	\$3,302,756
Anticipated Net Proceeds from Forward Equity Offerings	(557,364)	(362,125)	(202,026)	0	(235,619)	(236,769)	(431,073)	(724,955)	(919,909)	(917,114)	(1,289,392)	(1,036,110)	(716,058)
Proforma Net Debt	\$1,374,122	\$1,681,108	\$1,948,676	\$2,247,712	\$2,181,725	\$2,282,429	\$2,242,066	\$1,964,959	\$1,885,596	\$2,047,371	\$1,952,096	\$2,339,153	\$2,586,698
Net Income	\$41,039	\$41,774	\$41,015	\$41,657	\$46,101	\$45,014	\$54,913	\$44,528	\$45,377	\$47,148	\$49,353	\$52,279	\$56,209
Interest expense, net	16,843	17,998	19,948	20,803	22,371	24,451	26,416	28,942	29,095	30,764	32,274	35,212	36,362
Income and other tax expense	723	783	709	709	709	1,149	1,004	1,077	1,075	825	425	225	260
Depreciation of rental real estate assets	24,843	26,584	28,145	29,769	31,119	31,966	33,531	33,941	38,397	37,164	38,698	40,867	42,427
Amortization of lease intangibles - in-place leases and leasing costs	12,800	13,770	14,328	15,258	15,611	15,996	16,424	17,056	17,652	18,064	19,679	19,715	20,367
Non-real estate depreciation	261	292	277	598	527	501	499	507	517	527	562	597	642
Provision for impairment	0	0	1,315	3,195	2,665	4,530	0	2,694	0	4,331	2,961	2,980	1,600
(Gain) loss on sale or involuntary conversion of assets, net	(97)	0	(319)	20	(1,550)	(2,041)	(7,176)	(1,794)	(430)	(772)	(1,510)	(1,056)	(2,047)
EBITDAre	\$96,412	\$101,201	\$105,418	\$112,009	\$117,553	\$121,566	\$125,611	\$126,951	\$131,683	\$138,051	\$142,442	\$150,819	\$155,820
Run-Rate Impact of Investment, Disposition & Leasing Activity	\$4,742	\$4,147	\$4,276	\$5,207	\$2,344	\$1,376	\$1,890	\$2,446	\$4,055	\$4,421	\$4,356	\$5,601	\$4,405
Amortization of above (below) market lease intangibles, net	8,474	8,611	8,711	8,293	7,481	8,295	8,297	8,294	8,350	8,546	8,537	9,344	9,988
Recurring EBITDA	\$109,628	\$113,959	\$118,405	\$125,509	\$127,378	\$131,237	\$135,798	\$137,691	\$144,088	\$151,018	\$155,335	\$165,764	\$170,213
Annualized Recurring EBITDA	\$438,512	\$455,836	\$473,620	\$502,036	\$509,512	\$524,948	\$543,192	\$550,764	\$576,352	\$604,072	\$621,340	\$663,056	\$680,852
Total Debt per the Consolidated Balance Sheet to Annualized Net Income	11.8x	12.2x	13.1x	13.4x	13.1x	14.0x	12.2x	15.2x	15.5x	15.8x	16.5x	16.2x	14.8x
Net Debt to Recurring EBITDA	4.4x	4.5x	4.5x	4.5x	4.7x	4.8x	4.9x	4.9x	4.9x	4.9x	5.2x	5.1x	4.9x
Proforma Net Debt to Recurring EBITDA	3.1x	3.7x	4.1x	4.5x	4.3x	4.3x	4.1x	3.6x	3.3x	3.4x	3.1x	3.5x	3.8x

Reconciliation of Net Income to FFO, Core FFO and AFFO

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net Income	\$39,762	\$45,797	\$58,790	\$58,798	\$80,763	\$91,972	\$122,876	\$153,035	\$170,547	\$189,832	\$204,989
Series A Preferred Stock Dividends	0	0	0	0	0	0	(2,148)	(7,437)	(7,437)	(7,437)	(7,437)
Net Income attributable to OP Common Unitholders	\$39,762	\$45,797	\$58,790	\$58,798	\$80,763	\$91,972	\$120,728	\$145,598	\$163,110	\$182,395	\$197,552
Depreciation of rental real estate assets	\$11,466	\$15,200	\$19,507	\$24,553	\$34,349	\$48,367	\$66,732	\$88,685	\$115,617	\$137,835	\$159,155
Amortization of lease intangibles - in-place leases and leasing costs	4,957	8,135	7,076	8,271	11,071	17,882	28,379	44,107	58,967	67,128	77,825
Provision for impairment	0	0	0	2,319	1,609	4,137	1,919	1,015	7,175	7,224	11,872
(Gain) loss on sale or involuntary conversion of assets, net	(12,135)	(9,964)	(14,193)	(11,180)	(13,306)	(8,004)	(15,111)	(5,258)	(1,849)	(11,441)	(5,386)
Funds from Operations - OP Common Unitholders	\$44,050	\$59,168	\$71,180	\$82,761	\$114,486	\$154,354	\$202,647	\$274,147	\$343,020	\$383,141	\$441,018
Loss on extinguishment of debt & settlement of related hedges	\$0	\$0	\$0	\$0	\$0	\$0	\$14,614	\$0	\$0	\$0	\$0
Amortization of above (below) market lease intangibles	0	0	5,091	10,668	13,501	15,885	24,284	33,563	33,430	33,571	36,749
Core Funds from Operations - OP Common Unitholders	\$44,050	\$59,168	\$76,271	\$93,429	\$127,987	\$170,239	\$241,545	\$307,710	\$376,450	\$416,712	\$477,767
Straight-line accrued rent	(\$2,450)	(\$3,582)	(\$3,548)	(\$4,648)	(\$7,093)	(\$7,818)	(\$11,857)	(\$13,176)	(\$12,142)	(\$12,711)	(\$17,356)
Stock based compensation expense	1,992	2,441	2,589	3,227	4,106	4,995	5,467	6,464	8,338	10,805	12,991
Amortization of financing costs	494	516	574	578	706	826	1,197	3,141	4,403	5,988	7,074
Loss on extinguishment of debt	180	333	0	0	0	0	0	0	0	0	0
Non-real estate depreciation	62	72	78	146	283	509	618	778	1,693	2,024	2,328
Other	(463)	(541)	(230)	0	(475)	0	0	0	0	0	0
Adjusted Funds from Operations - OP Common Unitholders	\$43,865	\$58,407	\$75,734	\$92,732	\$125,514	\$168,751	\$236,970	\$304,917	\$378,742	\$422,818	\$482,804
FFO Per Common Share and OP Unit - Diluted	\$2.39	\$2.54	\$2.54	\$2.53	\$2.75	\$2.93	\$3.00	\$3.45	\$3.58	\$3.75	\$3.95
Core FFO Per Common Share and OP Unit - Diluted	\$2.39	\$2.54	\$2.72	\$2.85	\$3.08	\$3.23	\$3.58	\$3.87	\$3.93	\$4.08	\$4.28
Adjusted FFO Per Common Share and OP Unit - Diluted	\$2.38	\$2.51	\$2.70	\$2.83	\$3.02	\$3.20	\$3.51	\$3.83	\$3.95	\$4.14	\$4.33
Weighted Average Number of Common Shares and OP Units Outstanding - Diluted	18,413,034	23,307,418	28,047,966	32,748,741	41,571,233	52,744,353	67,486,698	79,512,005	95,785,031	102,223,923	111,548,264

Note: The Company began reporting Core FFO in 2018.

Forward-Looking Statements

This presentation 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 are generally identifiable by use of forward-looking terminology such as “may,” “can,” “will,” “should,” “potential,” “intend,” “expect,” “seek,” “anticipate,” “estimate,” “approximately,” “believe,” “could,” “project,” “predict,” “forecast,” “continue,” “assume,” “plan,” references to “outlook” or other similar words or expressions. Forward-looking statements, including statements regarding our financial projections and operations, are based on certain assumptions and can include future expectations, future economic, competitive and market conditions, future plans and strategies, financial and operating projections and forecasts and other forward-looking information and estimates. These forward-looking statements are subject to various risks and uncertainties, many of which are beyond the Company’s control, which could cause actual results to differ materially from such statements. Certain factors could occur that might cause actual results to vary, including the potential adverse effect of ongoing worldwide economic uncertainties, disruptions in the banking system and financial markets, and increased inflation on the financial condition, results of operations, cash flows and performance of the Company and its tenants, the real estate market and the global economy and financial markets, the general deterioration in national economic conditions, tenant financial health, property acquisitions and the timing of these investments and acquisitions, weakening of real estate markets, decreases in the availability of credit, increases in interest rates, adverse changes in the retail industry, the Company’s continuing ability to qualify as a REIT and other risks and uncertainties as described in greater detail in the Company’s filings with the Securities and Exchange Commission (the “SEC”), including, without limitation, the Company’s Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q. Except as required by law, the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

For further information about the Company’s business and financial results, please refer to the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Risk Factors” sections of the Company’s SEC filings, including, but not limited to, its Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, copies of which may be obtained at the Investors section of the Company’s website at www.agreerealty.com.

Most information in this presentation is as of December 31, 2025, unless otherwise noted. The Company undertakes no duty to update the statements in this presentation to conform the statements to actual results or changes in the Company’s expectations.

Non-GAAP Financial Measures

This presentation includes a non-GAAP financial measure, Net Debt to Recurring EBITDA, which is presented on an actual and proforma basis. A reconciliation of this non-GAAP financial measure to the most directly comparable GAAP measure is included on slide 39. The components of this ratio and their use and utility to management are described further in the section below.

Components of Net Debt to Recurring EBITDA

EBITDAre is defined by Nareit to mean net income computed in accordance with GAAP, plus interest expense, income tax expense, depreciation and amortization, any gains (or losses) from sales of real estate assets and/or changes in control, any impairment charges on depreciable real estate assets, and after adjustments for unconsolidated partnerships and joint ventures. The Company considers the non-GAAP measure of EBITDAre to be a key supplemental measure of the Company's performance and should be considered along with, but not as an alternative to, net income or loss as a measure of the Company's operating performance. The Company considers EBITDAre a key supplemental measure of the Company's operating performance because it provides an additional supplemental measure of the Company's performance and operating cash flow that is widely known by industry analysts, lenders and investors. The Company's calculation of EBITDAre may not be comparable to EBITDAre reported by other REITs that interpret the Nareit definition differently than the Company.

Recurring EBITDA The Company defines Recurring EBITDA as EBITDAre with the addback of noncash amortization of above- and below-market lease intangibles, and after adjustments for the run-rate impact of the Company's investment and disposition activity for the period presented, as well as adjustments for non-recurring benefits or expenses. The Company considers the non-GAAP measure of Recurring EBITDA to be a key supplemental measure of the Company's performance and should be considered along with, but not as an alternative to, net income or loss as a measure of the Company's operating performance. The Company considers Recurring EBITDA a key supplemental measure of the Company's operating performance because it represents the Company's earnings run rate for the period presented and because it is widely followed by industry analysts, lenders and investors. Our Recurring EBITDA may not be comparable to Recurring EBITDA reported by other companies that have a different interpretation of the definition of Recurring EBITDA. Our ratio of net debt to Recurring EBITDA is used by management as a measure of leverage and may be useful to investors in understanding the Company's ability to service its debt, as well as assess the borrowing capacity of the Company. Our ratio of net debt to Recurring EBITDA is calculated by taking annualized Recurring EBITDA and dividing it by our net debt per the consolidated balance sheet.

Total Debt and Net Debt The Company defines Total Debt as debt per the consolidated balance sheet excluding unamortized debt issuance costs, original issue discounts and debt discounts. Net Debt is defined as Total Debt less cash, cash equivalents and cash held in escrows. The Company considers the non-GAAP measures of Total Debt and Net Debt to be key supplemental measures of the Company's overall liquidity, capital structure and leverage because they provide industry analysts, lenders and investors useful information in understanding our financial condition. The Company's calculation of Total Debt and Net Debt may not be comparable to Total Debt and Net Debt reported by other REITs that interpret the definitions differently than the Company. The Company presents Net Debt on both an actual and proforma basis, assuming the net proceeds of the Forward Offerings (see below) are used to pay down debt. The Company believes the proforma measure may be useful to investors in understanding the potential effect of the Forward Offerings on the Company's capital structure, its future borrowing capacity, and its ability to service its debt.

Anticipated Net Proceeds from Outstanding Forwards Since the first quarter of 2018, the Company has utilized forward sale agreements to sell shares of common stock. Selling common stock through forward sale agreements enables 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. Given the Company's frequent use of forward sale agreements, the Company considers the non-GAAP measure of Anticipated Net Proceeds from Outstanding Forwards to be a key supplemental measure of the Company's overall liquidity, capital structure and leverage. The Company defines Anticipated Net Proceeds from Outstanding Forwards as the number of shares outstanding under forward sale agreements at the end of each quarter, multiplied by the applicable forward sale price for each agreement, respectively.

Non-GAAP Financial Measures

This presentation also includes the non-GAAP measures of Annualized Base Rent (“ABR”), Annualized Net Income, Weighted-Average Capitalization Rate, Funds From Operations (“FFO” or “Nareit FFO”), Core Funds From Operations (“Core FFO”) and Adjusted Funds From Operations (“AFFO”). FFO, Core FFO and AFFO are reconciled to the most directly comparable GAAP measure on slide 40.

Annualized Base Rent (“ABR”) ABR represents the annualized amount of contractual minimum rent required by tenant lease agreements, computed on a straight-line basis. ABR is not, and is not intended to be, a presentation in accordance with GAAP. The Company believes annualized contractual minimum rent is useful to management, investors, and other interested parties in analyzing concentrations and leasing activity.

Annualized Net Income represents Net Income for the respective quarter, on an annualized basis.

Weighted-Average Capitalization Rate The Company defines the “weighted-average capitalization rate” for acquisitions and dispositions as 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 sale prices for occupied properties.

Components of Funds from Operations, Core Funds from Operations, and Adjusted Funds from Operations

Funds from Operations (“FFO” or “Nareit 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 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”) 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.

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