AGREE REALTY
RETHINK RETAIL

2023 Sustainability Report

Contents

LETTER FROM OUR CEO

I am very pleased to present Agree Realty Corporation's (NYSE: ADC) (the "Company" or "Agree") fourth annual sustainability report. Our team has made considerable progress on our ESG initiatives, including proactively engaging with our tenants on sustainability and green leasing, monitoring our tenants' ESG reporting, and enhancing our reporting to begin aligning with the International Sustainability Standards Board's ("ISSB") IFRS S1 and S2 standards.

The progress that we have made on our sustainability initiatives over the last few years is evident in the recognition we have received from several agencies:

- MSCI upgraded our ESG Rating from B to BBB
- GRESB upgraded our Public Disclosure Score from D to B
- ISS upgraded our Corporate Rating, resulting in savings on our revolving credit facility
- Green Lease Leaders awarded us Gold level recognition for the second consecutive year

In addition to the third-party recognition that we have received, we took several notable steps this past year to continue to advance our initiatives:

- Met our commitment to add a third female to the Board of Directors (the "Board") with the appointment of Linglong He, increasing female representation to 30%
- Incorporated ESG into the Compensation Committee's assessment of performance for named executive officers
- Enhanced our risk management processes with the establishment of a formal enterprise risk management ("ERM") committee that reports to the Board
- Actively participated in the GRESB Public Disclosure assessment aligning with our commitment to transparency and accountability
- Increased engagement with stakeholders through proactive outreach and updated the Sustainability section of our website to improve visibility and enhance disclosure
- Enhanced systematic monitoring of tenant sustainability policies and reporting across the portfolio
- Provided Diversity, Equity and Inclusion ("DEI") training to all Agree team members
- Focused on employee satisfaction and engagement opportunities based on the results of our 2022 employee engagement survey

We remain committed to providing transparent ESG disclosure to communicate our continued progress and ensure accountability. This year, we plan to continue proactively engaging with our tenants and key stakeholders to advance our sustainability initiatives. These efforts will further improve our emissions data collection and reporting, enabling us to provide more fulsome and transparent disclosures going forward.

Once again, I would like to thank our best-in-class team, our ESG Steering Committee, our Board of Directors, and our many stakeholders for their continued support in accomplishing our ESG goals. We remain steadfastly committed to reducing the impact of our business on the climate and supporting the communities in which we operate. We believe that operating our business in a sustainable manner helps us accomplish these objectives and create long-term value for our stakeholders.

Sincerely,

JOEY AGREE
President and Chief Executive Officer

Environmental

Moved into our soon-to-be LEED certified office on Woodward Avenue, in Royal Oak, Michigan

Measured or estimated Scope 1, Scope 2 and Scope 3 greenhouse gas emissions for our portfolio

Engaged with tenants to identify opportunities to support mutual sustainability initiatives

Tracked common area water usage across the portfolio

Executed numerous green leases, achieving Gold level recognition from Green Lease Leaders for the second consecutive year

Monitored ESG policies for current and prospective tenants throughout the investment life cycle in our portfolio

Social

Advanced our DEI initiatives with Introduction to ESG, DEI in the Workplace, and other trainings

Hosted seven lunch and learns for employees with topics ranging from sustainability to communication skills

Provided health and well-being programs for our team members with Mental Health Awareness Week, and covered employee assistance programs for mental health

Introduced the ADC Culture Playbook to drive the Company's highly efficient and collaborative culture

Continued the ADC Rotation Program with four different team members now having participated in the program

Partnered with Care House of Oakland County to host a baby shower drive, holiday drive for nine families, lunch and learn, onsite visit and meet and greet with the team

Governance

Incorporated ESG into the Compensation Committee's assessment of performance for named executive officers

Implemented an ERM committee and shared identified risks and mitigation strategies with the Board of Directors

Met our commitment to add a third female to the Board with the appointment of Linglong He

Adopted additional ESG related policies including an Environmental Policy and a Supplier Code of Conduct

Advanced our cybersecurity and IT practices by moving our entire infrastructure to the cloud and upgrading to best-in-class Microsoft security solutions

Our Core Values clarify how all our team members operate on a daily basis. These values are the keys to entry at ADC and are the foundation for how we make decisions in all functions of the Company.

ROCK SOLID

SINCE 1994

AGREE REALTY
RETHINK RETAIL

CORE PURPOSE

Our purpose is to create opportunities by **RETHINKING RETAIL**

CORE VALUES

WE ALL DO THE DISHES

We are a team. We all roll up our sleeves and dig in, no matter the task.

PUNCH YOUR TICKET

We push ourselves to be the best we can at our position and embrace the opportunities that new challenges present.

GREATNESS REQUIRES GRIT

We have a resilient mindset to achieve and exceed our goals.

BRICK BY BRICK

We achieve results by making consistent, disciplined decisions.

Business Overview

Agree Realty Corporation

Agree Realty Corporation (NYSE: ADC) is a fully integrated, self-administered, and self-managed real estate investment trust ("REIT"), with a market capitalization of $5.8 billion and an enterprise value of $8.5 billion as of March 31, 2024. Our mission is to **RETHINK RETAIL** through the acquisition and development of properties net leased to industry-leading, omni-channel retail tenants throughout the United States.

Building upon the foundation of excellence established throughout the past five decades, Agree Realty continues to be a market leader in the net lease space. As of March 31, 2024, our growing portfolio consisted of 2,161 assets in 49 states, containing approximately 44.9 million square feet of gross leasable area. At quarter end, the portfolio was 99.6% leased, had a weighted-average remaining lease term of approximately 8.2 years and generated 68.8% of annualized base rents from investment grade retail tenants.

2023 BUSINESS HIGHLIGHTS

$1.3B+ INVESTED

3.1% AFFO PER SHARE GROWTH

4.1% DIVIDEND PER SHARE GROWTH

$721M OF CAPITAL RAISED

$1.0B OF TOTAL LIQUIDITY AT YEAR-END

KEY METRICS

2,161 PROPERTIES

44.9M SQUARE FEET

49 STATES

32 SECTORS

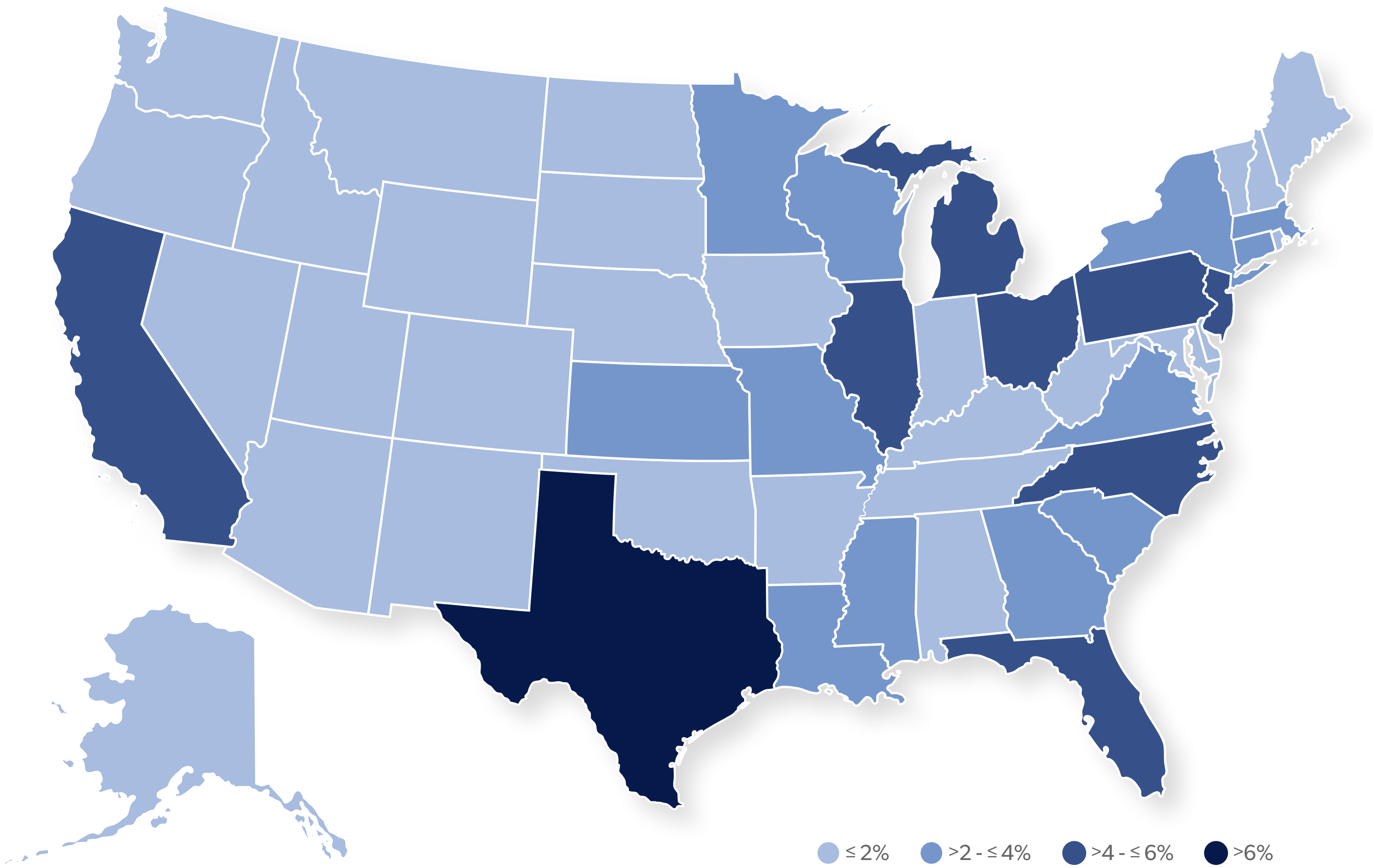
99.6% OCCUPANCY

68.8% INVESTMENT GRADE

Key metrics are as of March 31, 2024.

Geographic Exposure

TOP 10 STATE EXPOSURE: 1 TEXAS **7.2%** 2 FLORIDA **5.8%** 3 ILLINOIS **5.6%** 4 NORTH CAROLINA **5.4%** 5 MICHIGAN **5.2%** 6 OHIO **5.2%** 7 PENNSYLVANIA **4.8%** 8 NEW JERSEY **4.2%** 9 CALIFORNIA **4.0%** 10 NEW YORK **3.8%**



Shading represents the Company's exposure as of March 31, 2024, measured as a % of total annualized base rent.

SECTOR EXPOSURE

	ABR[1]	% OF TOTAL
Grocery Stores	$54,894	9.7%
Home Improvement	49,349	8.7%
Tire and Auto Service	47,363	8.4%
Convenience Stores	46,072	8.2%
Dollar Stores	42,881	7.6%
Off-Price Retail	33,992	6.0%
General Merchandise	32,331	5.7%
Auto Parts	32,256	5.7%
Farm and Rural Supply	29,883	5.3%
Pharmacy	24,200	4.3%
Other	171,731	30.4%
TOTAL	**$564,952**	**100.0%**

All data as of March 31, 2024. Any differences are a result of rounding. (1) Annualized base rent is in thousands.

Key Stats

OUR TOP TENANTS COMPRISE

55%

OF ABR

95%

OF OUR TOP TENANTS PUBLISH A SUSTAINABILITY REPORT

79%

OF OUR TOP TENANTS HAVE EMISSIONS REDUCTION TARGETS[3]

TENANT	ANNUALIZED BASE RENT[1]	% OF TOTAL	SUSTAINABILITY INFO	CREDIT RATING[2]
Walmart	$33,864	6.0%	→	AA
Tractor Supply Co	28,155	5.0%	→	BBB
Dollar General	26,831	4.7%	→	BBB
Best Buy	19,593	3.5%	→	BBB+
CVS pharmacy	17,809	3.2%	→	BBB
Dollar Tree	17,558	3.1%	→	BBB
Kroger	16,802	3.0%	→	BBB
TJX	16,762	3.0%	→	A
O'Reilly Auto Parts	16,411	2.9%	→	BBB
Hobby Lobby	14,673	2.6%	→	NOT RATED
Lowe's	14,025	2.5%	→	BBB+
Burlington	13,080	2.3%	→	BB+
Sunbelt Rentals	12,761	2.3%	→	BBB-
7-Eleven	12,431	2.2%	→	A
Gerber Collision & Glass	11,710	2.1%	→	NOT RATED
Sherwin Williams	11,423	2.0%	→	BBB
Wawa	9,916	1.8%	→	NAIC-2A
The Home Depot	9,591	1.7%	→	A
BJ's	8,713	1.5%	→	BB+
OTHER	252,844	44.6%	NA	NA
TOTAL	**$564,952**	**100.0%**		

All data as of March 31, 2024. Any differences are a result of rounding. NA means Not Applicable. (1) Annualized base rent is in thousands. (2) Based on credit ratings from S&P Global Ratings, Moody's Investors Service, Fitch Ratings, or the National Association of Insurance Commissioners. (3) Tenants considered to have emissions reductions goals are those who have publicly disclosed their reduction targets either through their website, standalone reports, or https://sciencebasedtargets.org/.

Corporate Governance

Board Features and Composition

KEY FEATURES

- ADC's Board has ten Directors, eight of whom are independent
- 75% of our independent directors have joined the Board since 2018
- All members of the Audit, Nominating and Governance and Compensation committees are independent
- Independent Directors meet at least four times per year, without the presence of officers or team members
- A Lead Independent Director was appointed in 2019 to further promote independence
- Our Board and committees conduct self-assessments annually

KEY METRICS

3
FEMALE

7
MALE

2
< 50
YEARS OLD

4
50-60
YEARS OLD

4
>60
YEARS OLD

AVERAGE AGE:
63 years
(62 AVERAGE AGE OF INDEPENDENT DIRECTORS)

30%
OF THE DIRECTORS ARE WOMEN
(38% OF INDEPENDENT DIRECTORS)

20%
OF THE DIRECTORS ARE A MINORITY
(25% OF INDEPENDENT DIRECTORS)

Agree Realty regularly meets with shareholders and fixed income investors to discuss governance and sustainability matters. Interactions can include members of the Board of Directors.

For more detail on our stockholder engagement and strategy please see our Proxy Statement.

Committees of the Board

The Board believes that good governance depends on setting the right tone from the top and encourages directors and management to observe the highest standards of integrity and personal conduct.

Responsibilities of the Board include overseeing management's handling of the Company's business and affairs, approving incentives to align with those of stockholders, maintaining independence of the Board throughout the director nomination process, adopting and overseeing compliance with the Company's Code of Business Conduct and Ethics (the "Code"), maintaining a succession plan for the Chief Executive Officer (the "CEO") and other management positions and exercising business judgement in the best interest of the Company.

To assist in the performance of its duties, various responsibilities and authority has been delegated to four standing committees of the Board. Each committee regularly reports on its activities to the full Board and may form, and delegate power and authority to, subcommittees of one or more of its members for any purpose that such committee deems appropriate. The Audit Committee, the Compensation Committee and the Nominating and Governance Committee are composed entirely of independent directors and operate under a written charter. In addition, the Board has determined that each member of the Audit Committee and the Compensation Committee qualifies as independent in accordance with the additional independence rules established by the SEC and NYSE. Charters for each committee, except the Executive Committee, are reviewed annually by the respective committees of the Board and are available in the Policies and Charters section of our website at www.agreerealty.com. The table to the right sets forth the current membership of the four standing committees of the Board and the number of meetings held in 2023 by such committees.

BOARD MEMBER	AUDIT	COMPENSATION	NOMINATING & GOVERNANCE	EXECUTIVE
Richard Agree				Chair
Joey Agree				✓
Karen Dearing	Chair			
Merrie Frankel	✓		Chair	
Linglong He			✓	
Michael Hollman	✓		✓	
Michael Judlowe		✓		✓
Gregory Lehmkuhl		Chair		
John Rakolta Jr.				✓
Jerome Rossi		✓	✓	
Number of Meetings in 2023	4	2	2	1

Linglong He was appointed to the Board of Directors effective January 1, 2024 and subsequently joined the Nominating and Governance Committee.

Audit Committee

The Audit Committee is comprised of three independent directors, all of which are considered to be financial experts. The Committee is appointed by the Board and continuously monitors the integrity of the financial statements of Agree, the independence and qualifications of Agree's independent auditors, the performance of Agree's internal auditors and compliance with legal and regulatory requirements. The Audit Committee has formal oversight responsibility for cybersecurity and is responsible for reviewing and discussing Agree's policies and procedures with respect to information technology risk assessment, escalation, mitigation and management.

Compensation Committee

The Compensation Committee is comprised of three independent directors. The Compensation Committee is responsible for reviewing and approving Agree's compensation philosophy, the compensation of executive officers and non-employee directors, setting the criteria for awards under incentive compensation plans, determining whether such criteria have been met and the review of Agree's clawback policy. Additionally, the Committee will generally oversee policies and practices of the Company that advance its organizational development, including those designed to achieve the most productive engagement of the Company's workforce.

Nominating and Governance Committee

The Nominating and Governance Committee is comprised of four independent directors. The Committee assists the Board in developing criteria and qualifications for potential Board members, identifies and recommends Director nominees, establishes corporate governance practices, leads the Board's annual reviews of performance and management, recommends nominees for each committee and oversees the evaluation of the Board. The Nominating & Governance Committee has been tasked with formal oversight responsibility for ESG.

BOARD COMPOSITION

KNOWLEDGE, SKILLS & EXPERIENCE	DEFINITION	R. Agree	J. Agree	K. Dearing	M. Frankel	L. He	M.Hollman	M. Judlowe	G. Lehmkuhl	J. Rakolta, Jr.	J. Rossi
Board and Executive Experience	"C-suite" or Board experience with a public company or large private company, or leadership experience as a division or department leader within a large public company; understanding of governance practices	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
REITs/Real Estate	Experience serving as an executive or director for a REIT or real estate company, or working closely with REITs or real estate companies as an executive or director of a related business	✓	✓	✓	✓		✓	✓	✓	✓	✓
Capital Markets/M&A	Experience with debt and equity capital markets transactions, and/or mergers & acquisitions	✓	✓	✓	✓		✓	✓	✓	✓	✓
Financial Experience or Literacy	Knowledge of finance or financial reporting and an ability to analyze or evaluate financial statements	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Strategic Planning	Experience defining and driving the strategic direction and growth of the operations of a business or division/department within a complex organization	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Information Technology/Cybersecurity	Experience implementing technology strategies and managing/mitigating cybersecurity risks			✓	✓	✓			✓		
Risk Management	Experience managing complex risks in an organization including specific types of risks (financial, cyber, etc.)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Legal/Regulatory	Knowledge acquired through a law degree or business experience in understanding legal risks and obligations	✓	✓	✓	✓	✓	✓				
Leadership & Talent Development	Experience or expertise in management and development of human capital as an executive or leader within an organization	✓	✓	✓		✓	✓	✓	✓	✓	✓
Environmental, Social & Governance	Experience in ESG and community affairs matters, including as an executive or director, or through positions with other organizations			✓	✓	✓			✓	✓	
Retail Experience	Experience as an executive or director with a retail organization, or working closely with retail organizations as an executive or director at a related business	✓	✓							✓	✓
Independence	Independent in accordance with NYSE listing standards and our Corporate Governance Guidelines			✓	✓	✓	✓	✓	✓	✓	✓
DEMOGRAPHICS											
Race/Ethnicity	**African American/Black**						✓				
	Asian/Hawaiian/Pacific Islander					✓					
	White/Caucasian	✓	✓	✓	✓			✓	✓	✓	✓
	Hispanic/Latino										
	Native American										
Gender	**Male**	✓	✓				✓	✓	✓	✓	✓
	Female			✓	✓	✓					
Age	**Years** *(As of April 12, 2024)*	80	45	59	69	59	43	58	51	76	80

ESG Oversight

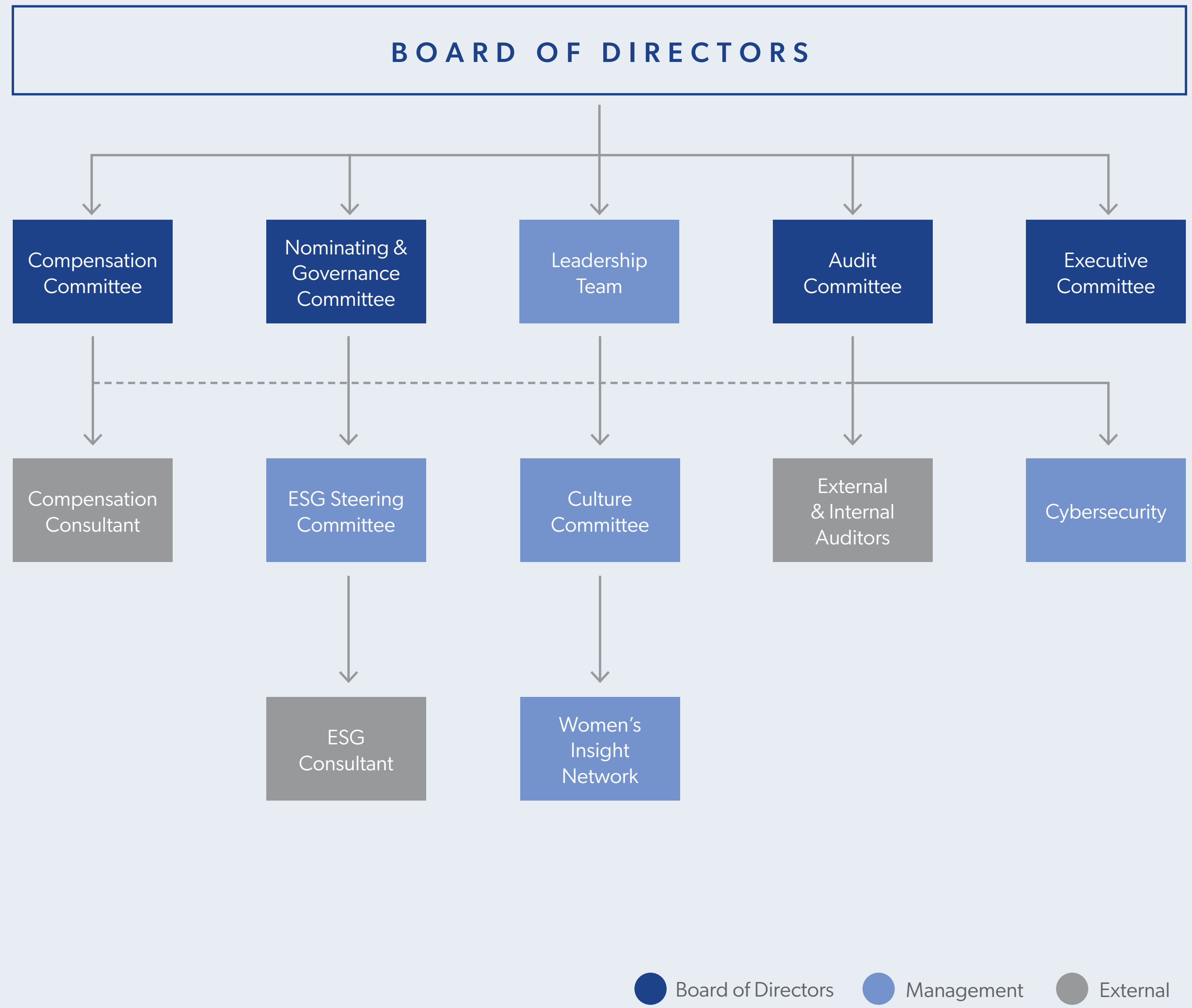
ESG at Agree is led by an executive-level steering committee that addresses key ESG matters and integrates them throughout the organization.

Agree's ESG Steering Committee (referred to as the "Committee" in this section) oversees our ESG strategy, practices and disclosure in accordance with the ESG Policy Statement and ESG Steering Committee Charter.

The Committee defines the key objectives and goals of the Company's ESG program. In addition, the Committee meets on a quarterly basis to prioritize ESG matters, sets a plan of action and establishes check-ins to ensure we're meeting key milestones.

The Committee includes the following members: Chief Financial Officer; General Counsel; Chief Operating Officer; Chief Accounting Officer; Executive Vice President, Asset Management; and Director, Corporate Finance.

The chart to the right outlines Agree's corporate governance structure, including the role of the Committee. The Committee reports to the Nominating & Governance Committee of the Board, which has formal oversight responsibility for ESG. In addition, the Committee is responsible for engaging with Agree's third-party ESG consultant.



Enterprise Risk Management

The Board takes an active and informed role in our risk management policies and strategies. Our executive officers, who are responsible for our day-to-day risk management practices, present to the Board on the material risks to our Company, including credit risk, liquidity risk, operational risk and risk related to information technology, and sustainability matters. At that time, the management team also reviews with the Board our risk mitigation policies and strategies specific to each key risk that is identified. During 2023, management formed an Enterprise Risk Management Committee and implemented a third-party software platform to better track and report on the Company's risks. The Risk Management Committee surveyed stakeholders throughout the organization on risks that spanned operational, financial, strategic and compliance related issues. The survey results were used to help determine the Company's key risks and identify any additional risk mitigation steps that need to be taken.

Our Compensation Committee reviews and determines whether any of our compensation policies or practices subject the Company to inappropriate risk.

Our Audit Committee assists the Board in fulfilling its responsibilities related to the oversight of major financial exposures and cybersecurity and information technology risks.

This includes the policies and processes by which management assesses and manages such exposures, including: accounting and reporting processes; our system of internal accounting and financial controls; and our technology security policies, internal cybersecurity, privacy controls and information technology risk assessment, escalation, mitigation and management.

Our Audit Committee reviews and determines cybersecurity, privacy, information security and financial risk exposures and the steps management has taken to monitor and control these exposures. Throughout the year, management monitors our risk profile and updates the Board as new material risks are identified or the aspects of a risk previously presented to the Board materially change.

Corporate Governance Policies

Agree has executed its ESG initiatives in accordance with its ESG Policy Statement and ESG Steering Committee Charter. These documents serve as the foundation for our ESG program and help guide how we approach ESG decision making.

The ESG Policy outlines Agree's ESG goals, oversight (including the role and composition of the ESG Steering Committee) and guidelines on how Agree plans to mitigate and monitor ESG-related risks.

The ESG Steering Committee Charter further defines the purpose of the Committee, names the participants by role and explicitly outlines the responsibilities of the Committee. Formalizing these topics in a charter and providing oversight responsibility to a core group of managers and executives at Agree allows us to more effectively determine and implement our strategy and make key decisions related to ESG and climate-related risks and opportunities.

ESG Policies

Code of Business Conduct and Ethics

sets out basic principles to guide all employees, executive officers and directors and certain agents and representatives, including consultants, to conduct themselves accordingly and seek to avoid even the appearance of improper behavior.

LINK

Corporate Governance Guidelines

describe the core principles for the governance of the Company with guidelines for the Board's relationship with key stakeholders, the functions of the Board and detailed policies and procedures adopted by the Board.

LINK

ESG Policy outlines Agree's ESG goals, oversight, and guidelines on how Agree plans to mitigate and monitor ESG-related risks through site assessments, portfolio reviews and annual training related to social and compliance issues.

LINK

Environmental Policy describes Agree's commitment to supporting environmental sustainability and taking action regarding climate change as it impacts the communities in which we operate.

LINK

ESG Steering Committee Charter

defines the purpose of the Committee, names the participants by role, and explicitly outlines the responsibilities of the Committee. Formalizing these topics in a charter and providing oversight responsibility to a core group of managers and executives at Agree allows us to more effectively determine and implement our strategy, and make key decisions related to ESG and climate-related risks and opportunities.

LINK

Human Rights Policy establishes our commitment to monitoring risks related to human rights and following best practices. Agree is committed to respecting human rights in accordance with the UN Guiding Principles on Business and Human Rights for employees. We believe that all persons are entitled to be treated with dignity and respect.

LINK

Insider Trading Policy outlines Agree's processes and procedures for trading in Company securities.

LINK

Supplier Code of Conduct states our commitment that our partners and their affiliates conduct business to the highest standards of ethical conduct and follow the same ethical standards as Agree.

LINK

Whistleblower Policy protects employees by creating an opportunity for employees to report grievances without risk of retaliation or punishment. Employees can submit complaints to our confidential, third-party hotline. **The Company received no whistleblower complaints during 2023.**

LINK

Anti-Corruption Policy reiterates Agree's commitments to integrity, outlines the Company's policies to combat corruption and details what constitutes a prohibited payment.

LINK

Related-Party Transactions Policy

outlines Agree's processes and procedures for identifying, approving and reporting related-party transactions.

LINK

Cybersecurity

The use of technology is key to our business. However, that means Agree faces cybersecurity and information security risks. This is why Agree has a robust cybersecurity program, overseen by our Audit Committee. **During 2023, the Company did not experience material security breaches.**

We have a comprehensive and systematic cybersecurity risk assessment program, which covers the identification, analysis, evaluation and management of cybersecurity risks. The program follows a risk-based approach, which prioritizes the cybersecurity risks according to their likelihood and impact and allocates the appropriate resources and actions to mitigate these risks and leverages the National Institute of Standards and Technology (NIST) framework.

In connection with improving the management of cybersecurity risk, the Company:

- ✓ Updated its security suite to best-in-class Microsoft solutions
- ✓ Implemented a 24/7 Security Operations Center
- ✓ Reports to the Audit Committee on information security matters quarterly and to the full Board at least once per year
- ✓ Migrated to 100% cloud computing, eliminating the need for traditional on-premises servers
- ✓ Completed ransomware simulations and enhanced our Disaster Recovery and Business Continuity Plan to reflect lessons learned
- ✓ Conducted a recovery simulation of our proprietary database to determine restoration timing
- ✓ Conducted penetration testing and remediated all issues
- ✓ Audited our systems with the help of information security consultants
- ✓ Enhanced e-mail filtering software to limit the possibility of phishing or ransomware attacks
- ✓ Focused on team member education with training on several different cybersecurity topics

Environmental

Approach to Climate Change and Resilience

We understand that climate change could impact our investments and we have a role in understanding how our operations impact the climate. Given the potential impact from climate-related changes on our business, properties in our portfolio are monitored throughout the life cycle of ownership to assess physical climate-related risks such as drought, earthquake, flooding, hail, tornado, sea level rise, windstorm and wildfire. To help mitigate the impact of potential extreme weather events on our portfolio, diversification is a key piece of our strategy. In 2023, our acquisitions had an average purchase price of approximately $4 million, and our largest exposure in any 10-mile radius was less than $60 million, demonstrating our geographic diversity. Our properties are comprised of more than 2,100 assets spanning 49 states, and no state makes up more than 7% of total annualized base rents.

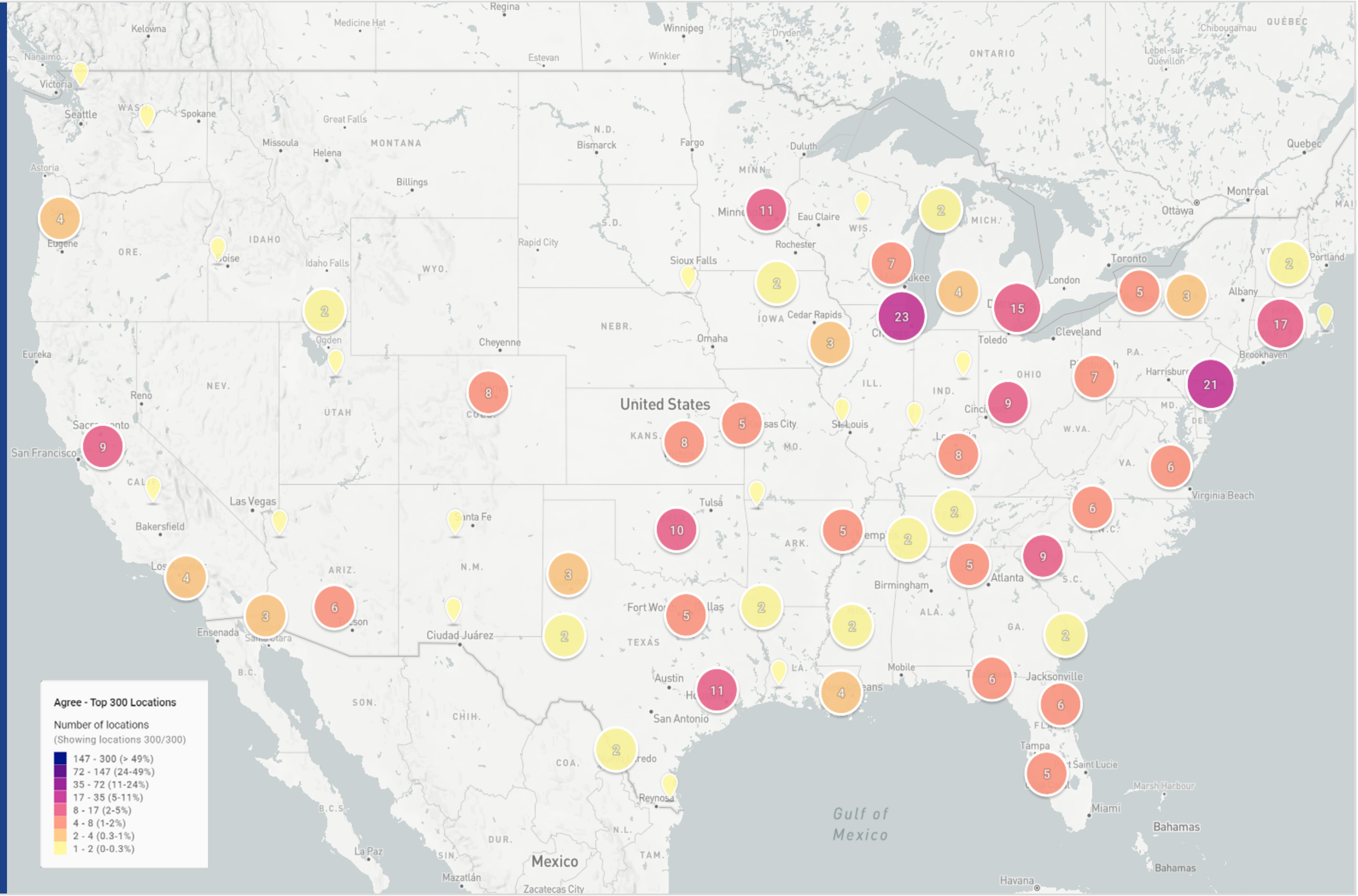
ENVIRONMENTAL FOCUS

Agree remains focused on being a good steward to the environment. The Company frequently works with leading retailers that have a similar responsibility to operate with minimal impact on the world around them. In 2023, the Company built on our commitment by:

- ✓ Measuring our environmental impact through a greenhouse gas emissions inventory and tracking water usage
- ✓ Executing numerous leases with green lease language
- ✓ Engaging tenants to collaborate on new opportunities for sustainability initiatives at the property level
- ✓ Analyzing our properties with Green Building Certifications
- ✓ Monitoring tenant sustainability policies throughout the investment life cycle

Climate-Related Risks and Opportunities

As part of the Company's processes for assessing and managing climate-related risk, we perform a Phase I Environmental Site Assessment ("ESA") on every property prior to acquisition or development, and as part of our ongoing asset management, we work with our insurance partner to review physical risks across every asset in our portfolio on an annual basis. The image to the right is an illustration of the physical risk analysis conducted, evaluating the geographical dispersion of our assets and whether they are located in different hazard zones including flood, storm surge, earthquake, tsunami, windstorm, hailstorm, tornado and lightning, among others.



The circles show Agree's 300 largest locations by total insured value, the numbers show the number of locations, and the color shows the level of risk based on the number of locations. Source: Lockton Companies.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

PHYSICAL RISKS	TIME HORIZON	IMPACT	MANAGEMENT STRATEGY
Acute physical risks: • Flood risk • Storm surges • Earthquakes • Tsunamis • Windstorms • Hailstorms • Tornadoes • Lightning	Short- to Long-Term	Changes in the frequency and intensity of extreme weather events could result in increased costs to repair property damage, loss of property value, interruptions to business operations, increased insurance premiums, and increased operating and capital costs.	As part of the Company's risk management processes, we work with our insurance partner to conduct a comprehensive review of the climate-related risk of every asset in our portfolio. The review includes overlaying our assets on a heat map that identifies areas most susceptible to climate related events including floods, hurricanes, tornados and earthquakes. This analysis ensures the Company is properly insured in the event of a catastrophe and allows us to augment policies where necessary. As an example, we insure every asset located in a high-hazard flood zone through the National Flood Insurance Program ("NFIP"), limiting our risk in the event of a flood. Agree's strategy includes a focus on geographic diversity. Our portfolio of 2,161 properties is located across 49 states with no state accounting for more than 7% of ABR. In addition to being well diversified by state, our largest exposure in any 10-mile radius is less than $60 million. This diversification helps mitigate the risk of a large percentage of our portfolio being affected by a particular extreme weather event.
Chronic physical risks: • Increase in extreme temperatures • Sea level rise • Heat waves	Medium- to Long-Term		

TRANSITION RISKS	TIME HORIZON	IMPACT	MANAGEMENT STRATEGY
Increasing requirements associated with current and emerging climate-related regulations.	Short- to Long-Term	Increased reporting or regulation and monitoring requirements driven by regulators at the federal, state or local level could increase reporting, monitoring and compliance costs.	Agree will continue to follow any legislative or regulatory requirements associated with climate-related disclosures.
Exposure to climate-related litigation.	Short- to Long-Term	Increased litigation driven by climate-related risks and regulation could increase our operational and insurance costs associated with our portfolio.	Agree will monitor compliance requirements and work with tenants upon request to avoid potential litigation to ensure the Company is meeting all requirements as a landlord.

Short-Term = 3 years; Medium-Term = 3 - 10 years; Long-Term = over 10 years

TRANSITION RISKS	TIME HORIZON	IMPACT	MANAGEMENT STRATEGY
Insurance premiums are expected to rise as the climate changes and weather-related risks become more likely.	Short- to Long-Term	Increases in the operating costs for our assets could negatively impact our operating margins and increase our tenants' operating costs at the asset level.	Agree will continue to proactively monitor our insurance costs for our assets to evaluate program structures that could provide us with the opportunity to lower insurance costs for Agree as well as our tenants.
Portfolio impairment resulting from changes in public policy.	Medium- to Long-Term	Public policy and regulations may arise requiring particular building specifications or energy performance, increasing operational costs for tenants. This could lead to decreasing market rates for rent and therefore decrease Agree's future cash flows and property value.	Agree will continue to monitor changes in trends, market rates, and property values as a result of various factors, including public policy. Agree will continue focusing on geographic diversification to mitigate potential issues and will adjust our strategy as needed if certain markets become unattractive for our portfolio.
Reputational risk arising from increasing stakeholder demand for climate-related disclosures and actions.	Short- to Long-Term	Our reputation and our tenants' reputations could be negatively impacted by shifts in consumer preferences, stigmatization of the sector, increased stakeholder concern related to our assets, or negative press coverage regarding our climate-related projects and activities.	By proactively addressing ESG issues and evaluating ways to enhance our disclosure and dialogue with stakeholders, we continue to deliver on our commitment to ESG matters, deepening our relationships, positively impacting the environment and communities in which we operate, and creating long-term value for all our stakeholders.

OPPORTUNITIES:

- Reputational benefit from disclosing and managing climate-related risks.
- Improved portfolio resiliency through risk identification and mitigation.
- Potential to improve returns through green leasing clauses allowing for collaboration with tenants and property-level initiatives such as installing more efficient energy equipment or on-site renewable energy systems.
- Repricing of assets due to level of climate resiliency could lead to improved returns and potential investment opportunities.

Short-Term = 3 years; Medium-Term = 3 - 10 years; Long-Term = over 10 years

Measuring Environmental Impact

Agree measured the impact of our portfolio on the environment through Scope 1, 2 and select 3 greenhouse gas ("GHG") emissions. Properties are primarily leased to leading retailers under a long-term net lease structure where the tenant has responsibility for maintenance and operations at the asset, including all environmental practices.

As a result, Scope 3 Category 13 GHG emissions are the largest source of our emissions, which are from downstream leased assets from tenant use, as defined by the GHG Protocol. This past year, our team conducted outreach to all of our top tenants to get additional property-level emissions data, reaching out to two-thirds of our tenant base as measured by ABR. In cases where data was not available for certain properties, standard estimation methodologies were applied to fill in gaps and gain a more complete estimate of total emissions.

Scope 1 and 2 emissions increased 4% in 2023 compared to the prior year, largely because we controlled three office buildings for most of the year. This represents a significant increase in Agree-controlled square footage versus 2022. In 2024, our Scope 1 and 2 emissions should be positively impacted by only controlling one office building for the majority of the year. Scope 3 emissions increased 18% in 2023, slightly above our portfolio growth. The increase in emissions was also driven by the full-year impact of portfolio growth in 2022. As we continue to connect with our tenants and collect more actual data, opportunities for reduction through collaboration on efficiency measures or use of renewable electricity can be found.

Along with measuring emissions, Agree collected water use data at our properties' common areas and locations where the Company controls the utilities. Agree is continuing to improve our data tracking and plans to disclose water usage in the future.

Agree will continue to engage with tenants to expand our data coverage and enhance the disclosure of environmental metrics in the future. Once we obtain a better understanding of our baseline environmental impact, we plan to establish targets to reduce emissions.

WASTE MANAGEMENT

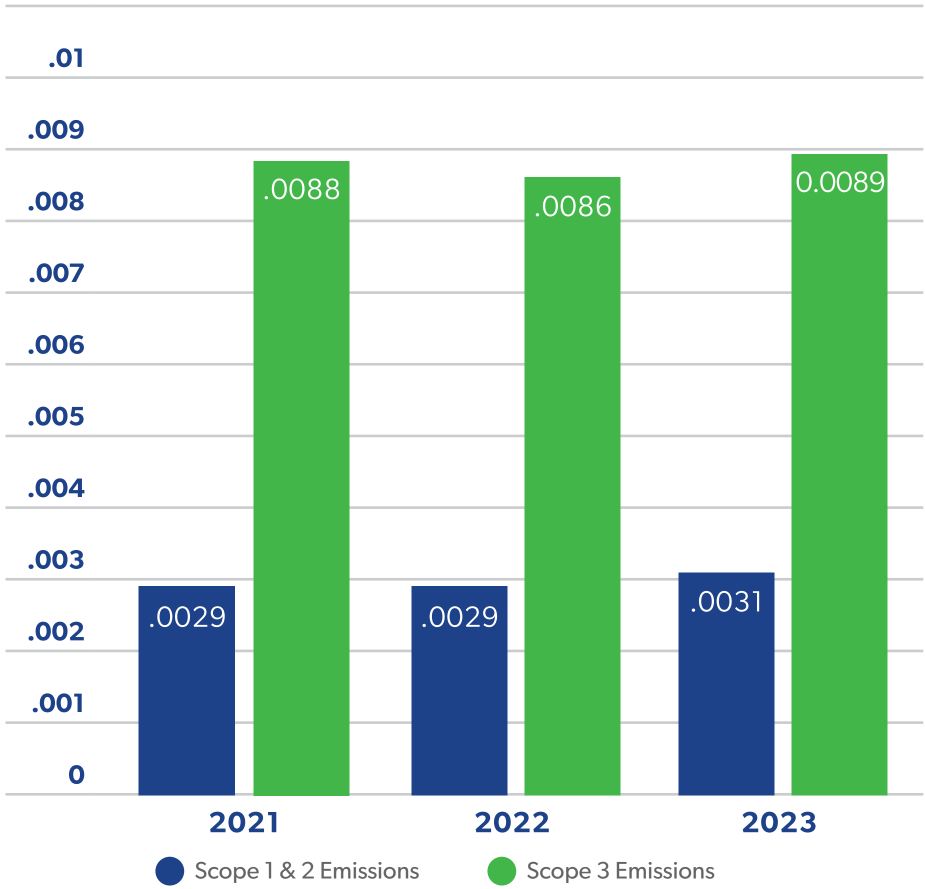
The Company tracks waste created per year at our corporate headquarters. We estimate our team creates approximately 113,625 pounds of waste per year. Additionally, the Company does not produce any hazardous waste. The Company is looking for ways to reduce waste and recently entered into a partnership with a third-party organization to donate laptops and other IT equipment, diverting e-waste and providing those in need with access to devices.

GHG EMISSIONS

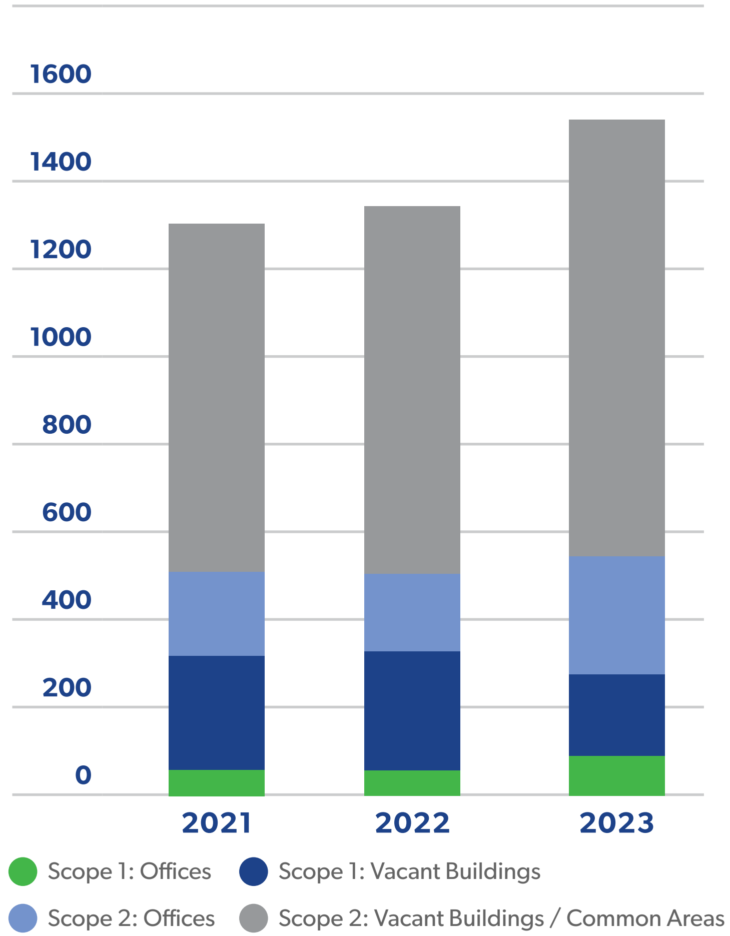
The below figures show our GHG emissions for 2021, 2022 and 2023. In addition to our owned properties where we have operational control over energy usage (inclusive of all vacant properties), emissions from our office locations are also included in Scope 1 and 2 emissions. We included the emissions from vacant properties in our calculations, as the Company believes this portrays a more comprehensive picture of our Scope 1 and 2 emissions and better aligns with emerging regulatory reporting requirements. As previously discussed, the largest source of emissions comes from tenant usage of energy at leased locations, categorized as Scope 3 Category 13 emissions. Total energy consumed is estimated to be approximately 2 million MWh in 2023.

EMISSIONS INTENSITY – CO_2e

(metric tons per square foot)

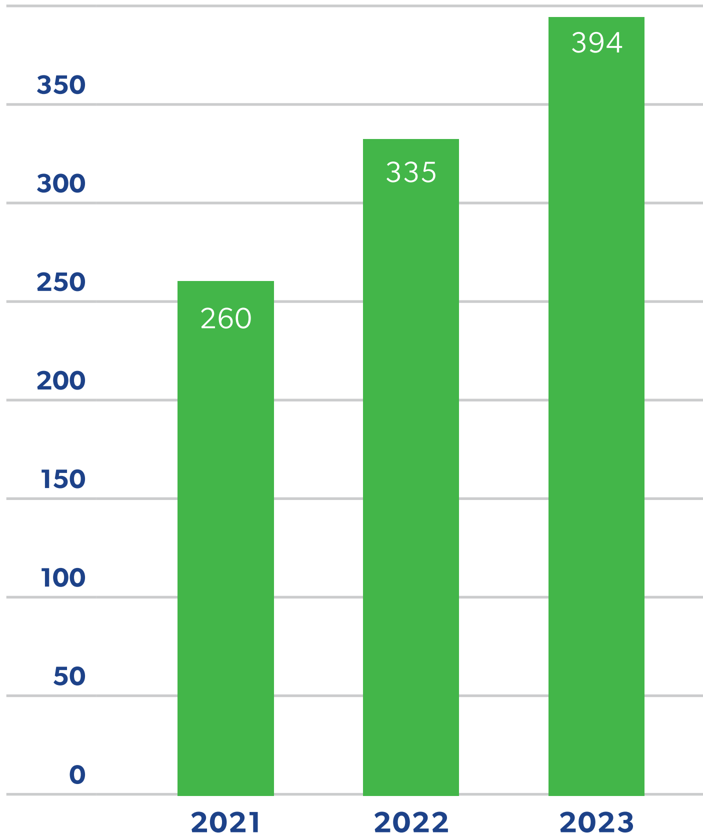


SCOPE 1 AND LOCATION-BASED SCOPE 2 EMISSIONS – CO_2e *(metric tons)*



SCOPE 3 EMISSIONS – CO_2e

(thousand metric tons)



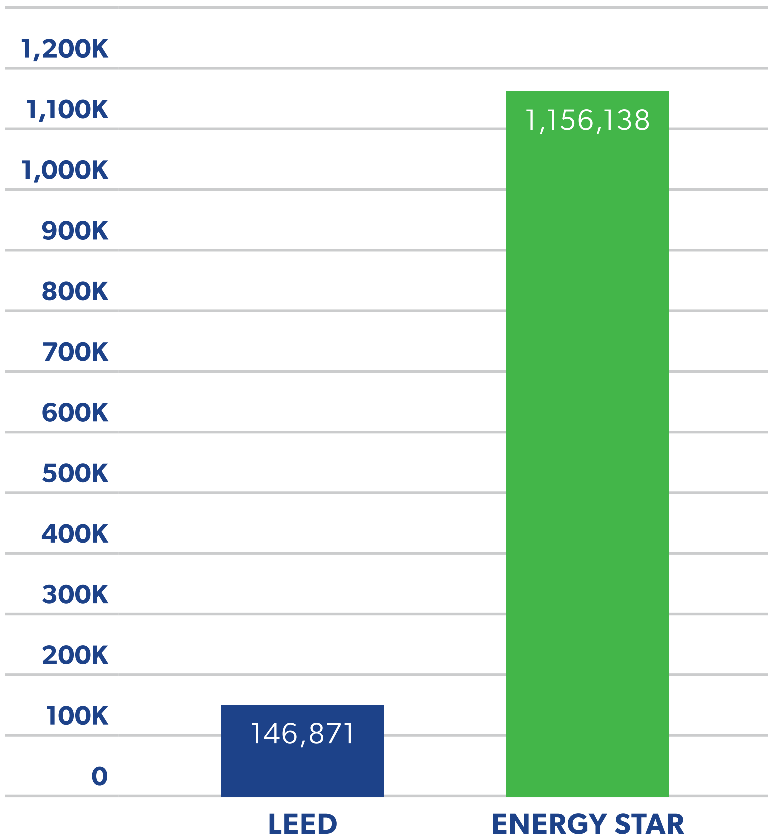
Category 13 – Total downstream scope 3 leased assets emissions[1]

(1) Because the Company does not have access to emissions data for the majority of its portfolio, Scope 3 emissions are largely driven by estimation factors from the Commercial Buildings Energy Consumption Survey.

GREEN BUILDING CERTIFICATIONS

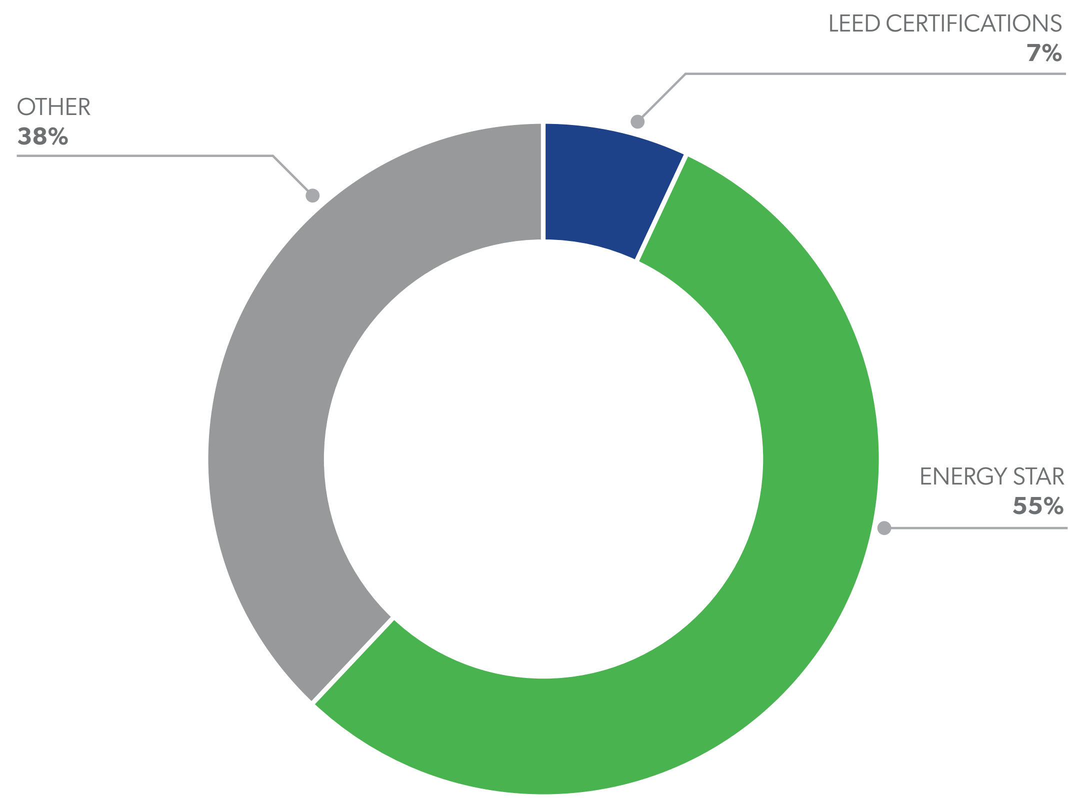
Several of our properties have been awarded green building certifications, including LEED, ENERGY STAR, and other certifications. Across our portfolio, at least 45 properties have some type of green building certification, representing their efficient use of energy and overall environmental performance. Approximately 3% of our portfolio has certifications listed on The Green Building Information Gateway as measured by gross leasable area ("GLA"). Approximately 1.3 million square feet of GLA carries a LEED or ENERGY STAR certification, representing a 58% year-over-year increase.

PROPERTIES WITH LEED OR ENERGY STAR CERTIFICATIONS *(based on square footage)*



GREEN CERTIFICATIONS IN THE PORTFOLIO

(as a % of property GLA with certifications)



Other certifications include Green Partner Certifications as well as other designations according to The Green Building Information Gateway.

Tenant Engagement

Agree is predominantly a single-tenant retail REIT with net leases, therefore for most of our portfolio, we do not control utility usage. Our focus is on industry-leading, national and super-regional retailers which provides for relationships with some of the most environmentally conscientious retailers in the world. Agree reached out to close to two-thirds of its tenant base as measured by ABR to discuss projects that support both parties' sustainability objectives. Topics of conversation included:

- ✓ Adding EV charging stations
- ✓ Installing solar panels on buildings
- ✓ Improving efficiency through HVAC upgrades and LED lighting
- ✓ Sharing emissions data
- ✓ Green leasing provisions and other sustainability initiatives

GREEN LEASING

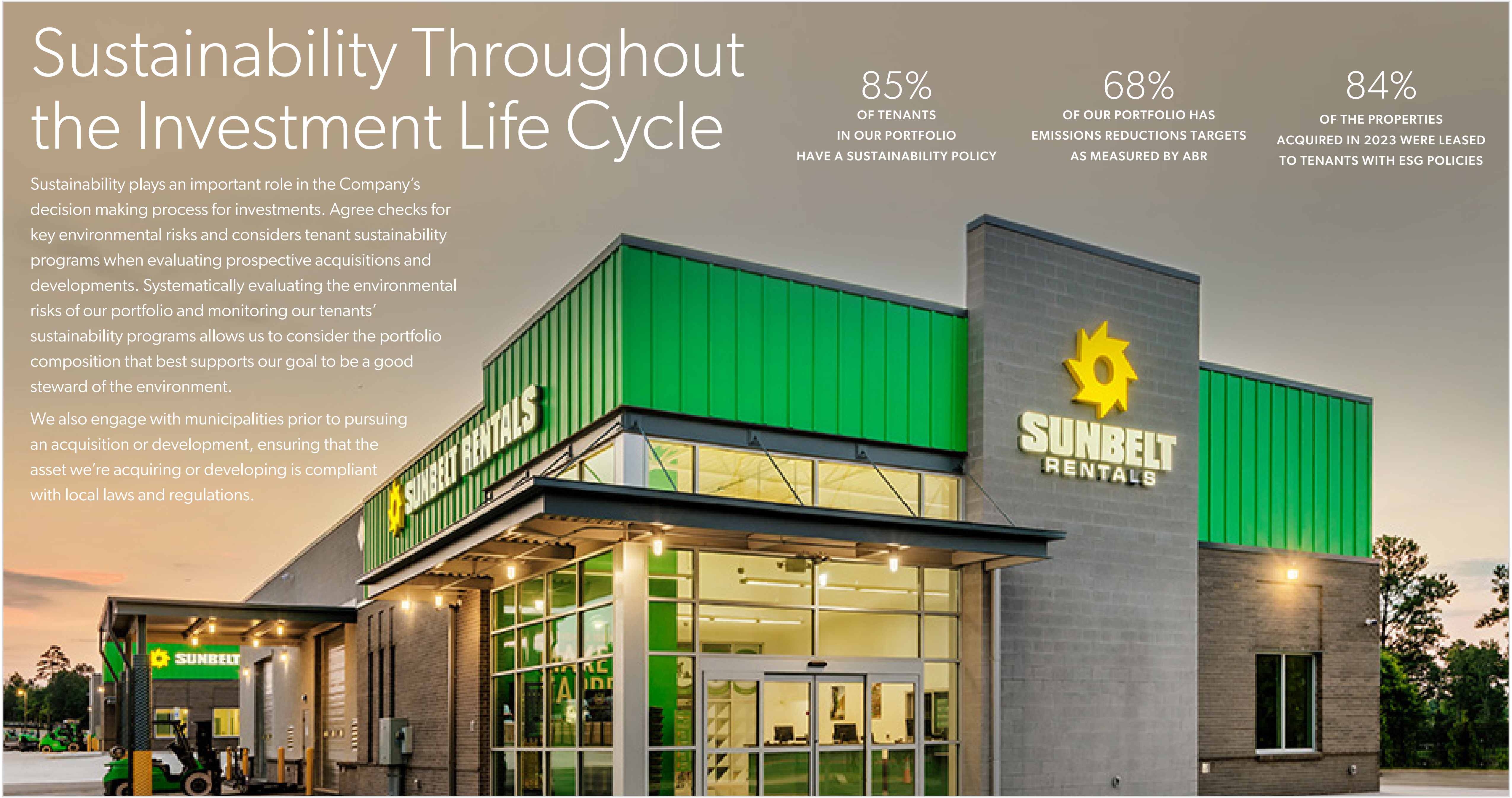
As part of the Company's tenant engagement efforts, Agree continues to focus on green leasing. The Company has signed numerous green leases with tenants, resulting in Gold level recognition from Green Lease Leaders for the second consecutive year. Green Lease Leaders is awarded by the Institute for Market Transformation and the U.S. Department of Energy's Better Buildings Alliance.

CASE STUDY: LED RETROFITS

Agree has worked with several tenants across various sectors including Convenience Stores, Dollar Stores and Equipment Rental, to complete LED retrofits across our portfolio. Through these retrofits, properties and tenants benefit from:

- Improving energy efficiency; according to ENERGY STAR, LED bulbs use up to 90% less energy and last 15 times longer than incandescent bulbs.
- Potentially reducing property operating costs.
- Potentially reducing maintenance expenses, as the bulbs need to be replaced less frequently.
- Improving nighttime aesthetics and outdoor safety.

Sustainability Throughout the Investment Life Cycle



85% OF TENANTS IN OUR PORTFOLIO HAVE A SUSTAINABILITY POLICY

68% OF OUR PORTFOLIO HAS EMISSIONS REDUCTIONS TARGETS AS MEASURED BY ABR

84% OF THE PROPERTIES ACQUIRED IN 2023 WERE LEASED TO TENANTS WITH ESG POLICIES

Sustainability plays an important role in the Company's decision making process for investments. Agree checks for key environmental risks and considers tenant sustainability programs when evaluating prospective acquisitions and developments. Systematically evaluating the environmental risks of our portfolio and monitoring our tenants' sustainability programs allows us to consider the portfolio composition that best supports our goal to be a good steward of the environment.

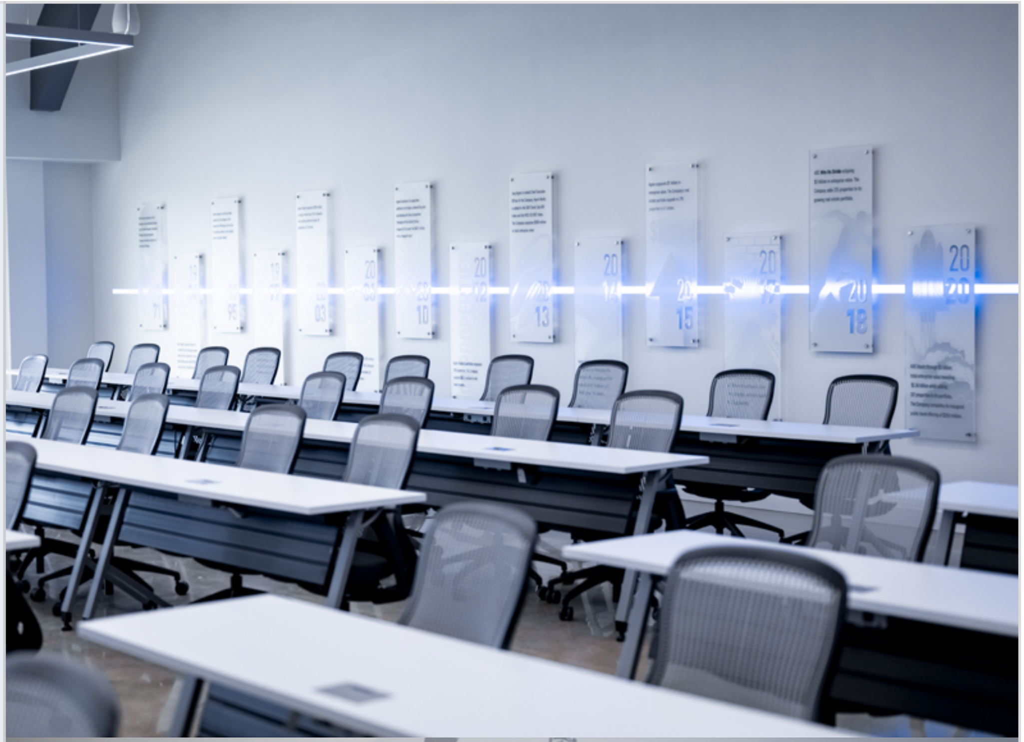
We also engage with municipalities prior to pursuing an acquisition or development, ensuring that the asset we're acquiring or developing is compliant with local laws and regulations.

Environmental Initiatives and Activities at the Company's Headquarters

In July 2023, the Company relocated to its new headquarters in Royal Oak, Michigan, which is currently under review for LEED certification. The building includes training and development space, health and wellness facilities and collaborative meeting areas aligned with the Company's ADC University and ADC Wellness initiatives.

Our new headquarters has several key features that support our goal to be a good steward to the environment around us:

- Easy access through multiple forms of transportation for employees
- EV charging stations
- Motion sensored lighting that limits light pollution
- Modifications to the property that reduce outdoor and indoor water use
- High-quality building materials that create a more energy efficient structure
- High-quality indoor lighting that limits energy consumption and provides a healthy work environment for team members
- Skylights and the use of exterior glass windows provides ample sunlight within the building




MENTAL HEALTH AWARENESS
Today's Focus:
Reducing Anxiety!
Individuals with anxiety may fidget or make small movements when
feeling anxious, restless, impatient or nervous. Fidget toys give
movements an outlet, which can help calm a person's nerves,
and serve as a distraction in an overstimulating environment
find a fidget toy around the office

Social

Diversity, Equity & Inclusion

Agree supports an inclusive and diverse community for colleagues, stakeholders, vendors and the broader communities in which we conduct business.

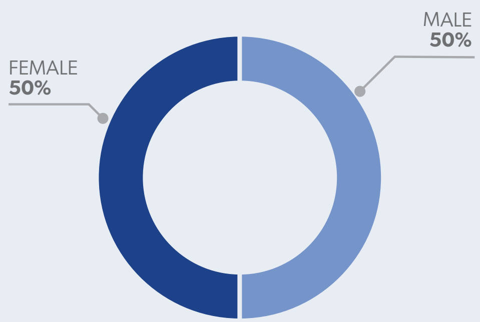
Agree's Human Rights Policy exhibits our support for human rights in accordance with UN Guiding Principles on Business and Human Rights. The Company strives to provide an environment that is free of discrimination and harassment in any form.

Agree is an equal opportunity employer and does not discriminate on the basis of race, color, gender, religion, age, sexual orientation, national or ethnic origin, disability, marital status, veteran status or any other occupationally irrelevant criteria.

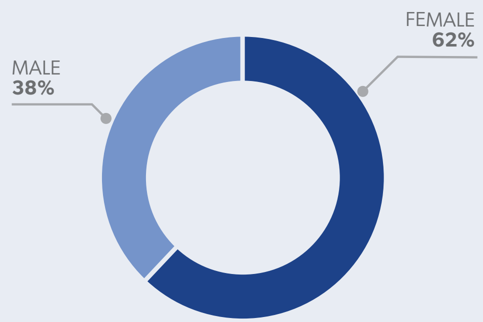
The Company is committed to providing an inclusive and diverse environment. The commitment was demonstrated by having all team members participate in DEI in the Workplace and Introduction to ESG trainings in 2023 and Unconscious Bias training in 2022.

Our workforce is predominantly located near the office and therefore will reflect the surrounding communities. DEI will remain a priority as our workforce continues to evolve. Agree does not have any part-time employees or contractors.

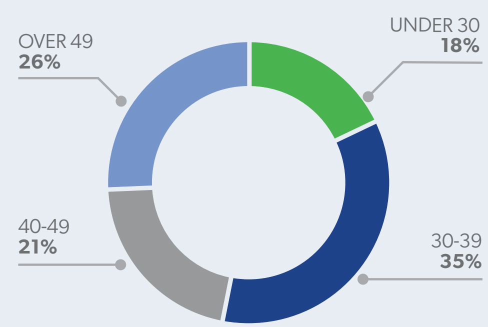
NEW HIRES BY GENDER



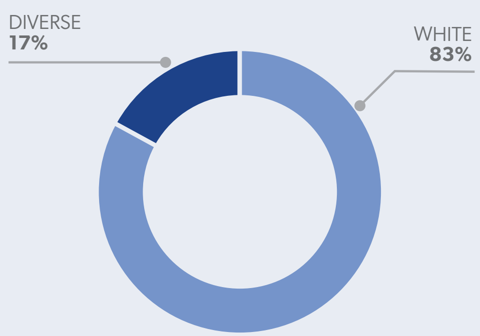
PROMOTIONS OR JOB CHANGES BY GENDER



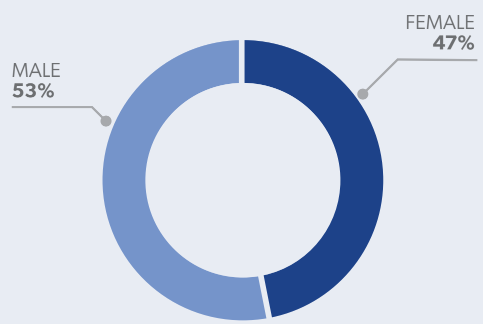
AGE GROUP BREAKDOWN



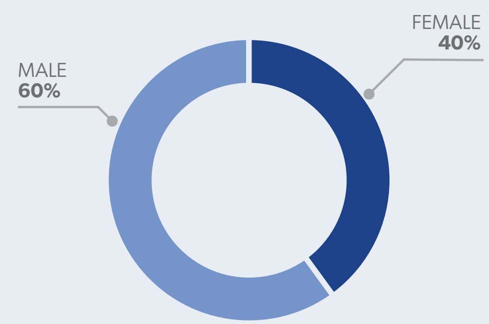
NEW HIRES BY DIVERSITY



WORKFORCE GENDER DEMOGRAPHICS



EXECUTIVE TEAM BY GENDER



2023 KEY SOCIAL HIGHLIGHTS:

- ✓ Provided employees with opportunities to advance their careers through cross-training development and job-shadow opportunities
- ✓ Hosted seven lunch and learns with topics ranging from ESG to communication styles
- ✓ Moved offices and hosted a Plus One Event for our team and their family members
- ✓ Partnered with Care House of Oakland County, hosting a baby shower drive, holiday drive for nine families, a Lunch & Learn, onsite visit, and meet and greet
- ✓ Hosted opportunities to connect via celebrations for anniversaries, competitions, fitness classes and giving events
- ✓ Continued the ADC Rotation Program with four different team members now having completed the program
- ✓ Zero reported injuries and fatalities at our corporate headquarters and development sites
- ✓ Continued to advance our DEI initiatives with Introduction to ESG and DEI in the Workplace trainings, and other initiatives

Agree has less than 100 employees and does not record EEO data. Data provided are estimates as of December 31, 2023 or based on full-year 2023 activity. Any differences are due to rounding.

Training & Development Programs

All team members are evaluated against our Core Values as well as our Korn Ferry Core Competencies, with expectations based on each team member's level within the organization. Each team member sets quarterly, one-year and three-year goals and metrics and their performance is evaluated against those predetermined goals. The goals are included on each team member's personal operating strategy, and are discussed at quarterly and annual reviews, providing a framework for feedback that allows team members to continuously develop their skill sets.

ADC University was started to support Agree team members in their careers by fostering an environment of continuous development. In 2023, the Company held more than seven lunch and learns available to all team members with topics ranging from sustainability to communication skills. **Team members participated in over 210 hours of compliance training or 3 hours per employee.** Development opportunities are not only available through educational training, but also cross-training opportunities, horizontal mobility and job-shadowing opportunities.

The Company has required all team members to complete compliance training in recent years including the following topics: Code of Conduct, Insider Trading, Data Privacy & Information Security, DEI, ESG, Anti Bribery and Anti Corruption, and Unconscious Bias. 100% of Agree team members completed the compliance training programs in 2023.

Continuous education is important at Agree, and employees are encouraged to identify conferences, professional certifications or other educational tools to continue growing their knowledge base. Agree will reimburse team members for attending relevant conferences or courses.

In 2023, Agree realigned certain team members to provide them exposure to different aspects of our business and help them develop a more comprehensive real estate skill set. The reorganization gave top talent at the Company new and differentiated experiences by providing horizontal mobility and cross-training opportunities.

In addition, the Company continued to offer the ADC Rotation Program to high-performing team members, giving them the opportunity to work with different departments across the organization. The program has now had four participants, three of which took on new full-time roles upon completing their rotation.

Culture

The Company believes that our culture drives our performance. Agree has a transparent and collaborative culture focused on high performance and committed team members that adhere to our Core Values and work together to achieve success. Team members have quarterly and annual reviews where they can discuss career planning, recent victories, and opportunities for improvement with their team leaders. All team members get together for a monthly All-Team Huddle where we share progress on goals and recognize achievements.

The Culture Committee is comprised of team members from across the organization. ***The Committee's mission is to create community through camaraderie.*** The Culture Committee drove many initiatives to foster employee engagement and inclusion in 2023, including:

- Team Lunch Program
- Employee Resource Groups
- Charity Drives & Volunteering
- Weekly Fitness Classes
- Mental Health Awareness Week
- Team Events & Holiday Celebrations
- Yoga Classes

Creating Community Through Camaraderie
Culture Committee
Agree Realty

Women's Insight Network
W.I.N.
Agree Realty

Employee Engagement

In 2022, Agree completed an employee engagement survey. Utilizing the results of this survey, we identified areas of opportunity for improved employee engagement, satisfaction, and retention. In addition to conducting the Company-wide engagement survey, we facilitate multiple, ongoing practices to evaluate engagement and propel a feedback loop with our team members. With 75 team members, we believe it is important to solicit direct feedback to evaluate team member engagement both as individuals and as a collective team. These practices include bi-weekly 1-on-1 meetings, quarterly and annual performance reviews, talent calibrations with team leaders, individualized personal operating strategies, and monthly All-Team Huddles.

For new team members, we facilitate 2-week and 2-month check-ins to stay close during onboarding to provide the appropriate support for a positive onboarding experience while learning about the team member's drivers of engagement at an early stage in their ADC tenure. At a team member's one-year anniversary, we facilitate a survey and interview those team members to solicit feedback on how to continue to improve culture and engagement and ensure the team member has clarity to the professional development opportunities at the Company.

FROM NEW HIRES:

96% OF NEW HIRES STILL FEEL LIKE AGREE IS A GREAT ORGANIZATION FOR THEM

100% UNDERSTAND HOW THEIR ROLE CONTRIBUTES TO THE ORGANIZATIONAL GOALS AT AGREE

96% WOULD RECOMMEND AGREE AS A GREAT PLACE TO WORK

ENGAGEMENT & RETENTION

26

Promotions & New Job Opportunities – In 2023, 26 team members achieved a promotion or took on a new job opportunity within the Company. Part of our retention efforts include giving team members opportunities to take on new challenges and grow their careers.

NEW EMPLOYEES

6

Team members hired and onboarded

HEALTH & WELLNESS PROGRAMS

MEDICAL

100% employer paid premiums for medical benefit plans for full-time team members, their spouse, and dependents. PPO and HMO plan options with healthy incentives and an HSA option to provide more benefit-rich plans.

MENTAL HEALTH BENEFITS

Through our Company provided insurance employees have access to the Guardian employee assistance program that provides mental health benefits including confidential emotional support, work and lifestyle support and financial and legal guidance.

DENTAL & VISION

Voluntary dental and vision benefits.

LIFE, SHORT TERM-DISABILITY, & LONG-TERM DISABILITY INSURANCE

100% employer paid premiums for full-time team members.

ONSITE FULLY EQUIPPED GYM & LOCKER ROOMS

A certified trainer comes to our office once a week to lead a voluntary cardio and weight training class for team members.

ONSITE WELLNESS ROOM

Available for those who need a quiet, private space for any of the following purposes: nursing mothers to pump, prayer or private meditation or other medical needs.

INDUSTRY RECOGNITION

GLOBEST.COM

Named one of the Best Places to Work by Globe St Real Estate Forum *(2020, 2021, and 2024)*

Named one of Michigan's Best and Brightest in Wellness *(2020 – 2023)*

Crain's Detroit Business | Fast 50 *(2017-2023)*

Named one of the 2020 Coolest Places to Work by Crain's Detroit Business

Institutional Investor | America's Most Honored Companies | Small Cap Company CEOs & Investor Relations *(2019)*

Piper Sandler | Top 25 REIT Heavyweights *(2017, 2018, and 2020 – 2023)*

NREI | Top Owners of Real Estate *(2015-2018)*

Charity, Giving & Philanthropy

At Agree, we believe that it is important to give back to the communities in which we conduct business. In 2023, Agree partnered with Care House of Oakland County. Our team participated in a lunch and learn, onsite visit and meet and greet. Additionally, we hosted a baby shower drive and a holiday drive for nine families.

45 YEARS OF HELPING CHILDREN.
CARE HOUSE OF OAKLAND COUNTY

Pay & Benefits

Employee financial health is supported by our competitive compensation plans and generous benefits package, including:

CORE TENETS OF COMPENSATION:

- Competitive salary
- Annual cash bonus
- Long-term equity compensation
- Simple IRA with 3% company match
- Short-term and long-term disability
- 100% employer paid medical premiums
- Dental and vision benefits

The Company is committed to paying living wages to all team members.

Variable compensation is awarded based on company performance and individual performance.

All employees are awarded cash bonuses and long-term equity compensation to further drive alignment with our stakeholders.

Report Indices & Appendix

IFRS Sustainability Disclosure Standards

Agree is excited about the adoption of the IFRS Sustainability Disclosure Standards to further standardize sustainability- and climate-related reporting and connect these disclosures to financial reporting. As we begin reporting in line with IFRS S1 and S2, we anticipate making changes to our IFRS reporting in future years to enhance and augment our disclosure. This year we have continued to disclose the Sustainability Accounting Standards Board (SASB) Standards and the Taskforce on Climate-related Disclosures (TCFD) framework to provide the greatest level of disclosures and transparency to our stakeholders.

IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information

GOVERNANCE

Governance Body – Sustainability-Related Risk and Opportunity Oversight	Agree's Nominating and Governance Committee has formal oversight of ESG posture, strategy, and initiatives, which includes monitoring and managing ESG-related risks and opportunities. This responsibility is designated to the Nominating and Governance Committee through its charter. The charter also outlines the responsibility to determine appropriate standards within ESG, and establish and review Agree's performance in light of the standards. Management meets with the Board of Directors four times per year and the Nominating and Governance Committee twice a year. Additionally, during the year executives engage with the Board on an as-needed basis. During these meetings and calls, management updates the Board and the Committee on any ESG-related risks and opportunities. The Committee takes an active and informed role in ESG-related risks and opportunities when overseeing Agree's strategy, decisions, risk management and policies. Our executive officers, who are responsible for our day-to-day risk management practices, present to the Board on the material risks to our Company, including credit risk, liquidity risk, operational risk, risk related to information technology and cybersecurity, and sustainability matters. At that time, the management team also reviews with the Board our risk mitigation policies and strategies specific to each key risk that is identified. Agree has not yet set any targets, but the Nominating and Governance Committee is regularly updated on gathering complete baseline data in order to prepare for setting targets. The Nominating and Governance Committee is also aware that targets are an important step in meeting investor demands and the likely next step in Agree's ESG journey. When determining executive compensation for named executive officers, the Compensation Committee's qualitative assessment of performance includes ESG-related goals. For a more detailed discussion of compensation for named executive officers,please see the Compensation Discussion and Analysis ("CD&A") section of our 2024 Proxy Statement.

GOVERNANCE

Management's Role – Processes, Controls, and Procedures	To proactively address ESG matters and ensure that ESG is integrated throughout the organization, the Company has an ESG Steering Committee, comprised of senior leadership including the Chief Financial Officer, General Counsel, Chief Operating Officer, Chief Accounting Officer, Executive Vice President, Asset Management and Director, Corporate Finance. The ESG Steering Committee is overseen by the Nominating and Governance Committee, as outlined in the ESG Steering Committee Charter. The ESG Steering Committee meets quarterly and reports findings at each Nominating & Governance Committee meeting or more frequently if necessary.

STRATEGY

Sustainability-Related Risks and Opportunities and Financial Position, Performance, and Cash Flows

Agree assesses sustainability-related risks and opportunities on short-, medium-, and long-term time horizons, following the below definitions.

TIME FRAME	DEFINITION	LINK WITH AGREE'S PLANNING HORIZONS FOR STRATEGIC DECISION-MAKING
Short-Term	0 to 3 years	Aligned with Agree's corporate operating strategy
Medium-Term	3 to 10 years	Aligned with Agree's weighted-average lease term for the portfolio
Long-Term	Over 10 years	Aligned with Agree's intended long-term property hold period

STRATEGY

Sustainability-related risks and opportunities for Agree Realty include:

RISKS	TIME HORIZON
Failure to maintain building quality and install energy and water efficiency improvements during periods of vacancy can lead to higher tenant operating costs and therefore reduce tenant demand	Short- to Long-Term
Reputational risk arising from failure to meet widely-accepted energy efficiency standards	Short- to Long-Term
Increasing energy-related regulations could drive costs higher and negatively impact our tenants	Short- to Long-Term
Decrease in tenant demand could lead to greater exposure to energy usage and water consumption operating costs	Short- to Long-Term
Tenant decisions may increase energy or water consumption associated with our buildings or negatively impact indoor air quality, potentially impacting the value of our properties	Short- to Long-Term
Committing to increased use of renewable energy or energy reduction can be costly due to upfront costs and long-term price volatility	Medium- to Long-Term

OPPORTUNITIES	TIME HORIZON
Installing capital improvements to improve energy and water efficiency could reduce tenant operating costs and increase demand	Short- to Long-Term
Adding green lease clauses to leases throughout our portfolio can improve data sharing and therefore Agree's sustainability-related disclosures, improving Agree's reputation	Short- to Long-Term
Willingness to support tenant sustainability efforts and property improvements through green leasing practices can attract potential tenants	Short- to Long-Term
Installing on-site renewable energy can decrease tenant operating costs, attracting potential tenants, as well as reducing Scope 3 emissions	Short- to Long-Term

STRATEGY

	Agree is continuing to evaluate short, medium and long-term sustainability-related risks and opportunities. The Company is still early in its ESG journey, developing capabilities to measure greenhouse gas emissions and tracking water consumption and is in the process of understanding our baseline emissions. We have not yet calculated the financial impacts associated with the above identified risks and opportunities, as there will be a financial cost for our team to add the technology required to appropriately calculate and track energy and water consumption as well as understand the true financial impact of these risks. Since many of the improvements are completed by tenants, Agree intends to continue to monitor and evaluate opportunities to improve the energy efficiency at its properties.
Business Model and Value Chain	Agree is a single-tenant net lease REIT, which means that tenants have control of the properties. If any issues arise related to energy management or water management systems at the properties, this is the responsibility of the tenant. Agree will evaluate opportunities on a case by case basis and improve buildings if and when it sees fit.
Strategy and Decision-Making	Agree monitors sustainability risks and opportunities throughout the portfolio and is developing a baseline for understanding the impact of our business on the environment. Since our last ESG Report, Agree has continued tracking water usage and also determined its emissions inventory for the second consecutive year. The Company intends to formalize its reporting process and continue working with tenants to identify shared sustainability initiatives. The Company considers climate related risks and opportunities for all acquisitions. For example, the Company performs a Phase 1 environmental site assessment for every property acquired, including properties acquired for the purpose of development, to determine if there are any environmental risks. In the event that the property needs further inspection, the Company will request a Phase II environmental site assessment. The Company considers the impact of any potential environmental risks when deciding whether to move forward with a potential acquisition, and seeks to re-mediate any potential environmental issues identified to the extent possible.
Resilience	The Company assesses its resilience to sustainability-related risks at the property level during the acquisition process. All properties undergo property condition assessments and environmental site assessments that evaluates the energy, waste and water management systems for their condition and any potential maintenance. If any issues are identified, Agree will address it as needed.

RISK MANAGEMENT

Agree is carefully assessing its methodology to systematically understand and address risks and opportunities related to sustainability discussed above.

Our executive officers, who are responsible for our day-to-day risk management practices, present to the Board on the material risks to our Company, including credit risk, liquidity risk, operational risk and risk related to information technology, and sustainability matters. At that time, the management team also reviews with the Board our risk mitigation policies and strategies specific to each risk that is identified. During 2023, management formed an Enterprise Risk Management committee and implemented a third party software platform to better track and report on the Company's risks. The Risk Management Committee surveyed stakeholders throughout the organization on risks that spanned operational, financial, strategic and compliance related issues. The survey results were used to help determine the Company's key risks and identify any additional risk mitigation steps that need to be taken.

METRICS AND TARGETS

For all sustainability-related metrics not discussed above, please refer to the Environmental section of the report. Agree currently discloses energy and emissions data for our portfolio. The Environmental section defines the methodology for these calculations. We also track properties with green building certifications to further monitor sustainability performance across the portfolio. Our SASB index also includes additional real estate-specific metrics, which follow SASB guidance and definitions. Agree does not currently have sustainability-related targets, but as we continue to collect and improve our baseline data, we will evaluate the opportunity to set relevant targets to track the progress of Agree's sustainability performance.

DISCLOSURE ON JUDGMENTS

Agree has prepared these disclosures by referencing the IFRS Sustainability Disclosure Standards and Real Estate SASB Standards. The risks and opportunities described above have been identified with the understanding of our business at this time and will continue to be monitored and potentially revised in the future.

IFRS S2: Climate-Related Disclosures

GOVERNANCE

Board oversight of climate-related risks and opportunities	Agree Realty's Nominating and Corporate Governance Committee has formal oversight of ESG posture, strategy, and initiatives, which includes monitoring and managing sustainability-related risks and opportunities. This responsibility is designated to the Nominating and Governance Committee through its charter. The charter also outlines the responsibility to determine appropriate standards within ESG, and therefore sustainability-related risks and opportunities, and establish and review Agree's performance in light of the standards. Management meets with the Board of Directors four times per year and the Nominating and Governance Committee twice a year. Additionally, during the year executives engage with the Board throughout the year on an as-needed basis. During these meetings and calls, management updates the Board and the Committee of any sustainability-related risks and opportunities. The Committee takes an active and informed role in ESG-related risks and opportunities when overseeing Agree's strategy, decisions, risk management and policies. Our executive officers, who are responsible for our day-to-day risk management practices, present to the Board on the material risks to our Company, including credit risk, liquidity risk, operational risk, risk related to information technology and cybersecurity, and sustainability matters. At that time, the management team also reviews with the Board our risk mitigation policies and strategies specific to each risk that is identified. Agree has not yet set any targets, but the Board is regularly updated on gathering complete baseline data in order to prepare for setting targets. The Board is also aware that targets are an important step in meeting investor demands and the likely next step in Agree's ESG journey. Agree includes ESG-related goals in the qualitative assessment of the executive's achievement of business goals which is a factor in executive compensation. For a more detailed discussion of compensation for named executive officers, please see the CD&A section of our 2024 Proxy Statement.
Management's role in assessing and managing climate-related risks	To proactively address ESG matters and ensure that ESG is integrated throughout the organization, the Company has an ESG Steering Committee, comprised of senior leadership including the Chief Financial Officer, General Counsel, Chief Operating Officer, Chief Accounting Officer, Executive Vice President, Asset Management, and Director, Corporate Finance. The ESG Steering Committee is overseen by the Nominating and Governance Committee, which is formally outlined in the ESG Steering Committee Charter. The ESG Steering Committee meets quarterly and shares the findings with the Board. Agree evaluates climate risks and opportunities during the due diligence phase of an acquisition as well as annually to ensure that insurance coverage will mitigate any potential risks.

STRATEGY

TIME FRAME	DEFINITION	LINK WITH AGREE'S PLANNING HORIZONS FOR STRATEGIC DECISION-MAKING
Short-Term	0 to 3 years	Aligned with Agree's corporate operating strategy
Medium-Term	3 to 10 years	Aligned with Agree's weighted-average lease term for the portfolio
Long-Term	Over 10 years	Aligned with Agree's intended long-term property hold period

Climate-Related RIsks and Opportunities and Financial Position, Performance, and Cash Flows

Physical Risks:

The following list includes identified climate-related risks that have the potential to impact our Company:

Acute Risks – Short- to Long-Term

- Floods
- Storm Surge
- Earthquake
- Tsunamis
- Windstorms
- Hailstorms
- Tornadoes
- Lightning

Chronic Risks – Medium- to Long-Term

- Chronic heat waves
- Sea level rise
- Extreme temperature change

Transition Risks

Short- to Long-Term

- Increasing requirements associated with current and emerging climate-related regulations.
- Exposure to climate-related litigation.
- Insurance premiums are expected to rise as the climate changes and weather-related risks become more likely.
- Portfolio impairment resulting from changes in public policy.
- Reputational risk arising from increasing stakeholder demand for climate-related disclosures and actions.

Agree is continuing to evaluate the short, medium and long-term impact of environmental changes arising as a result of climate change on our portfolio. The Company is still early in its ESG journey, developing capabilities to track our contributions to climate change through a GHG inventory, as well as to understand the risks associated with climate change. Our team is still developing the understanding of the baseline emissions for our portfolio. We have not yet calculated the financial impacts associated with the above identified risks and opportunities, as there will be a financial cost for our team to understand the true financial impact of these risks. We understand that there will likely be increasing costs over time to mitigate and address climate-related risks.

Additional information is provided on pages 21 - 22 of this report.

STRATEGY

Business Model and Value Chain	Agree is a single-tenant net lease REIT, which means that tenants have control of the properties. If any issues arise related to climate-related adaptation or mitigation projects at the properties, this is the responsibility of the tenant. Agree will evaluate opportunities on a case by case basis and improve buildings if and when it sees fit.
Strategy and Decision-Making	Agree monitors climate-related risks and opportunities throughout the portfolio and is developing a baseline for understanding the impact of our business on the environment. The Company intends to systematically understand and monitor physical risks as well as transition risks. Agree is continuing to track emissions and improve our data coverage. We are also working with our insurance partner to expand the physical risk data that we use to evaluate our portfolio. We will continue to monitor these risks and address the risks with relevant mitigation efforts as needed. The Company considers risks and opportunities during each acquisition. At this time, we will continue utilizing our insurance provider to assess physical climate-related risks. In the future, we may consider dedicating additional resources to identify climate-related risks and determining potential mitigation efforts.
Climate Resilience	Agree is beginning to assess the impacts of physical climate-related risks through an evaluation of exposure to heat stress, water stress, and flood risk in our baseline year, the RCP 4.5 warming scenario in 2050 for flood risk and heat stress and 2040 for water stress, and the 2080 RCP 8.5 warming scenario for flood risk and heat stress. Agree is in the early stages of evaluating this data and has not yet conducted a full climate-related scenario analysis or adapted our strategy or business model in response to identified risks.

RISK MANAGEMENT

Agree is carefully assessing its methodology to systematically understand and address risks and opportunities related to climate change. Agree works closely with its insurance partner to evaluate the physical risks associated with climate change across its portfolio. These risks encompass a range of hazards, including drought, earthquakes, flooding, hailstorms, tornadoes, rising sea levels, windstorms, and wildfires. This physical risk assessment is conducted on an annual basis as part of our insurance renewal process. Agree does not currently use scenario analysis to identify climate-related risks but acknowledges the importance of this practice and may consider using scenario analyses in future years.

Agree's executive officers regularly present material risks, including risks related to climate change, to the Company's Nominating and Governance Committee at each meeting or more frequently if necessary. To address and prioritize these risks, Agree's Board and executive officers review the Company's risk mitigation policies and strategies specific to each key risk that has been identified.

METRICS AND TARGETS

Climate-Related Metrics	Please refer to the Environmental section of the report for a full discussion on our GHG emissions inventory, including methodology, sources for estimations, and year-over-year emissions. Agree currently reports on Scope 1, 2, and select Scope 3 GHG emissions. The largest source of emissions is derived from Category 13 – Downstream Leased Assets within Scope 3 emissions, as defined by the GHG Protocol. The Environmental section defines the methodology for these calculations. Agree is continuing to collect data at the asset level to improve our data coverage. Agree is not able to disclose the percentage of assets vulnerable to climate-related transition or physical risks or opportunities or capital deployment towards climate-related risks and opportunities at this time. Agree does not utilize internal carbon prices in our decision-making. Climate-related targets are not factored into executive compensation at this time, although we are now including ESG-related goals within executives' annual cash incentive awards and may expand this in the future to specifically include climate-related targets.
Climate-Related Targets	Agree does not currently have climate-related targets, but as we continue to collect and improve our baseline data, we will evaluate the opportunity to set relevant emissions reduction targets.

SASB STANDARDS
Now part of IFRS Foundation

Sustainability Accounting Standards Board (SASB)

SASB Standards guide the disclosure of financially material sustainability information by companies to their investors.
Available for 77 industries, the Standards identify the subset of ESG issues most relevant to financial performance in each industry.

Sustainability Accounting Standards Board

TOPIC	CODE	ACCOUNTING METRIC	RESPONSE
Energy Management	IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	In 2023 we recorded 8% of actual electrical data coverage and 6% of natural gas coverage[1]. Due to the difficulties obtaining complete utility data for a net lease REIT, we were unable to collect complete data from our portfolio. In the GHG inventory section above, we estimated for properties where data was unavailable in order to report a complete GHG inventory.
	IF-RE-130a.2	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	(1) 53,369,491 kilowatt-hour (kWh) (2) 70%, and (3) Not applicable. We have increased our total data coverage for the 2023 year by engaging with tenants to collect utility data. For this reason, our total kWh associated with data actuals have increased.
	IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Assets that were owned for the full year and covered with actual utility data in both 2022 and 2023 saw a cumulative 2% decrease.
	IF-RE-130a.4	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector	(1) Not currently available. (2) ENERGY STAR certified is estimated to be 2.6%.

[1]We have also revised our calculation of data coverage previously reported over 2022 data to ensure consistency over time. The revised data coverage metrics for 2022 data are <1% for both electricity and natural gas.

TOPIC	CODE	ACCOUNTING METRIC	RESPONSE
Energy Management	IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Given that our portfolio is leased to retailers on a net lease basis, our tenants are responsible for maintaining the property and implementing environmentally responsible practices. While this structure ultimately provides each respective retailer with autonomy over the physical real estate, our focus on industry-leading, national and super-regional retailers provides for a relationship with some of the most environmentally conscientious retailers in the world. Additionally, our team monitors tenant sustainability policies throughout their life cycle in our portfolio. Notably, we continue to engage with our retail partners on shared sustainability initiatives, including green lease language.
Water Management	IF_RE-140a.1	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	Agree is currently focused on collecting additional environmental data, and we plan to disclose these metrics in the future.
	IF_RE-140a.2	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	Agree is currently focused on collecting additional environmental data, and we plan to disclose these metrics in the future.
	IF_RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Agree is currently focused on collecting additional environmental data, and we plan to disclose these metrics in the future.
	IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	Agree's focus on industry-leading, national and super-regional retailers provides for a relationship with some of the most environmentally conscientious retailers in the world. This is particularly meaningful because the Company's portfolio is primarily comprised of properties that are leased to tenants under long-term net leases where the tenant is generally responsible for maintaining the property and implementing environmentally responsible practices. In addition to our tenant initiatives, the Company's state-of-the-art headquarters in Royal Oak, Michigan features the use of water conserving plumbing fixtures, a significant reduction in hardscape which minimizes rainwater runoff and erosion, as well as the widespread use of ornamental grasses specifically selected to reduce water usage.

TOPIC	CODE	ACCOUNTING METRIC	RESPONSE
Management of Tenant Sustainability Impacts	IF-RE-410a.1	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property subsector	Not currently available.
	IF-RE-410a.2	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	Not currently available.
	IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	Given that our portfolio is leased to retailers on a net lease basis, our tenants are responsible for maintaining the property and implementing environmentally responsible practices. While this structure ultimately provides each respective retailer with autonomy over the physical real estate, our focus on industry-leading, national and super-regional retailers provides for a relationship with some of the most environmentally conscientious retailers in the world. To further our commitment to working with our leading retailers, we have continued to engage with tenants on sustainability initiatives. Highlights include working with convenience store tenants to amend leases and allow for the installation of EV charging stations, establishing green lease clauses in accordance with Green Lease Leaders and engaging with relationship tenants about incorporating the language into future leases, and more frequent dialogue with our relationship tenants on shared sustainability initiatives that have the potential to reduce emissions and lower costs.

TOPIC	CODE	ACCOUNTING METRIC	RESPONSE
Climate Change Adaptation	IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	Approximately 4.1% of our properties are located in 100-year flood zones based on total square footage, or 4.4% based on total number of assets as of December 31, 2023.
	IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	As part of the Company's risk management processes, Agree works with our insurance partner to conduct a comprehensive review of the climate-related risk of every asset in our portfolio. The review includes overlaying our assets on a heat map that identifies areas most susceptible to climate related events including floods, hurricanes, tornados and earthquakes. This analysis ensures the Company is properly insured in the event of a catastrophe and allows us to augment policies where necessary. As an example, we insure every asset located in a high-hazard flood zone through the NFIP, limiting our risk in the event of a flood. Agree has worked closely with its insurance partner to evaluate and assess the risk of climate change throughout its portfolio. However, the Company is also protected by its diversification, with more than 2,100 assets spanning 49 states, and no state making up more than 7% of total annualized base rents. While the Company anticipates maintaining a geographically diverse portfolio, it will continue to use analytics to assess its climate change exposure and ensure that it isn't overly concentrated in any area particularly susceptible to climate related risks. In 2023, our acquisitions had an average purchase price of approximately $4 million, and our largest exposure in any 10-mile radius was less than $60 million, demonstrating our geographic diversity.
Activity Metrics	IF-RE-000.A	Number of assets, by property subsector	We had 2,161 net lease properties as of March 31, 2024.
	IF-RE-000.B	Leasable floor area, by property subsector	As of March 31, 2024, our portfolio was comprised of approximately 44.9 million square feet of GLA of net lease properties.
	IF-RE-000.C	Percentage of indirectly managed assets, by property subsector	We have an internal property management team that manages all of our assets. However, given our portfolio is comprised of net lease assets, our tenants control the leased premises and are responsible for maintaining the property and implementing environmentally responsible practices.
	IF-RE-000.D	Average occupancy rate, by property subsector	As March 31, 2024, our net lease portfolio was 99.6% leased.

TCFD

Task Force on Climate-related Financial Disclosures (TCFD)

The Financial Stability Board created the TCFD to improve and increase reporting of climate-related financial information. The work of TCFD provides recommendations for more effective climate-related disclosures that promotes more informed investment, credit and insurance underwriting decisions.

PILLAR	TOPIC	RESPONSE
Governance	Board oversight of climate-related risks and opportunities	The Nominating and Governance Committee consists of four independent directors. The Committee assists the Board in developing criteria and qualifications for potential Board members, identifies and recommends Director nominees, establishes corporate governance practices, leads the Board's annual reviews of performance and management, recommends committee nominees, and oversees the evaluation of the Board. During 2021, the Nominating & Governance Committee was given formal oversight responsibility for ESG. The Committee has the authority and responsibility to monitor and advise the Board with respect to the Company's strategy and initiatives. The Committee is also tasked with assisting the Board in determining appropriate standards and establishing and reviewing the Company's performance in light of those standards. While our Nominating and Governance Committee was given formal oversight responsibility for ESG at the Board level, our Audit Committee and Compensation Committee also hold ESG-related responsibilities unique to each committee's areas of focus, which include cybersecurity, risk assessment and management, and compensation considerations.
	Management's role in assessing and managing climate-related risks	To proactively address sustainability matters and ensure that ESG is integrated throughout the organization, the Company created an ESG Steering Committee during 2021. The Committee is tasked with setting the overarching ESG strategy for the Company, defining our key objectives and how we measure success. In addition, the Committee meets on a quarterly basis to prioritize ESG matters, set a plan of action for executing on objectives, and establish recurring check-ins to ensure we're executing according to plan. The ESG Steering Committee is comprised of senior leadership team members and reports to the Nominating and Governance Committee at each meeting or more frequently if necessary. Additionally, the ESG Steering Committee is responsible for engaging with the Company's third-party ESG consultant.

PILLAR	TOPIC	RESPONSE
Strategy	Short, medium, and long-term climate-related risks	*The following list includes identified climate-related risks that have the potential to impact our Company:* *Physical Risks:* • Storm Surge • Earthquake • Floods • Tsunami • Windstorm • Hailstorm • Tornado • Lightning • Chronic heat waves • Sea level rise • Extreme temperature change *Transition Risks:* • Increasing requirements associated with current and emerging climate-related regulations. • Exposure to climate-related litigation. • Insurance premiums are expected to rise as the climate changes and weather-related risks become more likely. • Portfolio impairment resulting from changes in public policy. • Reputational risk arising from increasing stakeholder demand for climate-related disclosures and actions. *Additional information is provided on pages 21 - 22 of this report.*
	Impact on business strategy and planning	As part of the Company's risk management processes, we work with our insurance partner to conduct a comprehensive review of the climate-related risk of every asset in our portfolio. The review includes overlaying our assets on a heat map that identifies areas most susceptible to climate related events including floods, hurricanes, tornados and earthquakes. This analysis ensures the Company is properly insured in the event of a catastrophe and allows us to augment policies where necessary. As an example, we insure every asset located in a high-hazard flood zone through the NFIP, limiting our risk in the event of a flood.
	Resilience of strategy using 2-degree or lower scenarios	Agree is beginning to assess the impacts of physical climate-related risks through an evaluation of exposure to heat stress, water stress, and flood risk in our baseline year, the RCP 4.5 warming scenario in 2050 for flood risk and heat stress and 2040 for water stress, and the 2080 RCP 8.5 warming scenario for flood risk and heat stress. Agree is in the early stages of evaluating this data and has not yet conducted a full climate-related scenario analysis or adapted our strategy or business model in response to identified risks.

PILLAR	TOPIC	RESPONSE
Risk Management	Process to assess climate-related risks	As part of the Company's risk management processes, we work with our insurance partner to conduct a comprehensive review of the climate-related risk of every asset in our portfolio. To further mitigate climate-related risk, the Company conducts an environmental site assessment, or Phase I, on every asset acquired to determine the environmental condition of the property and whether there is any indication of environmental risks or hazards.
	Process to manage climate-related risks	When necessary, the Company conducts additional environmental testing, including Phase II site assessments, or requires the remediation of environmental contamination in compliance with applicable laws prior to the acquisition. The Company also enhances its insurance coverage where applicable to confirm that it's properly insured from climate-related risks.
	Integration of risk process into overall risk management	Enterprise Risk Management is the responsibility of the Board, and management reports to the Board at least annually on the Company's key risks. In addition, in 2023 management formed an Enterprise Risk Management committee and implemented a third-party software platform to better track and report on the Company's risks. Certain risks, such as cybersecurity, are the responsibility of a committee of the Board, but ultimately the Board oversees the Company's risk management processes.
Metrics and Targets	Metrics used to assess climate-related risks	Through our insurance provider, Agree assesses physical climate-related risks with metrics, including potential financial impacts, to evaluate risk of flood, storm surge, earthquake, tsunami, windstorm, hailstorm, tornado, and lightning, among others, as well as the potential for these risks to increase over time. Agree is also committed to improving our GHG emissions inventory and we report on Scope 1, 2, and 3 GHG emissions for the past three years, including actual and estimated emissions data. Please refer to the Environmental section of the report for more information on our methodology.
	Scope 1 and 2 emissions	**CY 2023:** Scope 1 (location based): 271 mtCO2e Scope 2 (location based): 1,271 mtCO2e
	Describe targets used	Not currently available.

Forward-Looking Statements & Risk Factors

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. 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 2024 guidance, 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, including, without limitation, the Company's Annual Report on Form 10-K and subsequent quarterly reports. 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.

All information in this report is as of March 31, 2024, 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 report also includes the non-GAAP measures of 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 in the following pages.

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") is defined 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.

RECONCILIATION OF NET INCOME TO FFO, CORE FFO AND AFFO

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net Income	$20,190	$18,913	$39,762	$45,797	$58,790	$58,798	$80,763	$91,972	$122,876	$153,035	$170,547
Series A Preferred Stock Dividends	0	0	0	0	0	0	0	0	(2,148)	(7,437)	(7,437)
Net Income attributable to OP Common Unitholders	$20,190	$18,913	$39,762	$45,797	$58,790	$58,798	$80,763	$91,972	$120,728	$145,598	$163,110
Depreciation of rental real estate assets	$6,930	$8,362	$11,466	$15,200	$19,507	$24,553	$34,349	$48,367	$66,732	$88,685	$115,617
Amortization of lease intangibles - in-place leases and leasing costs	1,747	2,616	4,957	8,135	7,076	8,271	11,071	17,882	28,379	44,107	58,967
Provision for impairment	450	3,020	0	0	0	2,319	1,609	4,137	1,919	1,015	7,175
(Gain) loss on sale or involuntary conversion of assets, net	(946)	405	(12,135)	(9,964)	(14,193)	(11,180)	(13,306)	(8,004)	(15,111)	(5,258)	(1,849)
Funds from Operations - OP Common Unitholders	$28,370	$33,316	$44,050	$59,168	$71,180	$82,761	$114,486	$154,354	$202,647	$274,147	$343,020
Loss on extinguishment of debt & settlement of related hedges	$0	$0	$0	$0	$0	$0	$0	$0	$14,614	$0	$0
Amortization of above (below) market lease intangibles	0	0	0	0	5,091	10,668	13,501	15,885	24,284	33,563	33,430
Core Funds from Operations - OP Common Unitholders	$28,370	$33,316	$44,050	$59,168	$76,271	$93,429	$127,987	$170,239	$241,545	$307,710	$376,450
Straight-line accrued rent	($1,148)	($1,416)	($2,450)	($3,582)	($3,548)	($4,648)	($7,093)	($7,818)	($11,857)	($13,176)	($12,142)
Stock based compensation expense	1,813	1,987	1,992	2,441	2,589	3,227	4,106	4,995	5,467	6,464	8,338
Amortization of financing costs	326	398	494	516	574	578	706	826	1,197	3,141	4,403
Loss on extinguishment of debt	0	0	180	333	0	0	0	0	0	0	0
Non-real estate depreciation	67	123	62	72	78	146	283	509	618	778	1,693
Other	(463)	(463)	(463)	(541)	(230)	0	(475)	0	0	0	0
Adjusted Funds from Operations - OP Common Unitholders	$28,964	$33,945	$43,865	$58,407	$75,734	$92,732	$125,514	$168,751	$236,970	$304,917	$378,742
FFO Per Common Share and OP Unit - Diluted	$2.10	$2.18	$2.39	$2.54	$2.54	$2.53	$2.75	$2.93	$3.00	$3.45	$3.58
Core FFO Per Common Share and OP Unit - Diluted	$2.10	$2.18	$2.39	$2.54	$2.72	$2.85	$3.08	$3.23	$3.58	$3.87	$3.93
Adjusted FFO Per Common Share and OP Unit - Diluted	$2.14	$2.22	$2.38	$2.51	$2.70	$2.83	$3.02	$3.20	$3.51	$3.83	$3.95
Weighted Average Number of Common Shares and OP Units Outstanding - Diluted	13,505,124	15,314,514	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

Note: the Company began reporting Core FFO in 2018.

CONTACT

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AGREE REALTY

RETHINK RETAIL