

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549
FORM 10-Q

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

For the quarterly period ended June 30, 2025

OR

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

Commission File Number 001-09279

ONE LIBERTY PROPERTIES, INC.

(Exact name of registrant as specified in its charter)

MARYLAND
(State or other jurisdiction of
incorporation or organization)

13-3147497
(I.R.S. employer
identification number)

60 Cutter Mill Road, Great Neck, New York
(Address of principal executive offices)

11021
(Zip code)

(516) 466-3100
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	OLP	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
No ☐ Yes ☒

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

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☒

Smaller reporting company ☒

Emerging growth company ☐

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

Yes ☐ No ☐

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

Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of August 1, 2025, the registrant had 21,600,032 shares of common stock outstanding.

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Part I — FINANCIAL INFORMATION
Item 1. Financial Statements

ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Amounts in Thousands, Except Par Value)

	June 30, 2025	December 31, 2024
ASSETS	(Unaudited)	
Real estate investments, at cost		
Land	\$ 165,259	\$ 165,708
Buildings and improvements	751,635	695,044
Total real estate investments, at cost	916,894	860,752
Less accumulated depreciation	192,645	188,447
Real estate investments, net	724,249	672,305
Investment in unconsolidated joint ventures	1,557	2,101
Cash and cash equivalents	19,043	42,315
Unbilled rent receivable	17,031	16,988
Unamortized intangible lease assets, net	18,961	13,649
Escrow, deposits and other assets and receivables	14,744	19,596
Total assets ⁽¹⁾	\$ 795,585	\$ 766,954
LIABILITIES AND EQUITY		
Liabilities:		
Mortgages payable, net (see Note 8)	\$ 448,254	\$ 420,555
Line of credit	6,800	—
Dividends payable	10,199	10,049
Accrued expenses and other liabilities	14,400	16,023
Unamortized intangible lease liabilities, net	12,168	11,752
Total liabilities ⁽¹⁾	491,821	458,379
Commitments and contingencies		
Equity:		
One Liberty Properties, Inc. stockholders' equity:		
Preferred stock, \$1 par value; 12,500 shares authorized; none issued	—	—
Common stock, \$1 par value; 50,000 shares authorized; 20,854 and 20,698 shares issued and outstanding	20,854	20,698
Paid-in capital	338,401	335,539
Accumulated other comprehensive income	72	208
Distributions in excess of net income	(55,939)	(49,020)
Total One Liberty Properties, Inc. stockholders' equity	303,388	307,425
Non-controlling interests in consolidated joint ventures ⁽¹⁾	376	1,150
Total equity	303,764	308,575
Total liabilities and equity	\$ 795,585	\$ 766,954

(1) The Company's consolidated balance sheets include assets and liabilities of consolidated variable interest entities ("VIEs"). See Note 7. The consolidated balance sheets include the following amounts related to the Company's consolidated VIEs: \$4,071 and \$9,198 of land, \$6,481 and \$15,599 of building and improvements, net of \$3,066 and \$6,516 of accumulated depreciation, \$1,382 and \$2,767 of other assets included in other line items, \$7,306 and \$13,295 of real estate debt, net, \$199 and \$966 of other liabilities included in other line items and \$376 and \$1,150 of non-controlling interests as of June 30, 2025 and December 31, 2024, respectively.

See accompanying notes to consolidated financial statements.

ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands, Except Per Share Data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues:				
Rental income, net	\$ 24,479	\$ 21,800	\$ 48,649	\$ 44,246
Lease termination fees	66	—	66	250
Total revenues	<u>24,545</u>	<u>21,800</u>	<u>48,715</u>	<u>44,496</u>
Operating expenses:				
Depreciation and amortization	6,827	5,965	13,372	11,986
Real estate expenses (see Note 9 for related party information)	4,891	3,976	9,929	8,446
General and administrative (see Note 9 for related party information)	3,938	3,776	8,108	7,699
Impairment loss	—	1,086	—	1,086
State tax expense (benefit)	67	47	(27)	110
Total operating expenses	<u>15,723</u>	<u>14,850</u>	<u>31,382</u>	<u>29,327</u>
Other operating income				
Gain on sale of real estate, net	<u>6,531</u>	<u>7,448</u>	<u>7,641</u>	<u>9,232</u>
Operating income	<u>15,353</u>	<u>14,398</u>	<u>24,974</u>	<u>24,401</u>
Other income and expenses:				
Equity in earnings of unconsolidated joint ventures	51	43	76	96
Other income	138	276	326	543
Interest:				
Expense	(5,847)	(4,750)	(11,279)	(9,467)
Amortization and write-off of deferred financing costs	<u>(277)</u>	<u>(290)</u>	<u>(510)</u>	<u>(516)</u>
Net income	<u>9,418</u>	<u>9,677</u>	<u>13,587</u>	<u>15,057</u>
Net income attributable to non-controlling interests	<u>(987)</u>	<u>(124)</u>	<u>(1,001)</u>	<u>(349)</u>
Net income attributable to One Liberty Properties, Inc.	<u>\$ 8,431</u>	<u>\$ 9,553</u>	<u>\$ 12,586</u>	<u>\$ 14,708</u>
Weighted average number of common shares outstanding:				
Basic	<u>20,853</u>	<u>20,590</u>	<u>20,836</u>	<u>20,550</u>
Diluted	<u>20,967</u>	<u>20,683</u>	<u>20,948</u>	<u>20,632</u>
Earnings per common share attributable to common stockholders:				
Basic and Diluted	<u>\$.39</u>	<u>\$.45</u>	<u>\$.57</u>	<u>\$.68</u>
Cash distributions per share of common stock	<u>\$.45</u>	<u>\$.45</u>	<u>\$.90</u>	<u>\$.90</u>

See accompanying notes to consolidated financial statements.

ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income	\$ 9,418	\$ 9,677	\$ 13,587	\$ 15,057
Other comprehensive income				
Net unrealized loss on derivative instruments	(58)	(188)	(136)	(277)
Comprehensive income	9,360	9,489	13,451	14,780
Net income attributable to non-controlling interests	(987)	(124)	(1,001)	(349)
Comprehensive income attributable to One Liberty Properties, Inc.	<u>\$ 8,373</u>	<u>\$ 9,365</u>	<u>\$ 12,450</u>	<u>\$ 14,431</u>

See accompanying notes to consolidated financial statements.

ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Amounts in Thousands, Except Per Share Data)
(Unaudited)

	Common Stock	Paid-in Capital	Accumulated Other Comprehensive Income (loss)	Accumulated Distributions in Excess of Net Income	Non-Controlling Interests in Consolidated Joint Ventures	Total
Balances, December 31, 2024	\$ 20,698	\$ 335,539	\$ 208	\$ (49,020)	\$ 1,150	\$ 308,575
Cash distributions — common stock (\$.45 per share)	—	—	—	(9,804)	—	(9,804)
Compensation expense — restricted stock and RSUs	—	1,346	—	—	—	1,346
Shares issued through dividend reinvestment plan	7	180	—	—	—	187
Restricted stock vesting	139	(139)	—	—	—	—
Distributions to non-controlling interests	—	—	—	—	(63)	(63)
Net income	—	—	—	4,155	14	4,169
Other comprehensive loss	—	—	(78)	—	—	(78)
Balances, March 31, 2025	20,844	336,926	130	(54,669)	1,101	304,332
Cash distributions — common stock (\$.45 per share)	—	—	—	(9,701)	—	(9,701)
Compensation expense — restricted stock and RSUs	—	1,296	—	—	—	1,296
Shares issued through dividend reinvestment plan	8	181	—	—	—	189
Restricted stock vesting	2	(2)	—	—	—	—
Distributions to non-controlling interests	—	—	—	—	(1,712)	(1,712)
Net income	—	—	—	8,431	987	9,418
Other comprehensive loss	—	—	(58)	—	—	(58)
Balances, June 30, 2025	<u>\$ 20,854</u>	<u>\$ 338,401</u>	<u>\$ 72</u>	<u>\$ (55,939)</u>	<u>\$ 376</u>	<u>\$ 303,764</u>

	Common Stock	Paid-in Capital	Accumulated Other Comprehensive Income (loss)	Accumulated Distributions in Excess of Net Income	Non-Controlling Interests in Consolidated Joint Ventures	Total
Balances, December 31, 2023	\$ 20,323	\$ 326,379	\$ 844	\$ (40,843)	\$ 1,042	\$ 307,745
Cash distributions — common stock (\$.45 per share)	—	—	—	(9,642)	—	(9,642)
Compensation expense — restricted stock and RSUs	—	1,272	—	—	—	1,272
Shares issued through dividend reinvestment plan	66	1,369	—	—	—	1,435
Restricted stock vesting	137	(137)	—	—	—	—
Contributions to non-controlling interests	—	—	—	—	43	43
Distributions to non-controlling interests	—	—	—	—	(94)	(94)
Net income	—	—	—	5,155	225	5,380
Other comprehensive loss	—	—	(89)	—	—	(89)
Balances, March 31, 2024	20,526	328,883	755	(45,330)	1,216	306,050
Cash distributions — common stock (\$.45 per share)	—	—	—	(9,534)	—	(9,534)
Compensation expense — restricted stock and RSUs	—	1,167	—	—	—	1,167
Shares issued through dividend reinvestment plan	67	1,396	—	—	—	1,463
Distributions to non-controlling interests	—	—	—	—	(202)	(202)
Net income	—	—	—	9,553	124	9,677
Other comprehensive loss	—	—	(188)	—	—	(188)
Balances, June 30, 2024	<u>\$ 20,593</u>	<u>\$ 331,446</u>	<u>\$ 567</u>	<u>\$ (45,311)</u>	<u>\$ 1,138</u>	<u>\$ 308,433</u>

See accompanying notes to consolidated financial statements.

ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)
(Unaudited) (Continued on Next Page)

	Six Months Ended June 30,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 13,587	\$ 15,057
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on sale of real estate, net	(7,641)	(9,232)
Impairment loss	—	1,086
Increase in net amortization of unbilled rental income	(730)	(504)
Amortization and write-off of intangibles relating to leases, net	(528)	(665)
Amortization of restricted stock and RSU compensation expense	2,642	2,439
Equity in earnings of unconsolidated joint ventures	(76)	(96)
Depreciation and amortization	13,372	11,986
Amortization and write-off of deferred financing costs	510	516
Payment of leasing commissions	(259)	(173)
Decrease (increase) in escrow, deposits, other assets and receivables	1,898	(961)
Decrease in accrued expenses and other liabilities	(551)	(1,931)
Net cash provided by operating activities	<u>22,224</u>	<u>17,522</u>
Cash flows from investing activities:		
Purchase of real estate	(88,838)	(11,798)
Improvements to real estate	(2,009)	(1,493)
Investments in ground leased property	(62)	(44)
Net proceeds from sale of real estate	29,454	24,485
Net proceeds from repayment of loan receivable	1,816	—
Distributions of capital from unconsolidated joint venture	620	—
Net cash (used in) provided by investing activities	<u>(59,019)</u>	<u>11,150</u>
Cash flows from financing activities:		
Proceeds from mortgage financings	52,121	34,213
Repayments of mortgage financings	(18,775)	(30,939)
Scheduled amortization payments of mortgages payable	(5,543)	(6,074)
Proceeds from bank line of credit	20,800	—
Repayments on bank line of credit	(14,000)	—
Issuance of shares through dividend reinvestment plan	376	2,898
Payment of financing costs	(591)	(570)
Capital contribution from non-controlling interest	—	43
Distributions to non-controlling interests	(1,775)	(296)
Cash distributions to common stockholders	(19,355)	(19,030)
Net cash provided by (used in) financing activities	<u>13,258</u>	<u>(19,755)</u>
Net (decrease) increase in cash, cash equivalents and restricted cash	(23,537)	8,917
Cash, cash equivalents and restricted cash at beginning of year	45,481	29,592
Cash, cash equivalents and restricted cash at end of period	<u>\$ 21,944</u>	<u>\$ 38,509</u>
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest expense	\$ 10,925	\$ 9,463
Supplemental disclosure of non-cash investing activity:		
Purchase accounting allocation - intangible lease assets	\$ 7,888	\$ 1,214
Purchase accounting allocation - intangible lease liabilities	(1,155)	(1,855)

ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)
(Unaudited) (Continued)

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statements of cash flows:

	Six Months Ended	
	June 30,	
	2025	2024
Cash and cash equivalents	\$ 19,043	\$ 35,020
Restricted cash included in escrow, deposits and other assets and receivables	2,901	3,489
Total cash, cash equivalents and restricted cash shown in the consolidated statements of cash flows	<u>\$ 21,944</u>	<u>\$ 38,509</u>

Restricted cash included in escrow, deposits and other assets and receivables represents amounts related to real estate tax and other reserve escrows required to be held by lenders in accordance with the Company's mortgage agreements. The restriction on these escrow reserves will lapse when the related mortgage is repaid or when the related reserve conditions are satisfied.

See accompanying notes to consolidated financial statements.

ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
JUNE 30, 2025

NOTE 1 – ORGANIZATION AND BACKGROUND

One Liberty Properties, Inc. (“OLP”) was incorporated in 1982 in Maryland. OLP is a self-administered and self-managed real estate investment trust (“REIT”). OLP acquires, owns and manages a geographically diversified portfolio consisting primarily of industrial properties, many of which are subject to long-term net leases. As of June 30, 2025, OLP owns 103 properties, including two properties owned by consolidated joint ventures and two properties owned by unconsolidated joint ventures. The 103 properties are located in 32 states.

NOTE 2 – SUMMARY ACCOUNTING POLICIES

Principles of Consolidation/Basis of Preparation

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and include all of the information and disclosures required by U.S. Generally Accepted Accounting Principles (“GAAP”) for interim reporting. Accordingly, they do not include all of the disclosures required by GAAP for complete financial statement disclosures. In the opinion of management, all adjustments of a normal recurring nature necessary for fair presentation have been included. The results of operations for the three and six months ended June 30, 2025 and 2024 are not necessarily indicative of the results for the full year. These statements should be read in conjunction with the consolidated financial statements and related notes included in OLP’s Annual Report on Form 10-K for the year ended December 31, 2024.

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

The consolidated financial statements include the accounts and operations of OLP, its wholly-owned subsidiaries, its joint ventures in which the Company, as defined, has a controlling interest, and variable interest entities (“VIEs”) of which the Company is the primary beneficiary. OLP and its consolidated subsidiaries are referred to herein as the “Company”. Material intercompany items and transactions have been eliminated in consolidation.

Purchase Accounting for Acquisition of Real Estate

In acquiring real estate, the Company evaluates whether substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets, and if that requirement is met, the asset group is accounted for as an asset acquisition and not a business combination. Transaction costs incurred with such asset acquisitions are capitalized to real estate assets and depreciated over the respectful useful lives.

The Company allocates the purchase price of real estate, including direct transaction costs applicable to an asset acquisition, among land, building, improvements and intangibles (*e.g.*, the value of above, below and at-market leases, origination costs associated with in-place leases and above or below-market mortgages assumed at the acquisition date). The value, as determined, is allocated to the gross assets acquired based on management’s determination of the relative fair values of these assets and liabilities.

The Company assesses the fair value of the gross assets acquired based on available market information which utilize estimated cash flow projections; such inputs are categorized as Level 3 inputs in the fair value hierarchy. In determining fair value, factors considered by management include an evaluation of current market demand, market capitalization rates and discount rates, estimates of carrying costs (*e.g.*, real estate taxes, insurance, and other operating expenses), and lost rental revenue during the expected lease-up periods. Management also estimates costs to execute similar leases, including leasing commissions and tenant improvements.

ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
JUNE 30, 2025 (CONTINUED)

NOTE 2 – SUMMARY ACCOUNTING POLICIES (CONTINUED)

Investment in Joint Ventures and Variable Interest Entities

The Financial Accounting Standards Board, or FASB, provides guidance for determining whether an entity is a VIE. VIEs are defined as entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support. A VIE is required to be consolidated by its primary beneficiary, which is the party that (i) has the power to control the activities that most significantly impact the VIE's economic performance and (ii) has the obligation to absorb losses, or the right to receive benefits, of the VIE that could potentially be significant to the VIE.

The Company assesses the accounting treatment for each of its investments, including a review of each venture or limited liability company or partnership agreement, to determine the rights of each party and whether those rights are protective or participating. The agreements typically contain certain protective rights, such as the requirement of partner approval to sell, finance or refinance the property and to pay capital expenditures and operating expenditures outside of the approved budget or operating plan. In situations where, among other things, the Company and its partners jointly (i) approve the annual budget, (ii) approve certain expenditures, (iii) prepare or review and approve the joint venture's tax return before filing, or (iv) approve each lease at a property, the Company does not consolidate as the Company considers these to be substantive participation rights that result in shared, joint power over the activities that most significantly impact the performance of the joint venture or property. Additionally, the Company assesses the accounting treatment for any interests pursuant to which the Company may have a variable interest as a lessor. Leases may contain certain protective rights, such as the right of sale and the receipt of certain escrow deposits.

The Company accounts for its investments in unconsolidated joint ventures under the equity method of accounting. All investments in unconsolidated joint ventures have sufficient equity at risk to permit the entity to finance its activities without additional subordinated financial support and, as a group, the holders of the equity at risk have power through voting rights to direct the activities of these ventures. As a result, none of these joint ventures are VIEs. In addition, the Company shares power with its co-managing members over these entities, and therefore the entities are not consolidated. These investments are recorded initially at cost, as investments in unconsolidated joint ventures, and subsequently adjusted for their share of equity in earnings, cash contributions and distributions.

The Company reviews on a quarterly basis its investments in unconsolidated joint ventures for other-than-temporary losses in investment value. Any decline that is not expected to be recovered based on the underlying assets of the investment is considered other than temporary and an impairment charge is recorded as a reduction in the carrying value of the investment. During the three and six months ended June 30, 2025 and 2024, there were no such other-than-temporary impairment charges related to the Company's investments in unconsolidated joint ventures.

The Company has elected to follow the cumulative earnings approach when assessing, for the consolidated statement of cash flows, whether the distribution from the investee is a return of the investor's investment as compared to a return on its investment. The source of the cash generated by the investee to fund the distribution is not a factor in the analysis (that is, it does not matter whether the cash was generated through investee refinancing, sale of assets or operating results). Consequently, the investor only considers the relationship between the cash received from the investee to its equity in the undistributed earnings of the investee, on a cumulative basis, in assessing whether the distribution from the investee is a return on or a return of its investment. Cash received from the unconsolidated entity is presumed to be a return on the investment to the extent that, on a cumulative basis, distributions received by the investor are less than its share of the equity in the undistributed earnings of the entity.

ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
JUNE 30, 2025 (CONTINUED)

NOTE 3 – LEASES

Lessor Accounting

The Company owns rental properties which are leased to tenants under operating leases with current expirations ranging from 2025 to 2046, with options to extend or terminate the lease. Revenues from such leases are reported as Rental income, net, and are comprised of (i) lease components, which includes fixed and variable lease payments and (ii) non-lease components which includes reimbursements of property level operating expenses. The Company does not separate non-lease components from the related lease components, as the timing and pattern of transfer are the same, and account for the combined component in accordance with ASC 842.

Fixed lease revenues represent the base rent that each tenant is required to pay in accordance with the terms of its respective leases, and any lease incentives paid or payable to the lessee, reported on a straight-line basis over the non-cancelable term of the lease. Variable lease revenues typically include payments based on (i) tenant reimbursements, (ii) changes in the index or market-based indices after the inception of the lease, (iii) percentage rents and (iv) the operating performance of the property. Variable lease revenues are not recognized until the specific events that trigger the variable payments have occurred.

The components of lease revenues are as follows (amounts in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Fixed lease revenues	\$ 20,087	\$ 18,319	\$ 39,622	\$ 36,591
Variable lease revenues	4,116	3,194	8,499	6,990
Lease revenues (a)	<u>\$ 24,203</u>	<u>\$ 21,513</u>	<u>\$ 48,121</u>	<u>\$ 43,581</u>

(a) Excludes amortization related to lease intangible assets and liabilities of \$276 and \$528 for the three and six months ended June 30, 2025, respectively, and \$287 and \$665 for the three and six months ended June 30, 2024, respectively.

In many of the Company's leases, the tenant is obligated to pay the real estate taxes, insurance, and certain other expenses directly to the vendor. These obligations, which have been assumed by the tenants, are not reflected in the Company's consolidated financial statements. To the extent any such tenant defaults on its lease or if it is deemed probable that the tenant will fail to pay for such obligations, a liability for such obligations would be recorded.

On a quarterly basis, the Company assesses the collectability of substantially all lease payments due by, among other things, reviewing the tenant's payment history or financial condition. Changes to collectability are recognized as a current period adjustment to rental revenue. As of June 30, 2025, the Company has assessed the collectability of all recorded lease revenues as probable.

Minimum Future Rents

As of June 30, 2025, the minimum future contractual rents to be received on non-cancellable operating leases are included in the table below (amounts in thousands). The minimum future contractual rents do not include (i) straight-line rent or amortization of lease intangibles or incentives and (ii) variable lease payments as described above.

From July 1 – December 31, 2025	\$ 38,000
For the year ending December 31,	
2026	75,614
2027	67,977
2028	56,163
2029	45,196
2030	34,741
Thereafter	80,835
Total	<u>\$ 398,526</u>

ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
JUNE 30, 2025 (CONTINUED)

NOTE 3 – LEASES (CONTINUED)

Lease Termination Fees

In June 2025, the Company recognized a lease termination fee of \$66,000 from an industrial tenant in a lease buy-out transaction. In connection with this transaction, the Company also wrote-off the tenant's unamortized balances of (i) \$24,000 in unbilled rent receivables and intangible lease liabilities, as a net increase to Rental income, net and (ii) \$68,000 in tenant origination costs as an increase to Depreciation and amortization expense.

In March 2024, a consolidated joint venture in Lakewood, Colorado, in which the Company holds a 90% interest, recognized a lease termination fee of \$250,000 from a tenant due to the early termination of its lease in connection with the sale of the related restaurant parcel (see Note 5).

Lessee Accounting

Ground Lease

The Company is a lessee under a ground lease in Greensboro, North Carolina, which is classified as an operating lease. The ground lease expires March 3, 2030 and provides for up to three, five-year renewal options and one seven-month renewal option. As of June 30, 2025, the remaining lease term is 4.7 years. The Company recognized lease expense related to this ground lease of \$122,000 and \$244,000 for both the three and six months ended June 30, 2025 and June 30, 2024, respectively, which is included in Real estate expenses on the consolidated statements of income.

Office Lease

The Company is a lessee under a corporate office lease in Great Neck, New York, which is classified as an operating lease. The lease expires December 31, 2031 and provides for a five-year renewal option. As of June 30, 2025, the remaining lease term, including the renewal option deemed exercised, is 11.5 years. The Company recognized lease expense related to this office lease of \$14,000 and \$28,000 for both the three and six months ended June 30, 2025 and 2024, respectively, which is included in General and administrative expenses on the consolidated statements of income.

Minimum Future Lease Payments

As of June 30, 2025, the minimum future lease payments related to these operating leases are as follows (amounts in thousands):

From July 1 – December 31, 2025	\$	313
For the year ending December 31,		
2026		627
2027		629
2028		630
2029		692
2030		180
Thereafter		357
Total undiscounted cash flows	\$	3,428
Present value discount		(622)
Lease liability	\$	<u>2,806</u>

The lease liability is included in Accrued expenses and other liabilities on the consolidated balance sheet.

ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
JUNE 30, 2025 (CONTINUED)

NOTE 4 – REAL ESTATE ACQUISITIONS

The following tables detail the Company's real estate asset acquisitions and purchase price allocations during the six months ended June 30, 2025 (amounts in thousands):

Description of Industrial Property	Date Acquired	Contract Purchase Price	Terms of Payment	Capitalized Transaction Costs
Multi-tenant (2 properties)				
Theodore, Alabama	January 16, 2025	\$ 49,000	Cash and \$29,000 mortgage (a)	\$ 197
Amazon.com Services, LLC				
Wichita, Kansas	February 6, 2025	13,300	Cash and \$7,500 mortgage (b)	230
Multi-tenant				
Council Bluffs, Iowa	March 14, 2025	26,000	Cash and \$15,600 mortgage (c)	111
Totals for the six months ended June 30, 2025		<u>\$ 88,300</u>		<u>\$ 538</u>

(a) Simultaneously with the acquisition of these properties, the Company obtained new mortgage debt of \$29,000 encumbering both properties, bearing an interest rate of 6.12% and maturing in 2035.

(b) Simultaneously with the acquisition of this property, the Company obtained new mortgage debt of \$7,500 bearing an interest rate of 6.09% and maturing in 2030.

(c) Simultaneously with the acquisition of this property, the Company obtained new mortgage debt of \$15,600 bearing an interest rate of 6.42% and maturing in 2035.

Description of Industrial Property	Land	Building & Improvements	Intangible Lease		Total	Rate (a)	
			Asset	Liability		Market Cap	Discount
Multi-tenant (2 properties)							
Theodore, Alabama	\$ 610	\$ 45,790	\$ 3,847	\$ (1,050)	\$ 49,197	6.25%	7.20%
Amazon.com Services, LLC							
Wichita, Kansas	1,129	10,730	1,685	(14)	13,530	7.00%	7.32%
Multi-tenant							
Council Bluffs, Iowa	5,722	18,124	2,356	(91)	26,111	7.00%	7.32%
Totals for the six months ended June 30, 2025	<u>\$ 7,461</u>	<u>\$ 74,644</u>	<u>\$ 7,888</u>	<u>\$ (1,155)</u>	<u>\$ 88,838</u>		

(a) The fair value of the tangible assets and lease-related intangibles were assessed as of the acquisition date using an income approach and estimated cash flow projections which utilize an appropriate market capitalization rate and discount rate which are categorized as Level 3 unobservable inputs in the fair value hierarchy (as defined in Note 12).

Acquisition Contract

On June 24, 2025, the Company entered into a contract to acquire a 210,600 square foot, single-tenant industrial property located in Blythewood, South Carolina for \$24,000,000 and anticipates the closing will occur during the three months ending September 30, 2025.

ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
JUNE 30, 2025 (CONTINUED)

NOTE 5 – SALES OF PROPERTIES AND IMPAIRMENT LOSS

The following table details the Company's sales of real estate during the six months ended June 30, 2025 and 2024 (amounts in thousands):

Description of Property	City, State	Date Sold	Gross Sales Price	(Loss) Gain on Sale of Real Estate, Net
Land and improvements (a)	Lakewood, Colorado	January 16, 2025	\$ 400	\$ (44)(a)
Hooters restaurant property	Concord, North Carolina	January 21, 2025	3,253	1,154
Multi-tenant retail stores (b)	Lakewood, Colorado	June 23, 2025	17,900 (b)	3,276 (b)
Total Wine retail property	Greensboro, North Carolina	June 25, 2025	4,709	2,232
La-Z-Boy retail property	Gurnee, Illinois	June 27, 2025	4,368	1,023
Totals for the six months ended June 30, 2025			<u>\$ 30,630</u>	<u>\$ 7,641 (c)</u>
Hacienda Colorado restaurant parcel (d)	Lakewood, Colorado	March 6, 2024	\$ 2,900 (d)	\$ 1,784 (d)
Applebee's restaurant property	Kennesaw, Georgia	May 6, 2024	2,834	964
FedEx industrial property	Miamisburg, Ohio	May 9, 2024	2,793	1,507
Havertys retail property	Wichita, Kansas	June 6, 2024	6,600	1,884
Urban Outfitters retail property	Lawrence, Kansas	June 7, 2024	1,300	43
Walgreens retail property (e)	Cape Girardeau, Missouri	June 10, 2024	2,793	978 (e)
Vacant retail property (f)	Kennesaw, Georgia	June 28, 2024	6,700 (f)	2,072
Totals for the six months ended June 30, 2024			<u>\$ 25,920</u>	<u>\$ 9,232 (g)</u>

- (a) A consolidated joint venture, in which the Company holds a 90% interest (the "Colorado JV"), sold a land parcel and the related parking lot improvements which was part of the Hacienda Colorado restaurant parcel sold in March 2024 (see note (d) below). The non-controlling interest's share of the loss was \$4.
- (b) The Colorado JV sold its multi-tenant, in-line retail stores that were part of the shopping center at this property. In connection with this sale, the joint venture paid off the \$5,808 mortgage on this property. The non-controlling interest's share of the gain was \$972.
- (c) As a result of these sales, the Company wrote-off, as a reduction to Gain on sale of real estate, net, an aggregate of \$620 of unbilled rent receivables, \$16 of net unamortized intangible lease assets and liabilities and \$527 of other assets and receivables.
- (d) The Colorado JV sold a restaurant parcel which was part of the multi-tenant shopping center. In connection with the sale of this parcel, the joint venture paid down \$1,885 of the mortgage on this property. The non-controlling interest's share of the gain was \$178.
- (e) This property was owned by a consolidated joint venture in which the Company held a 95% interest. The non-controlling interest's share of the gain was \$105.
- (f) In connection with this sale, the Company paid off the \$4,412 mortgage on this property.
- (g) As a result of these sales, the Company wrote-off, as a reduction to Gain on sale of real estate, net, an aggregate of \$275 of unbilled rent receivables, \$439 of net unamortized intangible lease assets and liabilities and \$108 of other assets and receivables.

ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
JUNE 30, 2025 (CONTINUED)

NOTE 5 – SALES OF PROPERTIES AND IMPAIRMENT LOSS (CONTINUED)

Sales subsequent to June 30, 2025

The Company sold the following properties (amounts in thousands):

Description of Property	City, State	Date Sold	Gross Sales Price	Estimated Gain on Sale of Real Estate, Net (a)
Chase land parcel (b)	Lakewood, Colorado	July 15, 2025	\$ 3,457	\$ 2,850
Office Depot retail property	Eugene, Oregon	August 1, 2025	6,000	2,500
			<u>\$ 9,457</u>	<u>\$ 5,350</u>

(a) Such gain is anticipated to be recognized as Gain on sale of real estate, net, in the consolidated statements of income for the three and nine months ending September 30, 2025.

(b) The Colorado JV sold the last remaining land parcel at this property. The non-controlling interest's share of the gain is expected to be approximately \$641.

Impairment Loss

The Company recognized a \$1,086,000 impairment loss on the consolidated statements of income for the three and six months ended June 30, 2024 as it re-measured the net book value of a former property located in Hamilton, Ohio to its fair value. The Company determined the fair value based on an executed contract of sale for the property which was determined to be a Level 3 unobservable input in the fair value hierarchy (as discussed in Note 12). This property was subsequently sold in August 2024.

NOTE 6 – INVESTMENT IN UNCONSOLIDATED JOINT VENTURES

As of June 30, 2025 and December 31, 2024, the Company participated in two unconsolidated joint ventures, each of which owns and operates one property; the Company's equity investment in these ventures totaled \$1,557,000 and \$2,101,000, respectively. The Company recorded equity in earnings of \$51,000 and \$76,000 for the three and six months ended June 30, 2025, respectively, and \$43,000 and \$96,000 for the three and six months ended June 30, 2024, respectively.

ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
JUNE 30, 2025 (CONTINUED)

NOTE 7 – VARIABLE INTEREST ENTITIES, CONSOLIDATED JOINT VENTURES AND CONTINGENT LIABILITY

Variable Interest Entities – Consolidated Joint Ventures

The Company has determined the two consolidated joint ventures in which it holds a 90% and 95% interest are VIEs because the non-controlling interests do not hold substantive kick-out or participating rights. The Company has determined it is the primary beneficiary of these VIEs as it has the power to direct the activities that most significantly impact each joint venture's performance including management, approval of expenditures, and the obligation to absorb the losses or rights to receive benefits. Accordingly, the Company consolidates the operations of these VIEs for financial statement purposes. The VIEs' creditors do not have recourse to the assets of the Company other than those held by the applicable joint venture.

The following is a summary of the consolidated VIEs' carrying amounts and classification in the Company's consolidated balance sheets, none of which are restricted (amounts in thousands):

	June 30, 2025 (a)	December 31, 2024
Land	\$ 4,071	\$ 9,198
Buildings and improvements, net of accumulated depreciation of \$3,066 and \$6,516, respectively	6,481	15,599
Cash	673	1,063
Unbilled rent receivable	337	881
Unamortized intangible lease assets, net	111	118
Escrow, deposits and other assets and receivables	261	705
Mortgages payable, net of unamortized deferred financing costs of \$55 and \$71, respectively	7,306	13,295
Accrued expenses and other liabilities	140	751
Unamortized intangible lease liabilities, net	59	215
Accumulated other comprehensive income	—	—
Non-controlling interests in consolidated joint ventures	376	1,150

(a) The Colorado JV sold its multi-tenant, in-line retail stores in June 2025 and paid off the related \$5,808 mortgage (see Note 5).

Distributions to each joint venture partner are determined pursuant to the applicable operating agreement and, in the event of a sale of, or refinancing of the mortgage encumbering, the property owned by such venture, the distributions to the Company may be less than that implied by the Company's equity ownership interest in the venture.

Variable Interest Entity – Ground Lease

The Company determined it has a variable interest through its ground lease at its Beachwood, Ohio property (the Vue Apartments) and the owner/operator is a VIE because its equity investment at risk is insufficient to finance its activities without additional subordinated financial support. The Company further determined that it is not the primary beneficiary of this VIE because the Company does not have power over the activities that most significantly impact the owner/operator's economic performance and therefore, does not consolidate this VIE for financial statement purposes. Accordingly, the Company accounts for this investment as land and the revenues from the ground lease as Rental income, net. The ground lease provides for rent which can be deferred and paid based on the operating performance of the property; therefore, this rent is recognized as rental income when the operating performance is achieved and the rent is received. No such ground lease rental income has been collected since October 2020.

As of June 30, 2025, the VIE's maximum exposure to loss was \$17,472,000 which represented the carrying amount of the land. In purchasing the property in 2016, the owner/operator obtained a \$67,444,000 mortgage from a third party which, together with the Company's purchase of the land, provided substantially all of the funds to acquire the multi-family property. The Company provided its land as collateral for the owner/operator's mortgage loan; accordingly, the land position is subordinated to the mortgage. The mortgage balance was \$61,603,000 as of June 30, 2025. Pursuant to the ground lease, as amended, the Company agreed, in its discretion, to fund 78% of (i) any operating expense shortfalls at the property and (ii) any capital expenditures required at the property. The Company funded \$52,000 and \$62,000 during the three and six months ended June 30, 2025, respectively, and \$100,000 during the year ended December 31, 2024. These amounts are included as part of the carrying amount of the land.

ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
JUNE 30, 2025 (CONTINUED)

NOTE 8 – DEBT OBLIGATIONS

Mortgages Payable

The following table details the Mortgages payable, net, balances per the consolidated balance sheets (amounts in thousands):

	June 30, 2025	December 31, 2024
Mortgages payable, gross	\$ 452,781	\$ 424,978
Unamortized deferred financing costs	(3,928)	(3,756)
Unamortized mortgage intangible assets	(599)	(667)
Mortgages payable, net	<u>\$ 448,254</u>	<u>\$ 420,555</u>

The following table sets forth, as of June 30, 2025, scheduled principal repayments with respect to the Company's mortgage debt (amounts in thousands):

	For the Six Months Ending December 31, 2025	For the years ending December 31, 2026	2027	2028	2029	Thereafter	Total
Amortization payments	\$ 5,524	\$ 11,038	\$ 9,999	\$ 9,356	\$ 7,284	\$ 30,987	\$ 74,188
Principal due at maturity	3,721	18,461	38,525	30,155	79,386	208,345	378,593
Total	<u>\$ 9,245</u>	<u>\$ 29,499</u>	<u>\$ 48,524</u>	<u>\$ 39,511</u>	<u>\$ 86,670</u>	<u>\$ 239,332</u>	<u>\$ 452,781</u>

Line of Credit

The Company's credit facility with Manufacturers and Traders Trust Company and VNB New York, LLC, provides that it may borrow up to \$100,000,000, subject to borrowing base requirements. The facility is available for the acquisition of commercial real estate, repayment of mortgage debt, and renovation and operating expense purposes; provided, that if used for renovation and operating expense purposes, the amount outstanding for such purposes will not exceed the lesser of \$40,000,000 and 40% of the borrowing base. Net proceeds received from the sale, financing or refinancing of properties are generally required to be used to repay amounts outstanding under the credit facility. The facility is guaranteed by subsidiaries of the Company that own unencumbered properties and the Company is required to pledge to the lenders the equity interests in such subsidiaries.

The facility, which matures December 31, 2026, provides for an interest rate equal to 30-day SOFR plus an applicable margin ranging from 175 basis points to 275 basis points depending on the ratio of the Company's total debt to total value, as determined pursuant to the facility. The applicable margin was 175 basis points at June 30, 2025 and 2024. An unused facility fee of 0.25% per annum applies to the facility. At June 30, 2025, the Company had \$6,800,000 outstanding on the facility and the weighted average interest rate was approximately 6.07% for the six months ended June 30, 2025. There was no balance outstanding on the facility at June 30, 2024. The Company was in compliance with all covenants at each of June 30, 2025 and 2024. At June 30, 2025 and August 1, 2025, \$93,200,000 and \$100,000,000, respectively, was available to be borrowed under the facility, including an aggregate of up to \$40,000,000 available for renovation and operating expense purposes at such dates. At August 1, 2025, there was no amount outstanding on the facility and the interest rate was 6.10%.

At June 30, 2025 and December 31, 2024, the Company had unamortized deferred financing costs of \$274,000 and \$366,000, respectively, which are included in Escrow, deposits and other assets and receivables on the consolidated balance sheets.

ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
JUNE 30, 2025 (CONTINUED)

NOTE 9 – RELATED PARTY TRANSACTIONS

Compensation and Services Agreement

Pursuant to the compensation and services agreement with Majestic Property Management LLC (“Majestic”), Majestic provides the Company with certain (i) executive, administrative, legal, accounting, clerical, property management, property acquisition, consulting (*i.e.*, sale, leasing, brokerage, and mortgage financing), and construction supervisory services (collectively, the “Services”) and (ii) facilities and other resources. Majestic is wholly-owned by the Company’s vice- chairman and it provides compensation to several of the Company’s executive officers.

In consideration for the Services, the Company paid Majestic \$905,000 and \$1,793,000 for the three and six months ended June 30, 2025, respectively, and \$831,000 and \$1,657,000 for the three and six months ended June 30, 2024, respectively. Included in these amounts are fees for property management services of \$408,000 and \$797,000 for the three and six months ended June 30, 2025, respectively, and \$361,000 and \$718,000 for the three and six months ended June 30, 2024, respectively. The amounts paid for property management services are based on 1.5% and 2.0% of the rental payments (including tenant reimbursements) actually received by the Company from net lease tenants and operating lease tenants, respectively. The Company does not pay Majestic for property management services with respect to properties managed by third parties. The Company also paid Majestic, pursuant to the compensation and services agreement, \$87,000 and \$175,000 for the three and six months ended June 30, 2025, respectively, and \$84,000 and \$168,000 for the three and six months ended June 30, 2024, respectively, for the Company’s share of all direct office expenses, including rent, telephone, postage, computer services, internet usage and supplies.

Executive officers and others providing services to the Company under the compensation and services agreement were awarded shares of restricted stock and restricted stock units (“RSUs”) under the Company’s stock incentive plans (described in Note 10). The related expense charged to the Company’s operations was \$631,000 and \$1,279,000 for the three and six months ended June 30, 2025, respectively, and \$569,000 and \$1,182,000 for the three and six months ended June 30, 2024, respectively.

The amounts paid under the compensation and services agreement (except for the property management services which are included in Real estate expenses) and the costs of the stock incentive plans are included in General and administrative expense on the consolidated statements of income.

Joint Venture Partners and Affiliates

The Company paid \$22,000 and \$44,000 for the three and six months ended June 30, 2025, respectively, and \$23,000 and \$46,000 for the three and six months ended June 30, 2024, respectively, to its consolidated joint venture partner or its affiliates (none of whom are officers, directors, or employees of the Company) for property management services, which are included in Real estate expenses on the consolidated statements of income.

Other

During 2025 and 2024, the Company paid quarterly fees of (i) \$84,633 and \$81,378, respectively, to the Company’s chairman and (ii) \$33,853 and \$32,551, respectively, to the Company’s vice-chairman. These fees are included in General and administrative expenses on the consolidated statements of income.

The Company obtains its property insurance in conjunction with Gould Investors L.P. (“Gould Investors”), a related party, and reimburses Gould Investors annually for the Company’s insurance cost relating to its properties. Included in Real estate expenses on the consolidated statements of income is insurance expense of \$187,000 and \$463,000 for the three and six months ended June 30, 2025, respectively, and \$189,000 and \$467,000 for the three and six months ended June 30, 2024, respectively, of amounts reimbursed to Gould Investors in prior periods.

ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
JUNE 30, 2025 (CONTINUED)

NOTE 10 – STOCKHOLDERS' EQUITY

Common Stock Dividend

On June 5, 2025, the Board of Directors declared a quarterly cash dividend of \$0.45 per share on the Company's common stock, totaling approximately \$9,717,000. The quarterly dividend was paid on July 9, 2025 to stockholders of record at the close of business on June 25, 2025.

Dividend Reinvestment Plan

The Company's Dividend Reinvestment Plan (the "DRP"), among other things, provides stockholders with the opportunity to reinvest all or a portion of their cash dividends paid on the Company's common stock in additional shares of its common stock, at a discount, determined in the Company's sole discretion, of up to 5% from the market price (as such price is calculated pursuant to the DRP). The discount is currently being offered at 3%. Under the DRP, the Company issued approximately 8,000 and 15,000 shares of common stock during the three and six months ended June 30, 2025, respectively, and approximately 67,000 and 133,000 shares of common stock during the three and six months ended June 30, 2024, respectively.

Stock Repurchase Program

The Board of Directors authorized a repurchase program pursuant to which the Company can repurchase shares of its common stock in open-market, through privately negotiated transactions or otherwise. No shares were repurchased by the Company during the three and six months ended June 30, 2025 and 2024. As of June 30, 2025, the Company is authorized to repurchase approximately \$8,082,000 of shares of common stock.

Stock Based Compensation

The Company's 2025, 2022 and 2019 Incentive Plans (collectively, the "Plans"), permit the Company to grant, among other things, stock options, restricted stock, RSUs, performance share awards and dividend equivalent rights and any one or more of the foregoing to its employees, officers, directors and consultants. A maximum of 750,000 shares of the Company's common stock were authorized for issuance pursuant to each plan at such plan's inception.

The following details the shares subject to awards that are outstanding under the Plans as of June 30, 2025:

	Restricted Stock	RSUs	Totals
2025 Incentive Plan (a)	—	— (a)	—
2022 Incentive Plan (b)	451,970	172,000	623,970
2019 Incentive Plan (b)	286,725	—	286,725
Totals	<u>738,695</u>	<u>172,000</u>	<u>910,695</u>

(a) This plan was approved by the Company's stockholders in June 2025; no shares have been issued as of June 30, 2025. As of July 2025, the Company is deemed to have granted RSUs to acquire 91,075 shares of common stock.

(b) No additional awards may be granted under such plan.

Restricted Stock

For accounting purposes, the restricted stock is not included in the shares shown as outstanding on the balance sheet until they vest; however, dividends are paid on the unvested shares. The restricted stock grants are charged to General and administrative expense over the respective vesting periods based on the market value of the common stock on the grant date. Unless earlier forfeited because the participant's relationship with the Company terminated, unvested restricted stock awards vest five years from the grant date, and under certain circumstances may vest earlier.

ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
JUNE 30, 2025 (CONTINUED)

NOTE 10 – STOCKHOLDERS’ EQUITY (CONTINUED)

RSUs

The following table reflects the activities involving RSUs:

	2025 Grant	(a)	2024 Grant	2023 Grant	2022 Grant	2021 Grant
RSUs granted (b)	91,075		88,250	85,250	85,350	80,700
RSUs vested	—		—	—	36,704 (c)	39,811 (d)
RSUs forfeited	—		750 (e)	750 (e)	48,646 (f)	40,889 (g)
RSUs outstanding	91,075		87,500	84,500	—	—
Vesting date (h)(i)	6/30/2028		6/30/2027	6/30/2026	6/30/2025	6/30/2024

- (a) For accounting purposes, these shares were granted in July 2025.
- (b) The shares underlying the RSUs are excluded from the shares shown as outstanding on the balance sheet until they have vested and been issued.
- (c) Such shares will be issued in August 2025.
- (d) Such shares were issued in August 2024.
- (e) Such shares were forfeited in May 2025 as the recipient did not maintain a relationship with the Company during the applicable three-year performance cycle.
- (f) Of the 48,646 shares, (i) 46,536 shares were not earned as of June 30, 2025 because the applicable performance and market conditions had not been satisfied and (ii) 2,110 shares were forfeited in 2023 due to the retirement of an executive officer before the completion of the applicable three-year performance cycle.
- (g) Of the 40,889 shares (i) 39,811 shares were not earned as of June 30, 2024 because the applicable market condition had not been satisfied and (ii) 1,078 shares were forfeited in 2023 due to the retirement of an executive officer before the completion of the applicable three-year performance cycle.
- (h) Generally, the recipient must maintain a relationship with the Company during the applicable three-year performance cycle.
- (i) RSUs vest upon satisfaction of metrics related to average annual total stockholder return (“TSR Metric”) and average annual return on capital (“ROC Metric”; together with the TSR Metric, the “Metrics”) and are issued to the extent the Compensation Committee determines that the Metrics with respect to the vesting of such shares have been satisfied.

The Metrics and other material terms and conditions of the RSUs are as follows:

Year RSU Granted	Metric	Weight	Performance Criteria (a)	
			Minimum	Maximum
2022 - 2025 (b)(c)	ROC Metric (d)	50%	Average annual of at least 6.0%	Average annual of at least 8.75%
	TSR Metric (e)	50%	Average annual of at least 6.0%	Average annual of at least 11.0%

- (a) If the Metrics fall between the applicable minimum and maximum performance criteria, a pro-rata portion of such units, as applicable, vest.
- (b) The RSUs are not entitled to voting rights.
- (c) Upon vesting, the holders of such RSUs receive an amount equal to the dividends that would have been paid on the underlying shares had such shares been outstanding during the three-year performance cycle. As of June 30, 2025 and December 31, 2024, the Company accrued an aggregate of \$482,000 and \$408,000 of dividend equivalents, respectively, for the RSUs granted in 2022 through 2024, based on the number of shares, underlying such RSUs, that would have been issued using performance and market assumptions determined at such dates. In August 2025, the Company will pay the holders of the 2022 RSU grant an aggregate of approximately \$198,000 with respect to the dividend equivalent rights on the vested 36,704 shares.
- (d) The ROC Metrics meet the definition of a performance condition. Fair value is based on the market value on the date of grant. For ROC Awards, the Company does not recognize expense when performance conditions are not expected to be met; such performance assumptions are re-evaluated quarterly.
- (e) The TSR Metrics meet the definition of a market condition. A third-party appraiser prepares a Monte Carlo simulation pricing model to determine the fair value of such awards, which is recognized ratably over the three-year service period.

ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
JUNE 30, 2025 (CONTINUED)

NOTE 10 – STOCKHOLDERS' EQUITY (CONTINUED)

As of June 30, 2025, based on performance and market assumptions, the fair value of the RSUs granted in 2024 and 2023 is \$1,329,000 and \$1,069,000, respectively. Recognition of such deferred compensation will be charged to General and administrative expense over the respective three-year performance cycles.

The following is a summary of the activity of the Plans:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<i>Restricted stock:</i>				
Number of shares granted	—	—	154,390	151,180
Average per share grant price	\$ —	\$ —	\$ 25.52	\$ 21.60
Deferred compensation to be recognized over vesting period	\$ —	\$ —	\$ 3,940,000	\$ 3,265,000
Number of non-vested shares:				
Non-vested beginning of the period	742,170	727,140	727,140	712,560
Grants	—	—	154,390	151,180
Vested during the period	(1,500)	—	(140,800)	(136,600)
Forfeitures	(1,975)	—	(2,035)	—
Non-vested end of the period	<u>738,695</u>	<u>727,140</u>	<u>738,695</u>	<u>727,140</u>
<i>RSUs: (a)</i>				
Number of non-vested shares:				
Non-vested beginning of the period	256,740	248,112	256,740	248,112
Grants	—	—	—	—
Vested during the period	(36,704)	(39,811)	(36,704)	(39,811)
Forfeitures	(48,036)	(39,811)	(48,036)	(39,811)
Non-vested end of the period	<u>172,000</u>	<u>168,490</u>	<u>172,000</u>	<u>168,490</u>
<i>Restricted stock and RSU grants (based on grant price):</i>				
Weighted average per share value of non-vested shares	\$ 24.35	\$ 24.80	\$ 24.35	\$ 24.80
Value of stock vested during the period	<u>\$ 1,007,000</u>	<u>\$ 1,213,000</u>	<u>\$ 4,922,000</u>	<u>\$ 4,723,000</u>
Weighted average per share value of shares forfeited during the period	<u>\$ 26.22</u>	<u>\$ 30.46</u>	<u>\$ 26.22</u>	<u>\$ 30.46</u>
<i>Total charge to operations:</i>				
Outstanding restricted stock grants	\$ 926,000	\$ 921,000	\$ 1,864,000	\$ 1,814,000
Outstanding RSUs	370,000	246,000	778,000	625,000
Total charge to operations	<u>\$ 1,296,000</u>	<u>\$ 1,167,000</u>	<u>\$ 2,642,000</u>	<u>\$ 2,439,000</u>

(a) For accounting purposes, there were no RSUs granted during the three and six months ended June 30, 2025 and 2024.

As of June 30, 2025, total compensation costs of \$9,259,000 and \$1,256,000 related to non-vested restricted stock awards and RSUs, respectively, have not yet been recognized. These compensation costs will be charged to General and administrative expense over the remaining respective vesting periods. The weighted average remaining vesting period is 2.6 years for the restricted stock and 1.5 years for the RSUs. The Company recognizes the effect of forfeitures on restricted stock awards and RSUs when they occur, and previously recognized compensation expense is reversed in the period the grant or unit is forfeited.

ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
JUNE 30, 2025 (CONTINUED)

NOTE 11 – EARNINGS PER COMMON SHARE

Basic earnings per share was determined by dividing net income allocable to common stockholders for each period by the weighted average number of shares of common stock outstanding during the applicable period. Net income is also allocated to the unvested restricted stock outstanding during each period, as the restricted stock is entitled to receive dividends and is therefore considered a participating security. As of June 30, 2025, the shares of common stock underlying the RSUs (see Note 10) are excluded from the basic earnings per share calculation, as these units are not participating securities until they vest and are issued.

Diluted earnings per share reflects the potential dilution that could occur if securities or other rights exercisable for, or convertible into, common stock were exercised or converted or otherwise resulted in the issuance of common stock that shared in the earnings of the Company.

The following table provides a reconciliation of the numerator and denominator of earnings per share calculations (amounts in thousands, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Numerator for basic and diluted earnings per share:				
Net income	\$ 9,418	\$ 9,677	\$ 13,587	\$ 15,057
Deduct net income attributable to non-controlling interests	(987)	(124)	(1,001)	(349)
Deduct earnings allocated to unvested restricted stock (a)	(332)	(327)	(666)	(654)
Net income available for common stockholders: basic and diluted	<u>\$ 8,099</u>	<u>\$ 9,226</u>	<u>\$ 11,920</u>	<u>\$ 14,054</u>
Denominator for basic earnings per share:				
Weighted average number of common shares outstanding	20,853	20,590	20,836	20,550
Effect of dilutive securities: RSUs	114	93	112	82
Denominator for diluted earnings per share:				
Weighted average number of shares	<u>20,967</u>	<u>20,683</u>	<u>20,948</u>	<u>20,632</u>
Earnings per common share: basic and diluted	<u>\$.39</u>	<u>\$.45</u>	<u>\$.57</u>	<u>\$.68</u>

(a) Represents an allocation of distributed earnings to unvested restricted stock that, as participating securities, are entitled to receive dividends.

ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
JUNE 30, 2025 (CONTINUED)

NOTE 11 – EARNINGS PER COMMON SHARE (CONTINUED)

The following table identifies the number of shares of common stock underlying the RSUs that are included in the calculation, on a diluted basis, of the weighted average number of shares of common stock for such periods:

Three and Six Months Ended June 30, 2025:

Date of Award	Total Number of Underlying Shares	Shares Included Based on (a)			Shares Excluded (b)
		Return on Capital Metric	Stockholder Return Metric	Total	
July 16, 2024 (c)(d)	87,500	23,709	43,750	67,459	20,041
July 1, 2023 (c)(d)	84,500	24,706	42,250	66,956	17,544
July 1, 2022 (e)	83,240	32,030	4,674	36,704	46,536
Totals	255,240	80,445	90,674	171,119	84,121

Three and Six Months Ended June 30, 2024:

Date of Award	Total Number of Underlying Shares	Shares Included Based on (a)			Shares Excluded (b)
		Return on Capital Metric	Stockholder Return Metric	Total	
July 1, 2023 (c)(d)	85,250	26,750	42,625	69,375	15,875
July 1, 2022 (e)	83,240	36,765	—	36,765	46,475
August 3, 2021 (f)	79,622	39,811	—	39,811	39,811
Totals	248,112	103,326	42,625	145,951	102,161

(a) Reflects the number of shares underlying RSUs that would be issued assuming the measurement date used to determine whether the applicable conditions are satisfied is June 30 of the applicable period.

(b) Excluded as the applicable conditions had not been met for these shares at the applicable measurement dates.

(c) The RSUs awarded in 2024 and 2023 vest, subject to satisfaction of the applicable market and/or performance conditions, as of June 30, 2027 and 2026, respectively (see Note 10).

(d) In May 2025, RSUs with respect to 750 shares were forfeited pursuant to each of the RSUs awarded in 2024 and 2023, as the recipient did not maintain a relationship with the Company during the applicable three-year performance cycle.

(e) With respect to the RSUs awarded July 1, 2022, 36,704 shares were deemed to have vested and the balance of 46,536 shares were forfeited as of June 30, 2025. The vested shares will be issued in August 2025.

(f) With respect to the RSUs awarded August 3, 2021, 39,811 shares were deemed to have vested and the balance of 39,811 shares were forfeited as of June 30, 2024. The vested shares were issued in August 2024.

ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
JUNE 30, 2025 (CONTINUED)

NOTE 12 – FAIR VALUE MEASUREMENTS

The Company measures the fair value of financial instruments based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, a fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity and the reporting entity's own assumptions about market participant assumptions. In accordance with the fair value hierarchy, Level 1 assets/liabilities are valued based on quoted prices for identical instruments in active markets, Level 2 assets/liabilities are valued based on quoted prices in active markets for similar instruments, on quoted prices in less active or inactive markets, or on other "observable" market inputs and Level 3 assets/liabilities are valued based significantly on "unobservable" market inputs.

The carrying amounts of cash and cash equivalents, escrow, deposits and other assets and receivables (excluding interest rate swaps), dividends payable, and accrued expenses and other liabilities, are not measured at fair value on a recurring basis but are considered to be recorded at amounts that approximate fair value.

The fair value and carrying amounts of the Company's mortgages payable are as follows (dollars in thousands):

	June 30, 2025	December 31, 2024
Fair value of mortgages payable (a)	\$ 438,558	\$ 398,934
Carrying value of mortgages payable, gross	\$ 452,781	\$ 424,978
Fair value less than the carrying value	\$ (14,223)	\$ (26,044)
Blended market interest rate (a)	5.82 %	6.28 %
Weighted average interest rate	4.76 %	4.56 %
Weighted average remaining term to maturity (years)	6.3	6.1

(a) Estimated using unobservable inputs such as available market information and discounted cash flow analysis based on borrowing rates the Company believes it could obtain with similar terms and maturities. These fair value measurements fall within Level 3 of the fair value hierarchy.

At June 30, 2025, the \$6,800,000 carrying amount of the Company's line of credit approximates its fair value as the line of credit has a variable interest rate and approximates market rates.

Considerable judgment is necessary to interpret market data and develop estimated fair value. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Fair Value on a Recurring Basis

As of June 30, 2025, the Company had in effect four interest rate derivatives, all of which were interest rate swaps, related to four outstanding mortgage loans with an aggregate \$4,239,000 notional amount maturing between 2025 and 2026 (weighted average remaining term to maturity of less than one year). These interest rate swaps, all of which were designated as cash flow hedges, converted SOFR based variable rate mortgages to fixed annual rate mortgages. The interest rates range from 3.24% to 3.55% and a weighted average interest rate of 3.38% at June 30, 2025. The Company's objective in using interest rate swaps is to add stability to interest expense. The Company does not use derivatives for trading or speculative purposes.

Fair values are approximated using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of the derivatives. This fair value analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatilities. Although the Company has determined the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, the associated credit valuation adjustments use Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by the Company and its counterparty. As of June 30, 2025, the Company has assessed and determined the impact of the credit valuation adjustments on the overall valuation of its derivative positions is not significant. As a result, the Company determined its derivative valuation is classified in Level 2 of the fair value hierarchy.

ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
JUNE 30, 2025 (CONTINUED)

NOTE 12 – FAIR VALUE MEASUREMENTS (CONTINUED)

The Company does not currently own any financial instruments that are measured on a recurring basis and that are classified as Level 1 or 3.

The carrying and fair value of the Company's derivative financial instruments was \$72,000 and \$208,000 as of June 30, 2025 and December 31, 2024, respectively. The fair value of the Company's derivatives is reflected in Escrow, deposits and other assets and receivables on the consolidated balance sheets. As of June 30, 2025 and December 31, 2024, there were no derivatives in a liability position.

The following table presents the effect of the Company's derivative financial instruments on the consolidated statements of income for the periods presented (amounts in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Amount of gain recognized on derivatives in other comprehensive income	\$ 7	\$ 58	\$ 8	\$ 241
Amount of reclassification from Accumulated other comprehensive income into Interest expense	65	246	144	518

During the twelve months ending June 30, 2026, the Company estimates an additional \$72,000 will be reclassified from Accumulated other comprehensive income as a decrease to Interest expense.

The derivative agreements in effect at June 30, 2025 provide that if the wholly-owned subsidiary of the Company which is a party to such agreement defaults or is capable of being declared in default on any of its indebtedness, then a default can be declared on such subsidiary's derivative obligation. In addition, the Company is a party to the derivative agreements and if there is a default by the subsidiary on the loan subject to the derivative agreement to which the Company is a party and if there are swap breakage losses on account of the derivative being terminated early, the Company could be held liable for such swap breakage losses.

NOTE 13 – SEGMENT REPORTING

Substantially all of the Company's real estate assets, at acquisition, are comprised of real estate owned that is leased to tenants on a long-term basis. Therefore, the Company aggregates real estate assets for reporting purposes and operates in one reportable segment.

The Company's Chief Operating Decision Makers ("CODMs") are its Chief Executive Officer and Chief Operating Officer. As the Company operates in one reportable segment, the CODMs are provided the consolidated income statement (detailing total revenues, total operating expenses, operating income and net income). This financial report assists the CODMs in assessing the Company's financial performance and in allocating resources appropriately.

NOTE 14 – NEW ACCOUNTING PRONOUNCEMENT

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires disaggregated disclosure of income statement expenses into specified categories within the footnotes to the financial statements. ASU No. 2024-03 is applicable for fiscal years beginning after December 15, 2026. The Company is in the process of evaluating the new guidance to determine the extent to which it will impact the Company's consolidated financial statements.

NOTE 15 – SUBSEQUENT EVENTS

Subsequent events have been evaluated and except as disclosed herein, there were no other events relative to the consolidated financial statements that require additional disclosure.

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

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q, together with other statements and information publicly disseminated by us, contain certain 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. We intend such forward-looking statements to be covered by the safe harbor provision for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and include this statement for purposes of complying with these safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, are generally identifiable by use of the words "may," "will," "could," "believe," "expect," "intend," "anticipate," "estimate," "project," or similar expressions or variations thereof and include, without limitations, statements regarding our future estimated rental income, funds from operations, adjusted funds from operations and our dividend. Among other things, forward looking statements with respect to (i) estimates of base rent and rental income exclude variable rent (including tenant reimbursements) and the adjustments required by GAAP to present rental income, (ii) estimates of base rent may not, unless otherwise expressly indicated, reflect the expenses (e.g., real estate expenses, interest, depreciation and amortization or any one or more of the foregoing) with respect to the associated property, (iii) anticipated property purchases, sales, financings and/or refinancings may not be completed during the period or on the terms indicated or at all, and (iv) estimates of gains and/or net proceeds from property sales (i.e., cash collected by us at closing after giving effect to, among other things, as applicable, the payoff of any mortgages on the properties sold and our non-controlling interest's share of the proceeds) or proceeds from financing or refinancing transactions are subject to adjustment, among other things, because actual closing costs may differ from the estimated costs. You should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond our control and which could materially affect actual results, performance or achievements.

The uncertainties, risks and factors which may cause actual results to differ materially from current expectations include, but are not limited to:

- the financial failure of, or other default in payment by, tenants under their leases and the potential resulting vacancies;
- adverse changes and disruption in the sectors in which our tenants operate (e.g., industrial and retail), which could impact our tenants' ability to pay rent and expense reimbursement;
- the level and volatility of interest rates;
- loss or bankruptcy of one or more of our tenants, and bankruptcy laws that may limit our remedies if a tenant becomes bankrupt and rejects its lease;
- general economic and business conditions and developments, including those currently affecting or that may affect our economy;
- general and local real estate conditions, including any changes in the value of our real estate;
- our ability to renew or re-lease space as leases expire;
- our ability to pay dividends;
- the effect of changes in political conditions in the U.S., including in connection with the new administration's policies and priorities, or otherwise;
- changes in governmental laws and regulations relating to real estate and related investments;
- compliance with credit facility and mortgage debt covenants;
- the availability of, and costs associated with, sources of capital and liquidity;
- competition in our industry;
- technological changes, such as artificial intelligence, autonomous vehicles, reconfiguration of supply chains, robotics, 3D printing or other technologies;
- potential natural disasters, epidemics, pandemics or outbreak of infectious disease, such as COVID-19, and other potentially catastrophic events such as acts of war and/or terrorism; and

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- the other risks, uncertainties and factors described in the reports and documents we file with the SEC including the risks, uncertainties and factors described in our Annual Report on Form 10-K for the year ended December 31, 2024 (the “Annual Report”) under the caption “*Item 1A. Risk Factors*” for a discussion of certain factors which may cause actual results to differ materially from current.

In light of the factors referred to above, the future events discussed or incorporated by reference in this report and other documents we file with the SEC may not occur, and actual results, performance or achievements could differ materially from those anticipated or implied in the forward-looking statements. Given these uncertainties, you should not rely on any forward-looking statements.

Except as may be required under the U.S. federal securities laws, we undertake no obligation to publicly update our forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any further disclosures we make in our reports that are filed with or furnished to the SEC.

Challenges and Uncertainties Facing Certain Tenants and Properties

We face challenges (i) due to the volatile economic environment (including the impact of threatened and/or imposed tariffs, and the related possibility of trade wars and the impact of the foregoing on us and in particular, on our seaport based industrial/warehouse properties), and (ii) at The Vue, our Beachwood, Ohio property. Our cash flow and profitability will be adversely impacted if these issues are not resolved in a satisfactory manner.

Overview

We are a self-administered and self-managed real estate investment trust, or REIT. To qualify as a REIT, under the Internal Revenue Code of 1986, as amended, we must meet a number of organizational and operational requirements, including a requirement that we distribute currently at least 90% of ordinary taxable income to our stockholders. We intend to comply with these requirements and to maintain our REIT status.

We acquire, own and manage a geographically diversified portfolio consisting primarily of industrial properties, many of which are subject to long-term net leases. As of June 30, 2025, we own 103 properties (including two properties owned by consolidated joint ventures and two properties owned by unconsolidated joint ventures) located in 32 states. Based on square footage, our occupancy rate at June 30, 2025 is approximately 98.8%.

We face a variety of risks and challenges in our business, including the possibility we will not be able to: acquire or dispose of properties on acceptable terms, lease our properties on terms favorable to us or at all, collect amounts owed to us by our tenants, renew or re-let, on acceptable terms, leases that are expiring or otherwise terminating.

Other than with respect to our continuing focus on acquiring industrial properties, we generally seek to manage the risk of our real property portfolio and the related financing arrangements by (i) diversifying among locations, tenants, scheduled lease expirations, mortgage maturities and lenders, and (ii) minimizing our exposure to interest rate fluctuations. Substantially all of our mortgage debt either bears interest at fixed rates or is subject to interest rate swaps, limiting our exposure to fluctuating interest rates on our outstanding mortgage debt.

We monitor the risk of tenant non-payments through a variety of approaches tailored to the applicable situation. Generally, based on our assessment of the credit risk posed by our tenants, we monitor a tenant’s financial condition through one or more of the following actions: reviewing tenant financial statements or other financial information, obtaining other tenant related information, changes in tenant payment patterns, regular contact with tenant’s representatives, tenant credit checks and regular management reviews of our tenants. We have in the past, and we may in the future, sell a property if the tenant’s financial condition is unsatisfactory.

In acquiring and disposing of properties, among other things, we evaluate the terms of the leases, the credit of the existing tenants, the terms and conditions of the related financing arrangement (including any contemplated financing) and engage in a fundamental analysis of the real estate to be bought or sold. This fundamental analysis takes into account, among other things, the estimated value of the property, local competition and demographics, and the ability to re-rent or dispose of the property on favorable terms upon lease expiration or early termination. In addition, in evaluating property sales, we take

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into account, among other things, the property type (*i.e.*, industrial, retail or other), our perception of the property's long-term prospects (including the likelihood for, and the extent of, any further appreciation or diminution in value), the term remaining on the related lease and mortgage debt, the price and other terms and conditions for the sale of such property and the returns anticipated to be generated from the reinvestment of the net proceeds to us from such property sale.

Our 2026 base rent is approximately \$75.4 million and represents, after giving effect to any abatements, concessions, deferrals or adjustments, the base rent (excluding tenant reimbursements) payable to us during the twelve months ending June 30, 2026 under leases in effect at June 30, 2025.

Our 2026 base rent:

- excludes (i) \$255,000 representing our share of the 2026 base rent payable to our joint ventures and (ii) an aggregate of \$631,000 of 2026 base rent from a land parcel at our Lakewood, Colorado property and a retail property in Eugene, Oregon which were sold on July 15, 2025 and August 1, 2025, respectively.
- includes \$235,000 of base rent from Hooters, a restaurant tenant at our Myrtle Beach, South Carolina property which filed for bankruptcy protection in April 2025.

The following table sets forth scheduled expirations of leases at our properties as of June 30, 2025 for the years indicated below:

Lease Expiration (a) 12 Months Ending June 30,	Number of Expiring Leases	Approximate Square Footage Subject to Expiring Leases (b)	2026 Base Rent Under Expiring Leases	Percentage of 2026 Base Rent Represented by Expiring Leases
2026	8	473,797	\$ 1,673,000	2.2
2027	20	976,575	6,699,000	8.9
2028	25	2,438,453	15,202,000	20.2
2029	19	1,838,446	12,177,000	16.2
2030	20	1,312,946	9,339,000	12.4
2031	14	1,350,965	9,667,000	12.8
2032	9	643,643	4,452,000	5.9
2033	11	928,264	6,851,000	9.1
2034	7	416,069	5,189,000	6.9
2035	5	136,767	1,463,000	1.9
2036 and thereafter	4	824,449	2,663,000	3.5
	<u>142</u>	<u>11,340,374</u>	<u>\$ 75,375,000</u>	<u>100.0</u>

(a) Lease expirations assume tenants do not exercise existing renewal or termination options.

(b) Excludes an aggregate of 141,813 square feet of vacant space.

Property Transactions

Sales during the three months ended June 30, 2025

We sold the following properties (amounts in thousands):

Description of Property	City, State	Date Sold	Gross Sales Price	Gain on Sale of Real Estate, net	Net Proceeds on Sale
Multi-tenant retail stores (a)	Lakewood, Colorado	June 23, 2025	\$ 17,900	\$ 3,276	\$ 9,841 (b)
Total Wine retail property	Greensboro, North Carolina	June 25, 2025	4,709	2,232	4,532
La-Z-Boy retail property	Gurnee, Illinois	June 27, 2025	4,368	1,023	3,955
			<u>\$ 26,977</u>	<u>\$ 6,531</u>	<u>\$ 18,328</u>

(a) A consolidated joint venture, in which we hold a 90% interest, sold its multi-tenant, in-line retail stores which were part of the shopping center at this property. The non-controlling interest's share of the gain was \$972.

(b) The net proceeds on sale give effect to the (i) payoff of the \$5,808 mortgage on this property and (ii) non-controlling interest's \$1,688 share of the proceeds.

Sales subsequent to June 30, 2025

During July 2025 and August 2025, we sold the following properties (amounts in thousands):

Description of Property	City, State	Date Sold	Gross Sales Price	Estimated Gain on Sale of Real Estate, Net	Net Proceeds on Sale
Chase land parcel (a)	Lakewood, Colorado	July 15, 2025	\$ 3,457	\$ 2,850	\$ 2,800 (b)
Office Depot retail property	Eugene, Oregon	August 1, 2025	6,000	2,500	5,700
			<u>\$ 9,457</u>	<u>\$ 5,350</u>	<u>\$ 8,500</u>

(a) This land parcel is held through a consolidated joint venture in which we hold a 90% interest. The non-controlling interest's share of the gain is expected to be approximately \$641.

(b) The net proceeds on sale give effect to the non-controlling interest's \$800 share of the proceeds.

These properties had the following impact on the consolidated statements of income for the periods indicated (amounts in thousands):

Description of Property	City, State	Six Months Ended June 30, 2025			Year Ended December 31, 2024		
		Rental Income, net	Depreciation & Amortization Expense	Real Estate Operating Expense	Rental Income, net	Depreciation & Amortization Expense	Real Estate Operating Expense
Chase land parcel	Lakewood, Colorado	\$ 89	\$ 7	\$ —	\$ 178	\$ 15	\$ —
Office Depot retail property (a)	Eugene, Oregon	220	26	15	408	52	—
		<u>\$ 309</u>	<u>\$ 33</u>	<u>\$ 15</u>	<u>\$ 586</u>	<u>\$ 67</u>	<u>\$ —</u>

(a) We paid off the mortgage on this property in June 2025. Mortgage interest expense was \$40 and \$98 during the six months ended June 30, 2025 and the year ended December 31, 2024, respectively.

Acquisition contract

On June 24, 2025, we entered into a contract to acquire a 210,600 square foot, single-tenant industrial property located in Blythewood, South Carolina for \$24.0 million. In connection with the acquisition, we anticipate obtaining new mortgage debt of approximately \$14.0 million bearing an interest rate of 5.77% (interest only) and maturing in 2030. We estimate the annual base rent will be approximately \$1.5 million (with annual base rent increases of 3.5%) and anticipate the closing will occur during the three months ending September 30, 2025.

Results of Operations

Total revenues

The following table compares total revenues for the periods indicated:

(Dollars in thousands)	Three Months Ended June 30,		Increase (Decrease)	% Change	Six Months Ended June 30,		Increase (Decrease)	% Change
	2025	2024			2025	2024		
Rental income, net	\$ 24,479	\$ 21,800	\$ 2,679	12.3	\$ 48,649	\$ 44,246	\$ 4,403	10.0
Lease termination fees	66	—	66	n/a	66	250	(184)	(73.6)
Total revenues	<u>\$ 24,545</u>	<u>\$ 21,800</u>	<u>\$ 2,745</u>	12.6	<u>\$ 48,715</u>	<u>\$ 44,496</u>	<u>\$ 4,219</u>	9.5

Rental income, net

The following table details the components of rental income, net, for the periods indicated:

(Dollars in thousands)	Three Months Ended June 30,		Increase (Decrease)	% Change	Six Months Ended June 30,		Increase (Decrease)	% Change
	2025	2024			2025	2024		
Acquisitions (a)	\$ 2,996	\$ 160	\$ 2,836	1,772.5	\$ 5,222	\$ 160	\$ 5,062	3,163.8
Dispositions (b)	622	1,561	(939)	(60.2)	1,415	3,342	(1,927)	(57.7)
Same store (c)	20,861	20,079	782	3.9	42,012	40,744	1,268	3.1
Rental income, net	<u>\$ 24,479</u>	<u>\$ 21,800</u>	<u>\$ 2,679</u>	12.3	<u>\$ 48,649</u>	<u>\$ 44,246</u>	<u>\$ 4,403</u>	10.0

(a) Represents rental income from seven properties acquired since January 1, 2024.

(b) Represents rental income from 14 assets sold since January 1, 2024.

(c) Represents rental income from 94 properties that were owned for the entirety of the periods presented.

Changes at same store properties

The changes in same store rental income during the three and six months ended June 30, 2025 are due primarily to increases of:

- \$551,000 and \$814,000, respectively, in tenant reimbursements, of which \$416,000 and \$480,000, respectively, relates to real estate tax expenses generally incurred during such period,
- \$336,000 and \$710,000, respectively, from lease amendments and/or extensions at several properties, and
- \$288,000 and \$520,000, respectively, due to new tenants at several properties.

The increases were offset during the three and six months ended June 30, 2025 by decreases in rental income of:

- \$233,000 and \$515,000, respectively, from lease expirations at various properties, a majority for which we have entered into new leases with replacement tenants, and
- \$117,000 and \$221,000, respectively, related to lease intangibles at several properties that prior to June 30, 2025 were fully amortized.

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Lease Termination Fees

In June 2025, we recognized a lease termination fee of \$66,000 from an industrial tenant in a lease buy-out transaction. The space was simultaneously re-leased to a new industrial tenant.

In March 2024, a consolidated joint venture in Lakewood, Colorado, in which we hold a 90% interest, received a lease termination fee of \$250,000 due to the early termination of a lease in connection with the sale of the related restaurant parcel.

Operating Expenses

The following table compares operating expenses for the periods indicated:

(Dollars in thousands)	Three Months Ended June 30,		Increase (Decrease)	% Change	Six Months Ended June 30,		Increase (Decrease)	% Change
	2025	2024			2025	2024		
Operating expenses:								
Depreciation and amortization	\$ 6,827	\$ 5,965	\$ 862	14.5	\$ 13,372	\$ 11,986	\$ 1,386	11.6
Real estate expenses	4,891	3,976	915	23.0	9,929	8,446	1,483	17.6
General and administrative	3,938	3,776	162	4.3	8,108	7,699	409	5.3
Impairment loss	—	1,086	(1,086)	(100.0)	—	1,086	(1,086)	(100.0)
State tax expense (benefit)	67	47	20	42.6	(27)	110	(137)	(124.5)
Total operating expenses	<u>\$ 15,723</u>	<u>\$ 14,850</u>	<u>\$ 873</u>	5.9	<u>\$ 31,382</u>	<u>\$ 29,327</u>	<u>\$ 2,055</u>	7.0

Depreciation and amortization. The increases in the three and six months ended June 30, 2025 are due primarily to (i) \$1.2 million and \$2.2 million, respectively, from the properties acquired since January 1, 2024, and (ii) \$114,000 and \$241,000, respectively, from improvements at several properties.

The increases were offset primarily by (i) the inclusion, in the corresponding 2024 periods, of \$289,000 and \$614,000, respectively, from the properties sold since January 1, 2024, and (ii) decreases of \$249,000 and \$489,000, respectively, related to tenant origination costs at several properties that prior to June 30, 2025 were fully amortized.

Real estate expenses. The increases in the three and six months ended June 30, 2025 are due primarily to (i) \$489,000 and \$558,000, respectively, primarily related to a re-assessment of real estate taxes at our El Paso, Texas property, (ii) \$468,000 and \$825,000, respectively, from the properties acquired since January 1, 2024, and (iii) \$161,000 and \$414,000, respectively, primarily related to common area maintenance and insurance expense at several properties, none of which were individually significant.

The increase was offset by the inclusion, in the corresponding 2024 periods, of \$203,000 and \$314,000, respectively, from the properties sold since January 1, 2024.

A substantial portion of real estate expenses is rebilled to tenants and is included in Rental income, net, on the consolidated statements of income.

General and administrative. The increases in the three and six months ended June 30, 2025 are due primarily to an increase in compensation expense of \$142,000 and \$311,000, respectively, from (i) non-cash expense related to the amortization of our RSUs, and (ii) higher levels of payroll and payroll-related expenses.

Impairment loss. During the three and six months ended June 30, 2024, we recorded a \$1.1 million impairment loss at our former Hamilton, Ohio property. (See Note 5 to our consolidated financial statements).

State tax expense (benefit). During the six months ended June 30, 2025, our state tax expense was offset by a \$135,000 refund from Tennessee related to franchise taxes paid in 2023, as the state amended the method of calculating such taxes, resulting in an overpayment in 2023.

Gain on sale of real estate, net

The following table compares gain on sale of real estate, net for the periods indicated:

(Dollars in thousands)	Three Months Ended June 30,		Increase (Decrease)	% Change	Six Months Ended June 30,		Increase (Decrease)	% Change
	2025	2024			2025	2024		
Gain on sale of real estate, net	\$ 6,531	\$ 7,448	\$ (917)	(12.3)	\$ 7,641	\$ 9,232	\$ (1,591)	(17.2)

The following table lists the sold properties and the related gains, net, for the periods indicated:

(Dollars in thousands)	Three Months Ended June 30,		Increase (Decrease)	% Change	Six Months Ended June 30,		Increase (Decrease)	% Change
	2025	2024			2025	2024		
Multi-tenant retail stores - Lakewood, Colorado (a)	\$ 3,276	\$ —			\$ 3,276	\$ —		
Retail property - Greensboro, North Carolina	2,232	—			2,232	—		
Retail property - Gurnee, Illinois	1,023	—			1,023	—		
Restaurant property - Concord, North Carolina	—	—			1,154	—		
Land and improvements - Lakewood, Colorado (b)	—	—			(44)	—		
Restaurant parcel - Lakewood, Colorado (c)	—	—			—	1,784		
Restaurant property - Kennesaw, Georgia	—	964			—	964		
Industrial property - Miamisburg, Ohio	—	1,507			—	1,507		
Retail property - Wichita, Kansas	—	1,884			—	1,884		
Retail property - Lawrence, Kansas	—	43			—	43		
Retail property - Cape Girardeau, Missouri (d)	—	978			—	978		
Vacant retail property - Kennesaw, Georgia	—	2,072			—	2,072		
Total Gain on sale of real estate, net	\$ 6,531	\$ 7,448	\$ (917)	(12.3)	\$ 7,641	\$ 9,232	\$ (1,591)	(17.2)

(a) A multi-tenant shopping center in Lakewood, Colorado, which is owned through a consolidated joint venture in which we hold a 90% interest (the "Colorado JV"), sold its multi-tenant, in-line retail stores at this property. In connection with this sale, the joint venture paid off the \$5,808 mortgage balance on the property. The non-controlling interest's share of this gain was \$972.

(b) The Colorado JV sold a land parcel and the related parking lot in connection with the sale of the restaurant parcel in (c) below. The non-controlling interest's share of the loss was \$4.

(c) This restaurant parcel was part of the Colorado JV. The non-controlling interest's share of this gain was \$178.

(d) This property was owned through a consolidated joint venture in which we had a 95% interest. The non-controlling interest's share of this gain was \$105.

Other Income and Expenses

The following table compares other income and expenses for the periods indicated:

(Dollars in thousands)	Three Months Ended June 30,		Increase (Decrease)	% Change	Six Months Ended June 30,		Increase (Decrease)	% Change
	2025	2024			2025	2024		
Other income and expenses:								
Equity in earnings of unconsolidated joint ventures	\$ 51	\$ 43	\$ 8	18.6	\$ 76	\$ 96	\$ (20)	(20.8)
Other income	138	276	(138)	(50.0)	326	543	(217)	(40.0)
Interest:								
Expense	(5,847)	(4,750)	1,097	23.1	(11,279)	(9,467)	1,812	19.1
Amortization and write-off of deferred financing costs	(277)	(290)	(13)	(4.5)	(510)	(516)	(6)	(1.2)

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Other income. The decreases in the three and six months ended June 30, 2025 are due to decreases of \$113,000 and \$228,000, respectively, in interest income from lesser amounts invested and available to be invested in short-term U.S. treasury bills.

Interest expense. The following table compares interest expense for the periods indicated:

(Dollars in thousands)	Three Months Ended June 30,		Increase (Decrease)	% Change	Six Months Ended June 30,		Increase (Decrease)	% Change
	2025	2024			2025	2024		
Interest expense:								
Mortgage interest	\$ 5,609	\$ 4,687	\$ 922	19.7	\$ 10,963	\$ 9,341	\$ 1,622	17.4
Credit line interest	238	63	175	277.8	316	126	190	150.8
Total	<u>\$ 5,847</u>	<u>\$ 4,750</u>	<u>\$ 1,097</u>	23.1	<u>\$ 11,279</u>	<u>\$ 9,467</u>	<u>\$ 1,812</u>	19.1

Mortgage interest

The following table reflects the average interest rate on the average principal amount of outstanding mortgage debt for the periods indicated:

(Dollars in thousands)	Three Months Ended June 30,		Increase (Decrease)	% Change	Six Months Ended June 30,		Increase (Decrease)	% Change
	2025	2024			2025	2024		
Weighted average principal amount	\$ 465,240	\$ 420,732	\$ 44,508	10.6	\$ 461,693	\$ 422,077	\$ 39,616	9.4
Weighted average interest rate	4.79 %	4.42 %	0.37 %	8.4	4.72 %	4.39 %	0.33 %	7.5

The increases in mortgage interest in the three and six months ended June 30, 2025 are due to increases in the weighted average principal amount of mortgage debt outstanding and the weighted average interest rate.

We anticipate that our mortgage interest expense will increase (and our earnings and the amount we are required to distribute to stockholders to maintain our REIT status may decrease) as we refinance our mortgages maturing through 2027 because current comparable mortgage interest rates are generally higher than the weighted average interest rate on such maturing mortgages. The weighted average interest rate of (i) our mortgages maturing in the six months ending December 31, 2025 and for the years ending December 31, 2026 and 2027 is 3.78%, 3.91% and 3.64%, respectively, and (ii) the mortgages we obtained in connection with the acquisitions completed during the six months ended June 30, 2025 is 6.21%.

Credit line interest

The weighted average principal amount outstanding was \$11.9 million and \$6.5 million for the three and six months ended June 30, 2025, respectively, and the weighted average interest rate was 6.07% for each of the three and six months ended June 30, 2025.

There was no balance outstanding on the credit line during the three and six months ended June 30, 2024. The interest expense of \$63,000 and \$126,000 for the three and six months ended June 30, 2024, respectively, constitutes the unused facility fee.

Liquidity and Capital Resources

Our sources of liquidity and capital include cash flow from operations, cash and cash equivalents, borrowings under our credit facility, refinancing existing mortgage loans, obtaining mortgage loans secured by our unencumbered properties, issuance of our equity securities and property sales. Our available liquidity at August 1, 2025, was \$115.5 million, including \$15.5 million of cash and cash equivalents (including the credit facility's required minimum \$3.0 million average deposit maintenance balance) and up to \$100.0 million available under our credit facility. At August 1, 2025, the facility is available for the acquisition of commercial real estate, repayment of mortgage debt, and up to \$40.0 million for renovation and operating expense purposes.

Liquidity and Financing

We expect to meet our short-term (*i.e.*, one year or less) and long-term (i) operating cash requirements (including debt service and anticipated dividend payments) principally from cash flow from operations, our available cash and cash equivalents, proceeds from and, to the extent permitted and needed, our credit facility and (ii) investing and financing cash requirements (including an estimated aggregate of \$2.5 million of capital expenditures) from the foregoing, as well as property financings, property sales and sales of our common stock.

At June 30, 2025, we had 59 outstanding mortgages payable secured by 61 properties in the aggregate principal amount of \$452.8 million (before netting unamortized deferred financing costs of \$3.9 million and mortgage intangibles of \$599,000). These mortgages represent first liens on individual real estate investments with an aggregate carrying value of \$705.7 million, before accumulated depreciation of \$128.5 million. After giving effect to interest rate swap agreements, the mortgage payments bear interest at fixed rates ranging from 3.05% to 6.42% (a 4.76% weighted average interest rate) and mature between 2025 and 2047 (a 6.3 year weighted average remaining term to maturity).

The following table sets forth, as of June 30, 2025, information with respect to our mortgage debt that is payable during the six months ending December 31, 2025 and for each of the subsequent twelve months through December 31, 2028:

(Dollars in thousands)	2025	2026	2027	2028	Total
Amortization payments	\$ 5,524	\$ 11,038	\$ 9,999	\$ 9,356	\$ 35,917
Principal due at maturity	3,721	18,461	38,525	30,155	90,862
Total	\$ 9,245	\$ 29,499	\$ 48,524	\$ 39,511	\$ 126,779
Weighted average interest rate on principal due at maturity	3.78 %	3.91 %	3.64 %	4.64 %	4.03 %

We intend to make debt amortization payments from operating cash flow and, although no assurance can be given that we will be successful in this regard, generally intend to refinance, extend or pay off the mortgage loans which mature from 2025 through 2028. We generally intend to repay the amounts not refinanced or extended from our existing funds and sources of funds, including our available cash, proceeds from the sale of our common stock and our credit facility (to the extent available).

We continually seek to refinance existing mortgage loans on terms we deem acceptable to generate additional liquidity. Additionally, in the normal course of our business, we sell properties when we determine that it is in our best interests, which also generates additional liquidity. Further, although we have done so infrequently and primarily in the context of a tenant default at a property for which we have not found a replacement tenant, if we believe we have negative equity in a property subject to a non-recourse mortgage loan, we may convey such property to the mortgagee to terminate our mortgage obligations, including payment of interest, principal and real estate taxes, with respect to such property.

Typically, we utilize funds from our credit facility to acquire a property and, thereafter secure long-term, fixed rate mortgage debt on such property. We apply the proceeds from the mortgage loan to repay borrowings under the credit facility, thus providing us with the ability to re-borrow under the credit facility for the acquisition of additional properties.

Credit Facility

Our credit facility provides that subject to borrowing base requirements, we can borrow up to \$100.0 million for the acquisition of commercial real estate, repayment of mortgage debt, and renovation and operating expense purposes; provided, that if used for renovation and operating expense purposes, the amount outstanding for such purposes will not exceed the lesser of \$40.0 million and 40% of the borrowing base. The facility matures December 31, 2026 and bears interest equal to 30-day SOFR plus the applicable margin. The applicable margin ranges from 175 basis points if our ratio of total debt to total value (as calculated pursuant to the facility) is equal to or less than 50%, increasing to a maximum of 275 basis points if such ratio is greater than 60%. The applicable margin was 175 basis points for each of the six months ended June 30, 2025 and 2024. There is an unused facility fee of 0.25% per annum on the difference between the outstanding loan balance and \$100.0 million. The credit facility requires the maintenance of \$3.0 million in average deposit balances. The interest rate on the facility was 6.07% and 6.10% at June 30, 2025 and August 1, 2025.

The terms of our credit facility include certain restrictions and covenants which may limit, among other things, the incurrence of liens, and which require compliance with financial ratios relating to, among other things, the minimum amount of tangible net worth, the minimum amount of debt service coverage, the minimum amount of fixed charge coverage, the maximum amount of debt to value, the minimum level of net income, certain investment limitations and the minimum value of unencumbered properties and the number of such properties. Net proceeds received from the sale, financing or refinancing of properties are generally required to be used to repay amounts outstanding under our credit facility. At June 30, 2025, we were in compliance with the covenants under this facility.

Off-Balance Sheet Financing Arrangement

We own a land parcel located in Beachwood, Ohio which is improved by a multi-family complex (*i.e.*, The Vue Apartments) that we ground lease to the owner/operator of such complex. This ground lease did not generate any rental income during the past several years. At June 30, 2025, the carrying value of the land on our balance sheet was approximately \$17.5 million; our leasehold position is subordinate to \$61.6 million of mortgage debt incurred by our tenant, the owner/operator of the multi-family complex. In addition, we have agreed, in our discretion, to fund certain capital expenditures and operating cash flow shortfalls at this property. We do not believe that this type of off-balance sheet arrangement has been or will be material to our liquidity and capital resource positions, except to the extent we determine to continue to fund the capital expenditures required by, and the operating cash flow shortfalls at, this property. See Note 7 to our consolidated financial statements for additional information regarding this arrangement.

Application of Critical Accounting Estimates

A complete discussion of our critical accounting estimates is included in our Annual Report. There have been no changes in such estimates.

Funds from Operations and Adjusted Funds from Operations

We compute funds from operations, or FFO, in accordance with the “White Paper on Funds From Operations” issued by the National Association of Real Estate Investment Trusts (“NAREIT”) and NAREIT’s related guidance. FFO is defined in the White Paper as net income (calculated in accordance with GAAP), excluding depreciation and amortization related to real estate, gains and losses from the sale of certain real estate assets, gains and losses from change in control, impairment write-downs of certain real estate assets and investments in entities where the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect FFO on the same basis. In computing FFO, we do not add back to net income the amortization of costs in connection with our financing activities or depreciation of non-real estate assets.

We compute adjusted funds from operations, or AFFO, by adjusting FFO for straight-line rent accruals and amortization of lease intangibles, deducting from income (i) additional rent from a ground lease tenant, (ii) income on settlement of litigation, (iii) income on insurance recoveries from casualties, (iv) lease termination and assignment fees, and adding back to income (i) amortization of restricted stock and restricted stock unit compensation expense, (ii) amortization of costs in connection with its financing activities (including its share of its unconsolidated joint ventures), (iii) debt prepayment costs, (iv) amortization of lease incentives and (v) mortgage intangible assets. Since the NAREIT White Paper does not provide guidelines for computing AFFO, the computation of AFFO varies from one REIT to another.

We believe that FFO and AFFO are useful and standard supplemental measures of the operating performance for equity REITs and are used frequently by securities analysts, investors and other interested parties in evaluating equity REITs, many of which present FFO and AFFO when reporting their operating results. FFO and AFFO are intended to exclude GAAP historical cost depreciation and amortization of real estate assets, which assumes that the value of real estate assets diminish predictability over time. In fact, real estate values have historically risen and fallen with market conditions. As a result, we believe that FFO and AFFO provide a performance measure that when compared year over year, should reflect the impact to operations from trends in occupancy rates, rental rates, operating costs, interest costs and other matters without the inclusion of depreciation and amortization, providing a perspective that may not be necessarily apparent from net income. We also consider FFO and AFFO to be useful to us in evaluating potential property acquisitions.

FFO and AFFO do not represent net income or cash flows from operations as defined by GAAP. FFO and AFFO should not be considered to be an alternative to net income as a reliable measure of our operating performance; nor should FFO and AFFO be considered an alternative to cash flows from operating, investing or financing activities (as defined by GAAP) as measures of liquidity. FFO and AFFO do not measure whether cash flow is sufficient to fund all of our cash needs, including principal amortization, capital improvements and distributions to stockholders.

Management recognizes that there are limitations in the use of FFO and AFFO. In evaluating our performance, management is careful to examine GAAP measures such as net income and cash flows from operating, investing and financing activities.

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The tables below provide a reconciliation of net income and net income per common share (on a diluted basis) in accordance with GAAP to FFO and AFFO for the periods indicated (dollars in thousands, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
GAAP net income attributable to One Liberty Properties, Inc.	\$ 8,431	\$ 9,553	\$ 12,586	\$ 14,708
Add: depreciation and amortization of properties	6,610	5,770	12,945	11,602
Add: our share of depreciation and amortization of unconsolidated joint ventures	7	5	13	11
Add: impairment loss	—	1,086	—	1,086
Add: amortization of deferred leasing costs	217	195	427	384
Add: our share of amortization of deferred leasing costs of unconsolidated joint ventures	1	—	2	1
Deduct: gain on sale of real estate, net	(6,531)	(7,448)	(7,641)	(9,232)
Adjustments for non-controlling interests	960	85	936	245
NAREIT funds from operations applicable to common stock	9,695	9,246	19,268	18,805
Deduct: straight-line rent accruals and amortization of lease intangibles	(604)	(509)	(1,258)	(1,169)
Deduct: our share of straight-line rent accruals and amortization of lease intangibles of unconsolidated joint ventures	(7)	(2)	(30)	(3)
Deduct: lease termination fees	(66)	—	(66)	(250)
Deduct: other income and income on settlement of litigation	(27)	(27)	(55)	(55)
Add: amortization of restricted stock and RSU compensation	1,296	1,167	2,642	2,439
Add: amortization and write-off of deferred financing costs	277	290	510	516
Add: amortization of lease incentives	30	30	60	60
Add: amortization of mortgage intangible assets	34	34	69	69
Adjustments for non-controlling interests	(7)	—	(9)	27
Adjusted funds from operations applicable to common stock	<u>\$ 10,621</u>	<u>\$ 10,229</u>	<u>\$ 21,131</u>	<u>\$ 20,439</u>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
GAAP net income attributable to One Liberty Properties, Inc.	\$.39	\$.45	\$.57	\$.68
Add: depreciation and amortization of properties	.31	.27	.61	.55
Add: our share of depreciation and amortization of unconsolidated joint ventures	—	—	—	—
Add: impairment loss	—	.05	—	.05
Add: amortization of deferred leasing costs	.01	.01	.02	.02
Add: our share of amortization of deferred leasing costs of unconsolidated joint ventures	—	—	—	—
Deduct: gain on sale of real estate, net	(.30)	(.35)	(.35)	(.43)
Adjustments for non-controlling interests	.04	—	.04	.01
NAREIT funds from operations per share of common stock (a)	.45	.43	.89	.88
Deduct: straight-line rent accruals and amortization of lease intangibles	(.03)	(.01)	(.06)	(.05)
Deduct: our share of straight-line rent accruals and amortization of lease intangibles of unconsolidated joint ventures	—	—	—	—
Deduct: lease termination fees	—	—	—	(.01)
Deduct: other income and income on settlement of litigation	—	—	—	—
Add: amortization of restricted stock and RSU compensation	.06	.05	.12	.11
Add: amortization and write-off of deferred financing costs	.01	.01	.02	.02
Add: amortization of lease incentives	—	—	—	—
Add: amortization of mortgage intangible assets	—	—	—	—
Adjustments for non-controlling interests	—	—	—	—
Adjusted funds from operations per share of common stock (a)	<u>\$.49</u>	<u>\$.48</u>	<u>\$.97</u>	<u>\$.95</u>

(a) The weighted average number of diluted common shares used to compute FFO and AFFO applicable to common stock includes unvested restricted shares that are excluded from the computation of diluted EPS.

Three months ended June 30, 2025 and 2024

The \$449,000, or 4.9%, increase in FFO for the three months ended June 30, 2025 from the corresponding 2024 period is due primarily to a \$2.7 million increase in rental income, net.

Offsetting the increase is a:

- \$1.1 million increase in interest expense,
- \$915,000 increase in real estate operating expenses,
- \$162,000 increase in general and administrative expenses, and
- \$138,000 decrease in other income.

The \$392,000, or 3.8%, increase in AFFO for the three months ended June 30, 2025 from the corresponding 2024 period is due primarily to the factors impacting FFO as described immediately above.

See “—*Results of Operations*” for further information regarding these changes.

Six months ended June 30, 2025 and 2024

The \$463,000, or 2.5%, increase in FFO for the six months ended June 30, 2025 from the corresponding 2024 period is due primarily to a:

- \$4.4 million increase in rental income, net, and
- \$137,000 decrease in state tax expense.

Offsetting the increase is a:

- \$1.8 million increase in interest expense,
- \$1.5 million increase in real estate operating expenses,
- \$409,000 increase in general and administrative expenses,
- \$217,000 decrease in other income, and
- \$184,000 decrease in lease termination fee income.

The \$692,000, or 3.4%, increase in AFFO for the six months ended June 30, 2025 from the corresponding 2024 period is primarily due to the factors impacting FFO as described immediately above, other than the \$184,000 decrease in lease termination fee income.

See “—*Results of Operations*” for further information regarding these changes.

Diluted per share net income, FFO and AFFO were impacted negatively in the three and six months ended June 30, 2025 compared to the corresponding quarter in the prior year by an average increase of approximately 292,000 and 323,000, respectively, in the weighted average number of shares of common stock outstanding as a result of stock issuances in connection with the equity incentive and dividend reinvestment programs.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our primary market risk exposure is the effect of changes in interest rates on the interest cost of draws on our revolving variable rate credit facility and the effect of changes in the fair value of our interest rate swap agreements. Interest rates are highly sensitive to many factors, including governmental monetary and tax policies, domestic and international economic and political considerations and other factors beyond our control.

We use interest rate swaps to limit interest rate risk on substantially all variable rate mortgages. These swaps are used for hedging purposes - not for speculation. We do not enter into interest rate swaps for trading purposes. At June 30, 2025, we had no liability in the event of the early termination of our swaps.

At June 30, 2025, we had four interest rate swap agreements outstanding. The fair market value of the interest rate swaps is dependent upon existing market interest rates and swap spreads, which change over time. As of June 30, 2025, if there had been an increase of 100 basis points in forward interest rates, the fair market value of the interest rate swaps and the net unrealized gain on derivative instruments would have increased by \$28,000. If there were a decrease of 100 basis points in forward interest rates, the fair market value of the interest rate swaps and the net unrealized gain on derivative instruments would have decreased by \$28,000. These changes would not have any impact on our net income or cash.

Our variable mortgage debt, after giving effect to the interest rate swap agreements, primarily bears interest at fixed rates and accordingly, the effect of changes in interest rates would not impact the interest expense we incur under these mortgages.

Our variable rate credit facility is sensitive to interest rate changes. Based on the \$6.8 million outstanding balance under this facility at June 30, 2025, a 100 basis point increase of the interest rate would increase our related interest costs over the next twelve months by approximately \$68,000 and a 100 basis point decrease of the interest rate would decrease our related interest costs over the next twelve months by approximately \$68,000.

The fair market value of our long-term debt is estimated based on discounting future cash flows at interest rates that our management believes reflect the risks associated with long-term debt of similar risk and duration.

Item 4. Controls and Procedures

Based on their evaluation as of the end of the period covered by this report, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures (as defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) are effective.

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) promulgated under the Exchange Act) during the three months ended June 30, 2025 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 5. Other Information

Disclosure of 10b5-1 Plans

None of our officers or directors had any contract, instruction, or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement” in effect at any time during the three months ended June 30, 2025.

Equity Incentive Program Activity

On June 27, 2025, we awarded an aggregate of 91,075 shares subject to restricted stock units (“RSUs”), and related dividend equivalent rights. Generally, the awards vest in 2028 subject to satisfaction of, among other things, market and performance conditions similar to the conditions applicable to the RSUs granted in 2024 and 2023.

On August 5, 2025, we determined that the performance and market conditions with respect to the vesting of 36,704 of the 85,350 RSUs awarded in 2022 had been met as of June 30, 2025, and authorized the issuance of 36,704 shares of common stock. We anticipate paying the holders of the RSUs an aggregate of approximately \$198,000 with respect to the dividend equivalent rights with respect to the vested shares.

Impact of the One Big Beautiful Bill Act on the Company and its Stockholders

The discussion under “Federal Income Tax Considerations” in our prospectus dated September 1, 2023, as the same may have been amended or supplemented from time-to-time (the “Prospectus”), is hereby modified to reflect legislation commonly referred to as the One Big Beautiful Bill Act. Capitalized terms used in this section without being defined herein shall have the meanings ascribed to them by the Prospectus.

Enactment of the One Big Beautiful Bill Act: On July 4, 2025, legislation commonly referred to as the One Big Beautiful Bill Act (the “OBBBA”) was enacted into law. Among other changes, the OBBBA included a number of changes to the Code that affect the U.S. federal income tax laws applicable to REITs and their security holders. The most significant of those changes are described below. Prospective investors should consult their tax advisors regarding the effects of the OBBBA on their investment.

REIT Asset Tests: The OBBBA increases the ownership limit applicable to TRSs for taxable years ending after December 31, 2025. For taxable years ending after December 31, 2017 through December 31, 2025, not more than 20% of the value of our total assets may be represented by securities of one or more TRSs. For taxable years ending after December 31, 2025, not more than 25% of the value of our total assets may be represented by securities of one or more TRSs.

Pass-Through Business Income Tax Rate Lowered through Deduction: The OBBBA permanently extends the provisions allowing individuals and some trusts and estates to deduct up to 20% of “qualified REIT dividends,” which are REIT dividends other than capital gain dividends, dividends designated as eligible for capital gain tax rates and certain other income items discussed under “Impact of the Tax Cuts and Jobs Act on the Company and its Stockholders-Pass-Through Business Income Tax Rate Lowered through Deduction.”

Limitations on Interest Deductibility: The OBBBA eases the limitation on the deduction for net interest expense discussed under “Impact of the Tax Cuts and Jobs Act on the Company and its Stockholders-Limitations on Interest Deductibility,” by modifying the definition of “adjusted taxable income” which is one of the limitations on the deduction. For taxable years beginning after December 21, 2025, adjusted taxable income will again be calculated before any deductions for depreciation, amortization, and depletion.

Revised Individual Tax Rates and Deductions: The OBBBA permanently extends the individual income tax changes discussed under “Impact of the Tax Cuts and Jobs Act on the Company and its Stockholders-Revised Individual Tax rates and Deduction.”

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The changes made by the OBBBA are complex and we cannot predict the long-term impact of the OBBBA, other new U.S. federal tax laws, and whether, when and how the OBBBA and other new U.S. federal tax laws will be affected by any administrative and judicial interpretations. Stockholders and prospective investors should consult their tax advisors regarding the effects of the OBBBA on their investment.

Item 6. Exhibits

Exhibit No.	Title of Exhibit
10.1*	Form of Performance Award Agreement for grants in 2025 pursuant to the 2025 Incentive Plan.
31.1	Certification of President and Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Senior Vice President and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of President and Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Senior Vice President and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial statements and notes from the One Liberty Properties, Inc. Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2025 filed on August 6, 2025, formatted in Inline XBRL: (i) Consolidated Balance Sheets; (ii) Consolidated Statements of Income; (iii) Consolidated Statements of Comprehensive Income; (iv) Consolidated Statements of Changes in Equity; (v) Consolidated Statements of Cash Flows; and (vi) Notes to the Consolidated Financial Statements.
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded in the Inline XBRL document and included in Exhibit 101).

* Indicates a management contract or compensatory plan or arrangement.

ONE LIBERTY PROPERTIES, INC.
SIGNATURES

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

ONE LIBERTY PROPERTIES, INC.
(Registrant)

Date: August 6, 2025

/s/ Patrick J. Callan, Jr.
Patrick J. Callan, Jr.
President and Chief Executive Officer
(principal executive officer)

Date: August 6, 2025

/s/ Isaac Kalish
Isaac Kalish
Senior Vice President and
Chief Financial Officer
(principal financial officer)

**PERFORMANCE AWARDS AGREEMENT
ONE LIBERTY PROPERTIES, INC.**

Name of Participant:

Number of ROC Units:

Number of TSR Units:

Grant Date: June 27, 2025

THIS PERFORMANCE AWARD AGREEMENT (the “Agreement”) is entered into as of the grant date (the “Grant Date”) set forth above, between One Liberty Properties, Inc., a Maryland corporation (“Company”), and the participant identified above (the “Participant”).

WHEREAS, the stockholders of the Company have adopted the One Liberty Properties, Inc. 2025 Incentive Plan (the “Plan”); and

WHEREAS, the Compensation Committee of the Board of Directors (“Committee”) of the Company has granted, pursuant to the Plan, (i) Performance Awards in the form of restricted stock units (“Units”) to the Participant pursuant to which shares of the Company’s common stock underlying the Units are issuable upon the attainment by the Company during the Performance Cycle of the Performance Criteria established by the Committee as set forth in Exhibit A hereto and (ii) cash settled dividend equivalent rights which are granted in tandem with the Units, all as further set forth herein;

NOW THEREFORE, the parties hereby agree as follows:

1. **Incorporation of the Plan.** All provisions of this Agreement and the rights of Participant hereunder are subject in all respects to the provisions of the Plan and the powers of the Committee therein provided. Capitalized terms used in this Agreement but not defined herein shall have the meaning set forth in the Plan. The Participant acknowledges: (a) receipt of the Plan, the Prospectus dated June 10, 2025 (the “Prospectus”), the Prospectus Supplement dated the Grant Date (the “Supplement”) and the Clawback Policy (as defined in Section 9 of this Agreement); and (b) that it has had the opportunity to request from the Company and review the documents incorporated by reference in the Prospectus.

2. Grant Date. Pursuant to the Plan, the Company, effective as of the Grant Date, grants the Units to the Participant, subject to the terms and conditions of the Plan and those set forth herein.

3. Forfeiture. Upon a termination, prior to June 30, 2028, of the Participant's status as a Participant (as defined in the Plan) for any reason other than a DDR Event (as defined herein) or Change in Control, all Units that have not vested shall immediately terminate and be forfeited without consideration.

4. Issuance of Shares. As soon as practicable after the Units become vested and non-forfeitable, but in no event later than March 15 following the calendar year of vesting, the Participant shall receive one share (the "Share" or "Shares") of Company common stock for each vested Unit. In the event that a fraction of a Share would be issued, the number of Shares to be issued shall be rounded to the nearest whole share. Any delivery of Shares under this Agreement may be made by delivery of a share certificate or by means of a credit of Shares in book entry form.

5. Vesting. The Units awarded to the Participant, except as otherwise provided herein, become vested and non-forfeitable to the extent, but only to the extent, that the Committee determines that the applicable Performance Criteria set forth in Exhibit A have been satisfied at the end of the Performance Cycle (the "Vesting Date"). Notwithstanding the forfeiture provision of Section 3 of this Agreement, the interest of the Participant in the Units vest as follows:

- (a) a *pro rata* number of Units upon termination of the Participant's relationship with the Company due to death, Disability or Retirement (collectively a "DDR Event") during the Performance Cycle, but only with respect to Units that would otherwise have vested at the end of the Performance Cycle. For the purposes of this Section 5(a), the *pro rata* number of Units that vest equals the product obtained by multiplying the total number of Units awarded pursuant to this Agreement that would have vested based on performance by a fraction, the numerator of which is the number of days commencing July 1, 2025 and ending on the date of the DDR Event, and the denominator of which is the total number of days in the Performance Cycle.
 - (b) all of the Units vest upon a Change in Control if the effective date thereof is after December 31, 2026. If the effective date of the Change in Control occurs prior to or on December 31, 2026, a *pro rata* number of Units vest upon such Change in Control (unless the Committee, in its discretion, determines to vest all Units upon Change in Control without proration). For the purposes of this Section 5(b), the *pro rata* number of Units that vest equals the product obtained by multiplying the total number of Units awarded pursuant to this Agreement by a fraction, the numerator of which is the number of days commencing on July 1, 2025 and ending on the effective date
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of the Change in Control, and the denominator of which is the total number of days in the period commencing July 1, 2025 and ending December 31, 2026.

- (c) if a Participant's relationship with the Company terminates due to a DDR Event and subsequent thereto (but prior to June 30, 2026) there is a Change in Control, then notwithstanding anything to the contrary herein, the number of Units which vest and the number of Shares issuable to the Participant, the Participant's guardian, personal representative or estate, as the case may be, equals the product obtained by multiplying the total number of Units subject to this Agreement by a fraction, the numerator of which is the number of days commencing July 1, 2025 and ending on the date of the DDR Event, and the denominator of which is the total number of days in the period commencing July 1, 2025 and ending on the effective date of the Change in Control.

6. Restrictions on Transfer. The Units awarded pursuant to this Agreement may not be sold, pledged or otherwise transferred and may not be subject to lien, garnishment, attachment or other legal process.

7. Rights as a Stockholder; Dividend Equivalents.

- (a) The Participant does not have any rights of a stockholder with respect to the Shares underlying the Units unless and until the Units vest and are settled in Shares.
- (b) The Participant shall not be entitled to receive any dividend equivalent payments with respect to the Shares underlying the Units unless and until such Units vest. Within 60 days following the date on which the Units vest, the Company will pay the Participant in respect of each Unit that has vested, an amount equal to the aggregate amount of cash dividends that would have been paid in respect of the Shares underlying such earned Units had such Shares been issued and outstanding on the first day of the Performance Cycle through the date immediately preceding the settlement of the underlying shares on or after the vesting of such RSUs.

8. Taxes. Participant is liable for any and all taxes, including withholding taxes, arising out of this grant, the vesting of Units, the payments contemplated by Section 7(b) of this Agreement and the issuance of Shares hereunder.

9. Claw-back. Participant acknowledges and agrees that this award is subject to the applicable provisions of any claw-back or similar policy implemented by the Company, whether implemented prior to or after the grant of this award, including without limitation the Company's clawback policy effective as of October 2, 2023, as amended from time-to-time (all of the foregoing referred to as the "Clawback Policy").

10. Miscellaneous

- (a) Neither this Agreement nor the granting or vesting of Units confers upon the Participant any right to continue as a Participant, nor does it interfere in any way with the right of the Company or an affiliate to terminate Participant's status as a Participant at any time.
 - (b) The parties agree to execute such further documents and instruments and to take such action as may reasonably be necessary to carry out the intent of this Agreement.
 - (c) This Award is governed by the laws of the State of Maryland (without regard to its choice of law principles) and applicable Federal law.
 - (d) Subject to the terms of the Plan, the Committee has the right to amend this Agreement, prospectively or retroactively; provided that no such amendment or alteration shall adversely affect Participant's material rights under this Agreement without Participant's consent and pursuant to a writing executed by the parties hereto which specifically states that it is amending this Agreement.
 - (e) This Agreement, the Plan and the Clawback Policy constitute the entire contract between the parties hereto with regard to the subject matter hereof and supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) that relate to the subject matter hereof.
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This Agreement has been executed and delivered by the parties as of the date hereof.

ONE LIBERTY PROPERTIES, INC.

By: _____

Isaac Kalish, Chief Financial Officer

Signature of Participant

Name of Participant

CERTIFICATION

I, Patrick J. Callan, Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2025 of One Liberty Properties, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2025

/s/ Patrick J. Callan, Jr.

Patrick J. Callan, Jr.

President and Chief Executive Officer

CERTIFICATION

I, Isaac Kalish, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2025 of One Liberty Properties, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2025

/s/ Isaac Kalish

Isaac Kalish

Senior Vice President and Chief Financial Officer

CERTIFICATION OF PRESIDENT AND CHIEF EXECUTIVE OFFICER

PURSUANT TO 18 U.S.C. 1350
(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)

I, Patrick J. Callan, Jr., do hereby certify, pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that based upon a review of the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2025 of One Liberty Properties, Inc. ("the Registrant"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"):

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: August 6, 2025

/s/ Patrick J. Callan, Jr.

Patrick J. Callan, Jr.
President and
Chief Executive Officer

The foregoing certification is being furnished pursuant to 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and it is not to be incorporated by reference into any filing of the Company, regardless of any general incorporation language in such filing.

CERTIFICATION OF SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

PURSUANT TO 18 U.S.C. 1350
(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)

I, Isaac Kalish, do hereby certify, pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that based upon a review of the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2025 of One Liberty Properties, Inc. ("the Registrant"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"):

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: August 6, 2025

/s/ Isaac Kalish
Isaac Kalish
Senior Vice President and
Chief Financial Officer

The foregoing certification is being furnished pursuant to 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and it is not to be incorporated by reference into any filing of the Company, regardless of any general incorporation language in such filing.
