

REFINITIV

DELTA REPORT

10-Q

OLP - ONE LIBERTY PROPERTIES IN

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS 1193

■ CHANGES	196
■ DELETIONS	331
■ ADDITIONS	666

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 **March 31, 2024** **June 30, 2024**

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). Yes No

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 **May 1, 2024** **August 1, 2024**, the registrant had **21,320,443** **21,340,344** shares of common stock outstanding.

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One Liberty Properties, Inc. and Subsidiaries

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

	March 31,		December 31,	
	2024	(Unaudited)	2023	2024
ASSETS			(Unaudited)	2023
Real estate investments, at cost				
Land	\$ 172,135	\$ 172,309	\$ 170,023	\$ 172,309
Buildings and improvements	692,489	692,346	686,636	692,346
Total real estate investments, at cost	864,624	864,655	856,659	864,655
Less accumulated depreciation	187,346	182,705	185,228	182,705
Real estate investments, net	677,278	681,950	671,431	681,950
Investment in unconsolidated joint ventures	2,104	2,051	2,148	2,051
Cash and cash equivalents	27,373	26,430	35,020	26,430
Unbilled rent receivable	16,872	16,661	16,847	16,661
Unamortized intangible lease assets, net	13,650	14,681	13,292	14,681
Escrow, deposits and other assets and receivables	18,392	19,833	20,492	19,833
Total assets(1)	\$ 755,669	\$ 761,606	\$ 759,230	\$ 761,606
LIABILITIES AND EQUITY				
Liabilities:				
Mortgages payable, net (see Note 7)	\$ 416,539	\$ 418,347		
Mortgages payable, net (see Note 8)			\$ 415,470	\$ 418,347
Line of credit	—	—	—	—
Dividends payable	10,092	9,916	10,062	9,916
Accrued expenses and other liabilities	13,309	15,502	14,200	15,502
Unamortized intangible lease liabilities, net	9,679	10,096	11,065	10,096
Total liabilities(1)	449,619	453,861	450,797	453,861
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; 20,526 and 20,323 shares issued and outstanding	20,526	20,323		

Common stock, \$1 par value; 50,000 shares authorized; 20,593 and 20,323 shares issued and outstanding			20,593	20,323
Paid-in capital	328,883	326,379	331,446	326,379
Accumulated other comprehensive income	755	844	567	844
Distributions in excess of net income	(45,330)	(40,843)	(45,311)	(40,843)
Total One Liberty Properties, Inc. stockholders' equity	304,834	306,703	307,295	306,703
Non-controlling interests in consolidated joint ventures ⁽¹⁾	1,216	1,042	1,138	1,042
Total equity	306,050	307,745	308,433	307,745
Total liabilities and equity	\$ 755,669	\$ 761,606	\$ 759,230	\$ 761,606

(1) The Company's consolidated balance sheets include assets and liabilities of consolidated variable interest entities ("VIEs"). See Note 5.6. The consolidated balance sheets include the following amounts related to the Company's consolidated VIEs: \$9,743 \$9,198 and \$9,917 of land, \$16,952 \$15,778 and \$17,475 of building and improvements, net of \$6,383 \$6,091 and \$6,380 of accumulated depreciation, \$3,038 \$2,599 and \$3,158 of other assets included in other line items, \$13,731 \$13,579 and \$16,660 of real estate debt, net, \$1,084 \$769 and \$1,130 of other liabilities included in other line items and \$1,216 \$1,138 and \$1,042 of non-controlling interests as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively.

See accompanying notes to consolidated financial statements.

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

	Three Months Ended	
	March 31,	
	2024	2023
Revenues:		
Rental income, net	\$ 22,446	\$ 22,952
Lease termination fee	250	—
Total revenues	22,696	22,952
Operating expenses:		
Depreciation and amortization	6,021	6,145
General and administrative (see Note 8 for related party information)	3,923	4,039
Real estate expenses (see Note 8 for related party information)	4,470	4,124
State taxes	63	68
Total operating expenses	14,477	14,376
Other operating income		
Gain on sale of real estate, net	1,784	1,534

Operating income	10,003	10,110
Other income and expenses:		
Equity in earnings of unconsolidated joint ventures	53	85
Other income	267	15
Interest:		
Expense	(4,717)	(4,600)
Amortization and write-off of deferred financing costs	(226)	(202)
Net income	5,380	5,408
Net income attributable to non-controlling interests	(225)	(22)
Net income attributable to One Liberty Properties, Inc.	\$ 5,155	\$ 5,386
Weighted average number of common shares outstanding:		
Basic	20,509	20,514
Diluted	20,579	20,579
Per common share attributable to common stockholders:		
Basic	\$.24	\$.25
Diluted	\$.23	\$.25
Cash distributions per share of common stock	\$.45	\$.45

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Revenues:				
Rental income, net	\$ 21,800	\$ 22,407	\$ 44,246	\$ 45,359
Lease termination fee	—	—	250	—
Total revenues	21,800	22,407	44,496	45,359
Operating expenses:				
Depreciation and amortization	5,965	6,114	11,986	12,259
General and administrative (see Note 9 for related party information)	3,776	4,165	7,699	8,204
Real estate expenses (see Note 9 for related party information)	3,976	3,954	8,446	8,078
Impairment loss	1,086	—	1,086	—
State taxes	47	88	110	156
Total operating expenses	14,850	14,321	29,327	28,697
Other operating income				
Gain on sale of real estate, net	7,448	3,180	9,232	4,714
Operating income	14,398	11,266	24,401	21,376
Other income and expenses:				
Equity in earnings of unconsolidated joint ventures	43	60	96	145
Other income	276	28	543	43
Interest:				
Expense	(4,750)	(4,610)	(9,467)	(9,210)
Amortization and write-off of deferred financing costs	(290)	(205)	(516)	(407)
Net income	9,677	6,539	15,057	11,947

Net income attributable to non-controlling interests	(124)	(20)	(349)	(42)
Net income attributable to One Liberty Properties, Inc.	\$ 9,553	\$ 6,519	\$ 14,708	\$ 11,905
Weighted average number of common shares outstanding:				
Basic	20,590	20,571	20,550	20,544
Diluted	20,683	20,642	20,632	20,612
Per common share attributable to common stockholders:				
Basic and Diluted	\$.45	\$.30	\$.68	\$.55
Cash distributions per share of common stock	\$.45	\$.45	\$.90	\$.90

See accompanying notes to consolidated financial statements.

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

	Three Months Ended	
	March 31,	
	2024	2023
Net income	\$ 5,380	\$ 5,408
Other comprehensive income		
Net unrealized loss on derivative instruments	(89)	(409)
Comprehensive income	5,291	4,999
Net income attributable to non-controlling interests	(225)	(22)
Comprehensive income attributable to One Liberty Properties, Inc.	<u>\$ 5,066</u>	<u>\$ 4,977</u>

	Three Months Ended	Six Months Ended
	June 30,	June 30,

	2024	2023	2024	2023
	\$ 9,677	\$ 6,539	\$ 15,057	\$ 11,947
Net income				
Other comprehensive income				
Net unrealized (loss) gain on derivative instruments	(188)	141	(277)	(268)
Comprehensive income	9,489	6,680	14,780	11,679
Net income attributable to non-controlling interests	(124)	(20)	(349)	(42)
Adjustment for derivative instruments attributable to non-controlling interests	—	1	—	1
Comprehensive income attributable to One Liberty Properties, Inc.	\$ 9,365	\$ 6,661	\$ 14,431	\$ 11,638

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)

			Accumulated		Accumulated		Non-Controlling	
			Other		Distributions		Interests in	
	Common	Paid-in	Comprehensive	in Excess of	Net Income	Consolidated	Joint Ventures	Total
Balances, December 31, 2023	\$ 20,323	\$ 326,379	\$ 844	\$ (40,843)	\$ 1,042	\$ 307,745		
Distributions – common stock								
Cash – \$.45 per share	—	—	—	(9,642)	—	(9,642)		
Shares issued through dividend reinvestment plan	66	1,369	—	—	—	—	1,435	
Restricted stock vesting	137	(137)	—	—	—	—	—	—
Compensation expense — restricted stock and RSUs	—	1,272	—	—	—	—	1,272	
Contribution from non-controlling interest	—	—	—	—	—	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		

			Accumulated		Accumulated		Non-Controlling	
			Other		Distributions		Interests in	
	Common	Paid-in	Comprehensive	in Excess of	Net Income	Consolidated	Joint Ventures	Total
Balances, December 31, 2023	\$ 20,323	\$ 326,379	\$ 844	\$ (40,843)	\$ 1,042	\$ 307,745		
Distributions – common stock								
Cash – \$.45 per share	—	—	—	(9,642)	—	(9,642)		
Shares issued through dividend reinvestment plan	66	1,369	—	—	—	—	1,435	
Restricted stock vesting	137	(137)	—	—	—	—	—	—
Compensation expense — restricted stock and RSUs	—	1,272	—	—	—	—	1,272	
Contribution from non-controlling interest	—	—	—	—	—	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		
Distributions – common stock								
Cash – \$.45 per share	—	—	—	(9,534)	—	(9,534)		
Shares issued through dividend reinvestment plan	67	1,396	—	—	—	—	1,463	
Compensation expense — restricted stock and RSUs	—	1,167	—	—	—	—	1,167	
Distributions to non-controlling interests	—	—	—	—	—	(202)	(202)	
Net income	—	—	—	9,553	124	9,677		
Other comprehensive loss	—	—	(188)	—	—	—	(188)	
Balances, June 30, 2024	\$ 20,593	\$ 331,446	\$ 567	\$ (45,311)	\$ 1,138	\$ 308,433		

Balances, December 31, 2022	\$ 20,362	\$ 325,895	\$ 1,810	\$ (32,102)	\$ 972	\$ 316,937	
Distributions – common stock							
Cash – \$.45 per share	—	—	—	(9,628)	—	(9,628)	
Shares issued through dividend reinvestment plan	49	1,025	—	—	—	—	1,074
Restricted stock vesting	135	(135)	—	—	—	—	—
Compensation expense – restricted stock and RSUs	—	1,328	—	—	—	—	1,328
Distributions to non-controlling interests	—	—	—	—	(9)	(9)	
Net income	—	—	—	5,386	22	5,408	

Other comprehensive loss	—	—	(409)	—	—	(409)
Balances, March 31, 2023	\$ 20,546	\$ 328,113	\$ 1,401	\$ (36,344)	\$ 985	\$ 314,701

Balances, December 31, 2022	\$ 20,362	\$ 325,895	\$ 1,810	\$ (32,102)	\$ 972	\$ 316,937
Distributions – common stock						
Cash – \$.45 per share	—	—	—	(9,628)	—	(9,628)
Shares issued through dividend reinvestment plan	49	1,025	—	—	—	1,074
Restricted stock vesting	135	(135)	—	—	—	—
Compensation expense – restricted stock and RSUs	—	1,328	—	—	—	1,328
Distributions to non-controlling interests	—	—	—	—	(9)	(9)
Net income	—	—	—	5,386	22	5,408
Other comprehensive loss	—	—	(409)	—	—	(409)
Balances, March 31, 2023	20,546	328,113	1,401	(36,344)	985	314,701
Distributions – common stock						
Cash – \$.45 per share	—	—	—	(9,626)	—	(9,626)
Shares issued through dividend reinvestment plan	50	1,048	—	—	—	1,098
Repurchases of common stock – net	(73)	(1,382)	—	—	—	(1,455)
Restricted stock vesting	17	(17)	—	—	—	—
Compensation expense – restricted stock and RSUs	—	1,564	—	—	—	1,564
Distributions to non-controlling interests	—	—	—	—	(7)	(7)
Net income	—	—	—	6,519	20	6,539
Other comprehensive income (loss)	—	—	142	—	(1)	141
Balances, June 30, 2023	\$ 20,540	\$ 329,326	\$ 1,543	\$ (39,451)	\$ 997	\$ 312,955

See accompanying notes to consolidated financial statements.

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ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

(Unaudited) (Continued on Next Page)

	Three Months Ended	
	March 31,	
	2024	2023
Cash flows from operating activities:		
Net income	\$ 5,380	\$ 5,408
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on sale of real estate, net	(1,784)	(1,534)
Increase in net amortization of unbilled rental income	(283)	(669)
Amortization and write-off of intangibles relating to leases, net	(378)	(224)
Amortization of restricted stock and RSU compensation expense	1,272	1,328
Equity in earnings of unconsolidated joint ventures	(53)	(85)
Depreciation and amortization	6,021	6,145
Amortization and write-off of deferred financing costs	226	202
Payment of leasing commissions	(4)	(179)
Decrease in escrow, deposits, other assets and receivables	740	5,571
Decrease in accrued expenses and other liabilities	(2,230)	(1,251)
Net cash provided by operating activities	<u>8,907</u>	<u>14,712</u>
Cash flows from investing activities:		
Net proceeds from sale of real estate	2,670	4,076
Improvements to real estate	(844)	(725)
Investments in ground leased property	—	(447)
Net cash provided by investing activities	<u>1,826</u>	<u>2,904</u>
Cash flows from financing activities:		
Scheduled amortization payments of mortgages payable	(3,046)	(3,078)
Repayments of mortgages payable	(26,527)	—
Proceeds from mortgage financings	28,000	4,800
Proceeds from bank line of credit	—	8,400
Repayments on bank line of credit	—	(18,700)
Issuance of shares through dividend reinvestment plan	1,435	1,074
Payment of financing costs	(449)	(118)
Capital contribution from non-controlling interest	43	—
Distributions to non-controlling interests	(94)	(9)
Cash distributions to common stockholders	(9,466)	(9,483)
Net cash used in financing activities	<u>(10,104)</u>	<u>(17,114)</u>
Net increase in cash, cash equivalents and restricted cash	629	502
Cash, cash equivalents and restricted cash at beginning of year	29,592	7,277
Cash, cash equivalents and restricted cash at end of period	<u>\$ 30,221</u>	<u>\$ 7,779</u>
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest expense	\$ 4,741	\$ 4,630
Six Months Ended		
June 30,		

	2024	2023
Cash flows from operating activities:		
Net income	\$ 15,057	\$ 11,947
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on sale of real estate, net	(9,232)	(4,714)
Impairment loss	1,086	—
Increase in net amortization of unbilled rental income	(504)	(1,199)
Write-off of unbilled rent receivable	—	133
Amortization and write-off of intangibles relating to leases, net	(665)	(454)
Amortization of restricted stock and RSU compensation expense	2,439	2,892
Equity in earnings of unconsolidated joint ventures	(96)	(145)
Distributions of earnings from unconsolidated joint venture	—	23
Depreciation and amortization	11,986	12,259
Amortization and write-off of deferred financing costs	516	407
Payment of leasing commissions	(173)	(179)
(Increase) decrease in escrow, deposits, other assets and receivables	(961)	5,015
Decrease in accrued expenses and other liabilities	(1,931)	(1,055)
Net cash provided by operating activities	<u>17,522</u>	<u>24,930</u>
Cash flows from investing activities:		
Net proceeds from sale of real estate	24,485	10,069
Purchase of real estate	(11,798)	—
Improvements to real estate	(1,493)	(2,863)
Investments in ground leased property	(44)	(668)
Net cash provided by investing activities	<u>11,150</u>	<u>6,538</u>
Cash flows from financing activities:		
Scheduled amortization payments of mortgages payable	(6,074)	(6,174)
Repayments of mortgages payable	(30,939)	(6,735)
Proceeds from mortgage financings	34,213	23,450
Proceeds from bank line of credit	—	16,900
Repayments on bank line of credit	—	(36,200)
Issuance of shares through dividend reinvestment plan	2,898	2,172
Repurchases of common stock, net	—	(1,455)
Payment of financing costs	(570)	(370)
Capital contribution from non-controlling interest	43	—
Distributions to non-controlling interests	(296)	(16)
Cash distributions to common stockholders	(19,030)	(19,056)
Net cash used in financing activities	<u>(19,755)</u>	<u>(27,484)</u>
Net increase in cash, cash equivalents and restricted cash	8,917	3,984
Cash, cash equivalents and restricted cash at beginning of year	29,592	7,277
Cash, cash equivalents and restricted cash at end of period	<u>\$ 38,509</u>	<u>\$ 11,261</u>
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest expense	\$ 9,463	\$ 9,258
Supplemental disclosure of non-cash investing activity:		
Purchase accounting allocation - intangible lease assets	1,214	—
Purchase accounting allocation - intangible lease liabilities	(1,855)	—

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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:

	Three Months Ended			
	March 31,		June 30,	
	2024	2023	2024	2023
Cash and cash equivalents	\$ 27,373	\$ 7,016	\$ 35,020	\$ 8,079
Restricted cash included in escrow, deposits and other assets and receivables	2,848	763	3,489	3,182
Total cash, cash equivalents and restricted cash shown in the consolidated statements of cash flows	\$ 30,221	\$ 7,779	\$ 38,509	\$ 11,261

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.

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ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
MARCH 31, JUNE 30, 2024

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 and, to a lesser extent, retail properties, many of which are subject to long-term net leases. As of **March 31, 2024** **June 30, 2024**, OLP owns **110** **106** properties, including **three** **two** properties owned by consolidated joint ventures and two properties owned by unconsolidated joint ventures. The **110** **106** properties are located in 31 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 **March 31, 2024** **June 30, 2024** and 2023 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, 2023.

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 respective 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, **and** 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.

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ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
MARCH 31, JUNE 30, 2024 (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. None of the joint venture debt is recourse to the Company, subject to standard carve-outs.

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 months and six months ended March 31, 2024 June 30, 2024 and 2023, 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.

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ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
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NOTE 3 – LEASES

Lessor Accounting

The Company owns rental properties which are leased to tenants under operating leases with current expirations ranging from 2024 to 2055, 2042, 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		Three Months Ended		Six Months Ended	
	March 31,		June 30,		June 30,	
	2024	2023	2024	2023	2024	2023
Fixed lease revenues	\$ 18,272	\$ 19,358	\$ 18,319	\$ 18,929	\$ 36,591	\$ 38,287
Variable lease revenues	3,796	3,370	3,194	3,248	6,990	6,618
Lease revenues (a)	\$ 22,068	\$ 22,728	\$ 21,513	\$ 22,177	\$ 43,581	\$ 44,905

(a) Excludes \$378 and \$224 of amortization related to lease intangible assets and liabilities of \$287 and \$665 for the three and six months ended March 31, 2024 June 30, 2024, respectively, and 2023, \$230 and \$454 for the three and six months ended June 30, 2023, 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 reviewing the tenant's payment history or financial condition. Changes to collectability are recognized as a current period adjustment to rental revenue. As of March 31, 2024 June 30, 2024, the Company has assessed the collectability of all recorded lease revenues as probable.

Minimum Future Rents

As of **March 31, 2024** **June 30, 2024**, 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 April 1 – December 31, 2024	\$	53,150
From July 1 – December 31, 2024		\$ 35,547
For the year ending December 31,		
2025	66,344	69,639
2026	62,269	65,547
2027	52,627	55,773
2028	41,328	44,821
2029	32,078	34,506
Thereafter	94,798	114,006
Total	\$ 402,594	\$419,839

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ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
MARCH 31, JUNE 30, 2024 (CONTINUED)

NOTE 3 – LEASES (CONTINUED)

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, 2025 and provides for up to four, five-year renewal options and one seven-month renewal option. As of **March 31, 2024** **June 30, 2024**, the remaining lease term, including a five-year renewal option deemed exercised, is **5.9** **5.7** years. The Company recognized lease expense related to this ground lease of \$122,000 and **\$150,000** **\$244,000** for the three and six months ended **March 31, 2024** **June 30, 2024**, respectively, and **2023**, **\$150,000** and **\$300,000** for the three and six months ended **June 30, 2023**, 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 on December 31, 2031 and provides for a five-year renewal option. As of **March 31, 2024** **June 30, 2024**, the remaining lease term, including the renewal option deemed exercised, is **12.8** **12.5** years. The Company recognized lease expense related to this office lease of \$14,000 **in each of** and **\$28,000 for both** the three and six months ended **March 31, 2024** **June 30, 2024** and 2023, respectively, which is included in General and administrative expenses on the consolidated statements of income.

Minimum Future Lease Payments

As of **March 31, 2024** **June 30, 2024**, the minimum future lease payments related to these operating leases are as follows (amounts in thousands):

From April 1 – December 31, 2024	\$	430
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From July 1 – December 31, 2024		\$ 303
For the year ending December 31,		
2025	626	626
2026	627	627
2027	629	629
2028	630	630
2029	692	692
Thereafter	537	537
Total undiscounted cash flows	\$ 4,171	\$4,044
Present value discount	(893)	(851)
Lease liability	\$ 3,278	\$3,193

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

Lease termination fee

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 4) 5).

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ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
MARCH 31, JUNE 30, 2024 (CONTINUED)

NOTE 4 – SALES OF PROPERTIES REAL ESTATE ACQUISITIONS

On March 6, 2024, a consolidated joint venture, in which the Company holds a 90% interest, sold a restaurant parcel at its multi-tenant shopping center in Lakewood, Colorado for \$2,670,000, net of closing costs. The sale resulted in a gain of \$1,784,000 which was recorded as Gain on sale of real estate, net, in the consolidated statement of income for the three months ended March 31, 2024. In connection with this sale, the joint venture (i) wrote-off \$50,000 of unbilled rent receivable and \$68,000 of other assets as an adjustment to Gain on sale of real estate, net and (ii) paid down \$1,885,000 of the mortgage on this property. The non-controlling interest's share of the gain was \$178,000.

On February 28, 2023, the Company sold a restaurant property located in Hauppauge, New York for \$4,076,000, net of closing costs. The sale resulted in a gain of \$1,534,000 which was recorded as Gain on sale of real estate, net, in the consolidated statement of income for the three months ended March 31, 2023. In connection with the sale, the Company wrote-off \$128,000 of other assets and receivables as an adjustment to Gain on sale of real estate, net.

subsequent

The following tables detail the Company's real estate acquisitions and purchase price allocations during the six months ended June 30, 2024 (amounts in thousands). The Company determined that with respect to March 31, 2024 these acquisitions, the gross assets acquired are concentrated in a single identifiable asset. Therefore, these transactions do not meet the definition of a business and are accounted for as asset acquisitions. As such, direct transaction costs associated with these asset acquisitions have been capitalized to real estate assets and depreciated over the respective useful lives.

Description of Industrial Property	Date Acquired	Contract		Terms of Payment	Capitalized Transaction Costs
		Purchase Price			
Quality Custom Distribution Services, Inc.					
Albuquerque, New Mexico	April 24, 2024	\$ 6,450	All cash (a)	\$ 55	
Russell Equipment, Inc.					
Savannah, GA	May 23, 2024	5,240	All cash (b)		53
Totals for the six months ended June 30, 2024		\$ 11,690		\$ 108	

During the quarter ended March 31, 2024, the Company entered into contracts to sell the following properties (amounts in thousands):

Description of Property	City, State	Date (a)	Estimated Gain on Sale of Real		
			Held-for-sale	Date Sold/	Gross
Applebee's restaurant property	Kennesaw, Georgia	April 5, 2024	May 6, 2024	\$ 2,834	\$ 1,000
Vacant retail property (c)	Kennesaw, Georgia	April 16, 2024	June 28, 2024	6,700	1,900
FedEx industrial property	Miamisburg, Ohio	April 17, 2024	May 8, 2024	2,793	1,500
Havertys retail property	Wichita, Kansas	April 21, 2024	June 6, 2024	6,600	2,000

Description of Industrial Property	Land	Improvements	Building & Intangible Lease		Market Cap	Discount
			Asset	Liability		
Quality Custom Distribution Services, Inc.						
Albuquerque, New Mexico	\$ 1,341	\$ 6,330	\$ 689	\$ (1,855)	\$ 6,505	6.75% 7.14%
Russell Equipment, Inc.						
Savannah, GA	1,044	3,724	525	—	5,293	7.00% 7.15%
Totals for the six months ended June 30, 2024	\$ 2,385	\$ 10,054	\$ 1,214	\$ (1,855)	\$ 11,798	

- (a) The Subsequent to the acquisition of the Albuquerque, New Mexico property, the Company has determined the held-for-sale criteria has been met as the buyers' right to terminate the contracts without penalty expired on these dates. obtained new mortgage debt of \$3,401 bearing an interest rate of 6.00% and maturing in 2032.
- (b) Such gain will be recognized as Gain on sale Subsequent to the acquisition of real estate, net, the Savannah, Georgia property, the Company obtained new mortgage debt of \$2,812 bearing an interest rate of 6.00% and maturing in the consolidated statements of income for the three and six months ending June 30, 2024. 2035.
- (c) In connection with this sale, The fair value of the Company intends to payoff the mortgage on this tangible and intangible assets of each property which had a balance of \$4,434 was assessed as of March 31, 2024 the acquisition date using an income approach and estimated cash flow projections which utilize an appropriate market capitalization rate and discount rate categorized as Level 3 unobservable inputs in the fair value hierarchy (as defined in Note 12).

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ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
JUNE 30, 2024 (CONTINUED)

NOTE 5—SALES OF PROPERTIES AND IMPAIRMENT LOSS

Sales of Properties

The following table details the Company's sales of real estate during the six months ended June 30, 2024 and 2023 (amounts in thousands):

Description of Property	City, State	Date Sold	Gross		Gain on Sale of Real Estate, Net
			Sales Price	Real Estate, Net	
Hacienda Colorado restaurant parcel (a)	Lakewood, Colorado	March 6, 2024	\$ 2,900	\$ 1,784	(a)
Applebee's restaurant property	Kennesaw, Georgia	May 6, 2024	2,834	964	
FedEx industrial property	Miamisburg, Ohio	May 9, 2024	2,793	1,507	
Haverty's 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 (b)	Cape Girardeau, Missouri	June 10, 2024	2,793	978	(b)
Vacant retail property (c)	Kennesaw, Georgia	June 28, 2024	6,700	2,072	
Totals for the six months ended June 30, 2024			\$ 25,920	\$ 9,232	(d)
Description of Property	City, State	Date Sold	Gross		Gain on Sale of Real Estate, Net
			Sales Price	Real Estate, Net	
TGI Fridays restaurant property	Hauppauge, New York	February 28, 2023	\$ 4,200	\$ 1,534	
Haverty's retail property	Duluth, Georgia	May 31, 2023	6,000	3,180	
Totals for the six months ended June 30, 2023			\$ 10,200	\$ 4,714	(e)

- (a) A consolidated joint venture, in which the Company holds a 90% interest, sold a restaurant parcel which was part of a 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.
- (b) 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.
- (c) In connection with this sale, the Company paid off the \$4,412 mortgage on this property.
- (d) 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.
- (e) As a result of these sales, the Company wrote-off, as a reduction to Gain on sale of real estate, net, an aggregate of \$190 of other assets and receivables and \$32 of unearned rental income.

Sales Contracts subsequent to June 30, 2024

On July 1, 2024, the Company entered into a contract to sell its vacant industrial property in Wauconda, Illinois for \$4,500,000. The sale is subject to the buyer's right to terminate, which expires on August 7, 2024. The Company anticipates this property will be sold during the three months ending September 30, 2024.

Impairment Loss

On July 11, 2024, the Company entered into a contract to sell its health and fitness property in Hamilton, Ohio for \$4,350,000. The sale is subject to the buyer's right to terminate, which expires on August 10, 2024. This property was formerly tenanted by LA Fitness whose lease

expired in May 2024. As a result of the contract, the Company re-measured the property's net book value to its fair value (as discussed in Note 12) and recognized a \$1,086,000 impairment loss on the consolidated statements of income for the three and six months ended June 30, 2024. The adjusted net book value of the property was \$4,161,000 at June 30, 2024. The Company anticipates this property will be sold during the three months ending September 30, 2024.

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ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
JUNE 30, 2024 (CONTINUED)

NOTE 6 – VARIABLE INTEREST ENTITIES, CONTINGENT LIABILITY AND 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 between a 90% to 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,		December 31,	
	2024 (a)		2023	
Land	\$ 9,198		\$ 9,917	
Buildings and improvements, net of accumulated depreciation of \$6,091 and \$6,380, respectively	15,778		17,475	
Cash	721		1,059	
Unbilled rent receivable	895		938	
Unamortized intangible lease assets, net	126		412	
Escrow, deposits and other assets and receivables	857		749	
Mortgages payable, net of unamortized deferred financing costs of \$90 and \$109, respectively	13,579		16,660	
Accrued expenses and other liabilities	544		745	
Unamortized intangible lease liabilities, net	225		385	
Accumulated other comprehensive income	—		2	
Non-controlling interests in consolidated joint ventures	1,138		1,042	

(a) During the six months ended June 30, 2024, the Company and its joint venture partners sold a restaurant parcel at its multi-tenant shopping center in Lakewood, Colorado and a retail property in Cape Girardeau, Missouri. In connection with the sale of the restaurant parcel, the joint venture paid down the mortgage on its property by \$1,885 (see Note 5).

As of June 30, 2024, MCB Real Estate, LLC and its affiliates ("MCB") are the Company's joint venture partner in a consolidated joint venture in which the Company has an aggregate equity investment of approximately \$3,512,000.

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 ground lease rental income has been collected since October 2020 other than ~~a \$4,642,000 proceeds from a litigation~~ settlement in 2022.

As of March 31, 2024, the VIE's maximum exposure to loss was \$17,276,000 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

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ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

MARCH 31, JUNE 30, 2024 (CONTINUED)

NOTE 5 – VARIABLE INTEREST ENTITIES, CONTINGENT LIABILITY AND CONSOLIDATED JOINT VENTURES (CONTINUED)

NOTE 6 – VARIABLE INTEREST ENTITIES, CONSOLIDATED JOINT VENTURES AND CONTINGENT LIABILITY (CONTINUED)

As of June 30, 2024, the VIE's maximum exposure to loss was \$17,320,000 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 \$63,247,000 ~~62,930,000~~ as of **March 31, 2024** **June 30, 2024**.

Pursuant to the ground lease, as amended in November 2020, 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 \$44,000 during the six months ended **June 30, 2024** and \$932,000 during the year ended December 31, 2023. These amounts are included as part of the carrying amount of the land. **No such amounts were funded during the three months ended March 31, 2024.**

Variable Interest Entities – Consolidated Joint Ventures

The Company has determined the three consolidated joint ventures in which it holds between a 90% to 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):

	March 31, 2024 (a)	December 31, 2023
Land	\$ 9,743	\$ 9,917
Buildings and improvements, net of accumulated depreciation of \$6,383 and \$6,380, respectively	16,952	17,475
Cash	889	1,059
Unbilled rent receivable	910	938
Unamortized intangible lease assets, net	406	412
Escrow, deposits and other assets and receivables	833	749
Mortgages payable, net of unamortized deferred financing costs of \$99 and \$109, respectively	13,731	16,660
Accrued expenses and other liabilities	705	745
Unamortized intangible lease liabilities, net	379	385
Accumulated other comprehensive income	—	2
Non-controlling interests in consolidated joint ventures	1,216	1,042

(a) A consolidated joint venture in Lakewood, Colorado, in which the Company holds a 90% interest, sold a restaurant parcel at its multi-tenant shopping center in March 2024 and paid down the related mortgage by \$1,885 (see Note 4).

As of March 31, 2024 and December 31, 2023, MCB Real Estate, LLC and its affiliates ("MCB") are the Company's joint venture partner in two consolidated joint ventures in which the Company has aggregate equity investments of approximately \$5,242,000 and \$4,448,000, respectively.

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.

NOTE 67 – INVESTMENT IN UNCONSOLIDATED JOINT VENTURES

As of **March 31, 2024** **June 30, 2024** and December 31, 2023, 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 **\$2,104,000** **\$2,148,000** and \$2,051,000, respectively. The Company recorded equity in earnings of **\$53,000** **43,000** and **\$85,000** **\$96,000** for the three and six months ended **June 30, 2024**, respectively, and \$60,000 and \$145,000 for the three and six months ended **March 31, 2024** and **2023**, **June 30, 2023**, respectively.

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ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
MARCH 31, 2024 (CONTINUED)

NOTE 78 – DEBT OBLIGATIONS

Mortgages Payable

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

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
	2024	2023	2024	2023
Mortgages payable, gross	\$ 420,992	\$ 422,565	\$ 419,765	\$ 422,565
Unamortized deferred financing costs	(3,683)	(3,414)	(3,559)	(3,414)
Unamortized mortgage intangible assets (a)	(770)	(804)	(736)	(804)

Mortgages payable, net	\$ 416,539	\$ 418,347	\$ 415,470	\$ 418,347
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(a) In connection with the assumption of two below-market mortgages.

The following table sets forth, as of **March 31, 2024** **June 30, 2024**, scheduled principal repayments with respect to the Company's mortgage debt during the **nine** **six** months ending December 31, 2024 and for each of the subsequent twelve months through maturity (amounts in thousands):

Year Ending December 31,	2024 2025 2026 2027 2028 Thereafter Total							2024 2025 2026 2027 2028 Thereafter Total						
	Amortization payments	Principal due at maturity	Total	Amortization payments	Principal due at maturity	Total	Amortization payments	Principal due at maturity	Total	Amortization payments	Principal due at maturity	Total	Amortization payments	Principal due at maturity
Amortization payments	\$ 8,954	\$10,908	\$10,865	\$ 9,797	\$ 9,141	\$ 36,859	\$ 86,524	\$ 5,884	\$10,842	\$10,794	\$ 9,721	\$ 9,060	\$ 33,678	\$ 79
Principal due at maturity	25,309	29,157	19,179	38,525	30,156	192,142	334,468	25,309	29,157	19,179	38,525	30,156	197,460	339
Total	<u>\$34,263</u>	<u>\$40,065</u>	<u>\$30,044</u>	<u>\$48,322</u>	<u>\$39,297</u>	<u>\$229,001</u>	<u>\$420,992</u>	<u>\$31,193</u>	<u>\$39,999</u>	<u>\$29,973</u>	<u>\$48,246</u>	<u>\$39,216</u>	<u>\$231,138</u>	<u>\$419</u>

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ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
JUNE 30, 2024 (CONTINUED)

NOTE 8 – DEBT OBLIGATIONS (CONTINUED)

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 **March 31, 2024** **June 30, 2024** and **2023**. December 31, 2023. An unused facility fee of 0.25% per annum applies to the facility. The Company had no balance outstanding on the facility during the **three** **six** months ended **March 31, 2024** **June 30, 2024**. The weighted average interest rate on the facility was approximately **6.23%** **6.44%** for the **three** **six** months ended **March 31, 2023** **June 30, 2023**. The Company was in compliance with all covenants at **March 31, 2024** **June 30, 2024**.

At each of **March 31, 2024** **June 30, 2024** and **May 1, 2024** **August 1, 2024**, \$100,000,000 was available to be borrowed under the facility, including an aggregate of up to \$40,000,000 available for renovation and operating expense purposes. The interest rate on the facility was **7.06%** **7.09%** on **May 1, 2024** **August 1, 2024**.

At **March 31, 2024** **June 30, 2024** and December 31, 2023, the Company had unamortized deferred financing costs of **\$503,000** **\$457,000** and \$549,000, 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)
MARCH 31, 2024 (CONTINUED)

NOTE 89 – RELATED PARTY TRANSACTIONS

Compensation and Services Agreement

Pursuant to the compensation and services agreement with Majestic Property Management Corp. ("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 **\$826,000** **\$831,000** and **\$879,000** **\$1,657,000** for the three and six months ended **June 30, 2024**, respectively, and \$810,000 and \$1,689,000 for the three and six months ended **March 31, 2024** and **2023**, **June 30, 2023**, respectively. Included in these amounts are fees for property management services of **\$357,000** **\$361,000** and **\$428,000** **\$718,000** for the three and six months ended **March 31, 2024** **June 30, 2024**, respectively, and **2023**, \$358,000 and \$786,000 for the three and six months ended **June 30, 2023**, 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 with respect to properties managed by third parties. The Company also paid Majestic, pursuant to the compensation and services agreement, \$84,000 and **\$79,000** **\$168,000** for the three and six months ended **March 31, 2024** **June 30, 2024**, respectively, and **2023**, \$79,000 and \$159,000 for the three and six months ended **June 30, 2023**, respectively, for the Company's share of all direct office expenses, including rent, telephone, postage, computer services, internet usage and supplies.

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ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
JUNE 30, 2024 (CONTINUED)

NOTE 9 – RELATED PARTY TRANSACTIONS (CONTINUED)

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 **9** **10**). The related expense charged to the Company's operations was **\$614,000** **\$569,000** and **\$642,000** **\$1,182,000** for the three and six months ended **March 31, 2024** **June 30, 2024**, respectively, and **2023**, \$643,000 and \$1,284,000 for the three and six months ended **June 30, 2023**, 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 an aggregate of \$23,000 and \$22,000 \$46,000 for the three and six months ended March 31, 2024 June 30, 2024, respectively, and \$24,000 and \$46,000 for the three and six months ended June 30, 2023, respectively, to its consolidated joint venture partner or their 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.

The Company's unconsolidated joint ventures paid management fees of \$2,000 \$1,000 and \$27,000 \$3,000 for the three and six months ended March 31, 2024 June 30, 2024, respectively, and \$31,000 and \$57,000 for the three and six months ended June 30, 2023, respectively, to the other partner of the ventures, which reduced Equity in earnings of unconsolidated joint ventures on the consolidated statements of income by \$1,000 and \$13,000 \$2,000 for the three and six months ended March 31, 2024 June 30, 2024, respectively, and \$15,000 and \$29,000 for the three and six months ended June 30, 2023, respectively.

Other

During the three months ended March 31, 2024 2024 and 2023, the Company paid quarterly fees of (i) \$81,378 and \$78,250, respectively, to the Company's chairman and (ii) \$32,551 and \$31,300, 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 \$277,000 189,000 and \$148,000 \$467,000 for the three and six months ended March 31, 2024 June 30, 2024, respectively, and \$102,000 and \$250,000 for the three and six months ended June 30, 2023, respectively, of amounts reimbursed to Gould Investors in prior periods.

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ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) MARCH 31, JUNE 30, 2024 (CONTINUED)

NOTE 9 10 – STOCKHOLDERS' EQUITY

Common Stock Dividend

On March 4, 2024 June 10, 2024, the Board of Directors declared a quarterly cash dividend of \$0.45 per share on the Company's common stock, totaling approximately \$9,564,000 \$9,594,000, payable to stockholders of record at the close of business on March 27, 2024 June 25,

2024. The quarterly dividend was paid on April 4, 2024 July 9, 2024; \$8,101,000 9,145,000 was paid in cash and the balance of such dividend payment was satisfied through the issuance of 67,000 approximately 20,000 shares under the Company's dividend reinvestment plan.

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 66,000 67,000 and 49,000 133,000 shares of common stock during the three and six months ended March 31, 2024 June 30, 2024, respectively, and 2023, approximately 50,000 and 99,000 shares of common stock during the three and six months ended June 30, 2023, respectively.

Stock Repurchase Program

During 2022 and 2023, the Board of Directors authorized and/or amended repurchase programs pursuant to which the Company could repurchase shares of its common stock in open-market, through privately negotiated transactions or otherwise. No such shares were repurchased during the three and six months ended March 31, 2024 June 30, 2024. During the three and 2023, six months ended June 30, 2023, the Company repurchased approximately

73,000 shares of common stock for total consideration of \$1,455,000, net of commissions of \$4,000.

Stock Based Compensation

The Company's 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 was 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 March 31, 2024 June 30, 2024:

	2022 Incentive Plan	2019 Incentive Plan (a)	Restricted Stock	RSUs
Restricted stock	300,515	426,625		
RSUs	168,490	79,622		
2022 Incentive Plan			300,515	168,490 (a)
2019 Incentive Plan (b)			426,625	—
Totals	469,005	506,247	727,140	168,490

(a) (a) In July 2024, the Company granted RSUs to acquire 88,250 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.

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ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
MARCH 31, JUNE 30, 2024 (CONTINUED)

NOTE 910 – STOCKHOLDERS' EQUITY (CONTINUED)

RSUs

The following table reflects the **RSUs outstanding as of March 31, 2024** and **activities involving RSUs**:

	2023 Grant	2022 Grant	2021 Grant	2024 Grant (a)	2023 Grant	2022 Grant	2021 Grant	2020 Grant
RSUs outstanding (a)(b)	85,250	83,240	79,622					
Vesting Date (c)(d)	6/30/2026	6/30/2025	6/30/2024					
RSUs granted (b)				88,250	85,250	85,350	80,700	75,026
RSUs vested				—	—	—	39,811 (c)	74,988 (d)
RSUs forfeited				—	—	2,110 (e)	40,889 (f)	38 (e)
RSUs outstanding				88,250	85,250	83,240	—	—
Vesting Date (g)(h)				6/30/2027	6/30/2026	6/30/2025	6/30/2024	6/30/2023

- (a) These shares were granted in July 2024.
- (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.
- (b) (No) Such shares will be issued in August 2024.
- (d) Such shares were granted, vested or forfeited during the three months ended March 31, 2024 and issued in August 2023.
- (c) (i) Such shares were forfeited due to the retirement of an executive officer before the completion of the applicable three-year performance cycle.
- (f) Of the 40,889 shares (i) 39,811 shares were not earned because the applicable market condition had not been satisfied and (ii) 1,078 shares were forfeited due to the retirement of an executive officer before the completion of the applicable three-year performance cycle.
- (g) Generally, the recipient must maintain a relationship with the Company during the applicable three-year performance cycle.
- (d) (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 specific metrics and other material terms and conditions of the RSUs are as follows:

Year RSU Granted	Metric	Weight	Performance Criteria (a)	
			Minimum	Maximum
2021 - 2023 (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 average annual ROC or TSR falls between the applicable minimum and maximum performance criteria, a pro-rata portion of such units, as applicable, vest.
- (b) Such RSUs are not entitled to voting rights.
- (c) 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 **March 31, 2024** June 30, 2024 and December 31, 2023, the Company accrued an aggregate of **\$528,000** **468,000** and \$450,000 of dividend equivalents, respectively, for the 2023, 2022 and 2021 RSUs based on the number of shares that would have been issued, underlying such RSUs, using performance and market assumptions determined at such dates. In August 2024, the Company will pay the holders of the 2021 RSU grant an aggregate of approximately \$215,000 with respect to the dividend equivalent rights on the vested 39,811 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** **recognizes** expense only 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.

As of March 31, 2024, based on performance and market assumptions, the fair value of the RSUs granted in 2023, 2022 and 2021 is \$959,000, \$1,419,000 and \$1,822,000, respectively. Recognition of such deferred compensation will be charged to General and administrative expense over the respective three-year performance cycles.

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ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
MARCH 31, JUNE 30, 2024 (CONTINUED)

NOTE 910 – STOCKHOLDERS' EQUITY (CONTINUED)

As of June 30, 2024, based on performance and market assumptions, the fair value of the RSUs granted in 2023 and 2022 is \$841,000 and \$1,315,000, 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 March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
<u>Restricted stock grants:</u>						
Number of shares	151,180	152,955				
<u>Restricted stock:</u>						
Number of shares granted			—	—	151,180	152,955
Average per share grant price	\$ 21.60	\$ 22.09	\$ —	\$ —	\$ 21.60	\$ 22.09
Deferred compensation to be recognized over vesting period	\$ 3,265,000	\$ 3,379,000	\$ —	\$ —	\$ 3,265,000	\$ 3,379,000
Number of non-vested shares:						
Non-vested beginning of the period	712,560	712,375	727,140	730,530	712,560	712,375
Grants	151,180	152,955	—	—	151,180	152,955
Vested during the period	(136,600)	(134,800)	—	(17,500)	(136,600)	(152,300)
Forfeitures	—	—	—	(110)	—	(110)
Non-vested end of the period	<u>727,140</u>	<u>730,530</u>	<u>727,140</u>	<u>712,920</u>	<u>727,140</u>	<u>712,920</u>
<u>RSU grants:</u>						
Number of underlying shares	—	—	—	—	—	—
Average per share grant price	\$ —	\$ —	\$ —	—	—	—
Deferred compensation to be recognized over vesting period	\$ —	\$ —	\$ —	—	—	—
<u>RSUs: (a)</u>						
Number of non-vested shares:						
Non-vested beginning of the period	248,112	241,076	248,112	241,076	248,112	241,076
Grants	—	—	—	—	—	—

Vested during the period	—	—	(39,811)	(74,988)	(39,811)	(74,988)
Forfeitures	—	—	(39,811)	(38)	(39,811)	(38)
Non-vested end of the period	<u>248,112</u>	<u>241,076</u>	<u>168,490</u>	<u>166,050</u>	<u>168,490</u>	<u>166,050</u>
<i><u>Restricted stock and RSU grants (based on grant price):</u></i>						
Weighted average per share value of non-vested shares	\$ 25.27	\$ 25.74	\$ 24.80	\$ 26.45	\$ 24.80	\$ 26.45
Value of stock vested during the period	<u>\$ 3,511,000</u>	<u>\$ 3,412,000</u>	<u>\$ 1,213,000</u>	<u>\$ 1,753,000</u>	<u>\$ 4,723,000</u>	<u>\$ 5,165,000</u>
Weighted average per share value of shares forfeited during the period	\$ —	\$ —	\$ 30.46	\$ 24.80	\$ 30.46	\$ 24.80
<i><u>Total charge to operations:</u></i>						
Outstanding restricted stock grants	\$ 893,000	\$ 950,000	\$ 921,000	\$ 1,178,000	\$ 1,814,000	\$ 2,128,000
Outstanding RSUs	379,000	378,000	246,000	386,000	625,000	764,000
Total charge to operations	<u>\$ 1,272,000</u>	<u>\$ 1,328,000</u>	<u>\$ 1,167,000</u>	<u>\$ 1,564,000</u>	<u>\$ 2,439,000</u>	<u>\$ 2,892,000</u>

(a) There were no RSUs granted during the three or six months ended June 30, 2024 and 2023.

As of **March 31, 2024** **June 30, 2024**, total compensation costs of **\$10,000,000** **\$9,079,000** and **\$1,467,000** **\$999,000** 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 **2.8** **2.6** years for the restricted stock and **1.3** **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.

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ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
MARCH 31, JUNE 30, 2024 (CONTINUED)

NOTE 10.11 – 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 **March 31, 2024** **June 30, 2024**, the shares of common stock underlying the RSUs (see Note **9** **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		Three Months Ended		Six Months Ended	
	March 31,		June 30,		June 30,	
	2024	2023	2024	2023	2024	2023
Numerator for basic and diluted earnings per share:						
Net income	\$ 5,380	\$ 5,408	\$ 9,677	\$ 6,539	\$ 15,057	\$ 11,947
Deduct net income attributable to non-controlling interests	(225)	(22)	(124)	(20)	(349)	(42)
Deduct earnings allocated to unvested restricted stock (a)	(327)	(329)	(327)	(320)	(654)	(649)
Net income available for common stockholders: basic and diluted	<u>\$ 4,828</u>	<u>\$ 5,057</u>	<u>\$ 9,226</u>	<u>\$ 6,199</u>	<u>\$ 14,054</u>	<u>\$ 11,256</u>
Denominator for basic earnings per share:						
Weighted average number of common shares outstanding	20,509	20,514	20,590	20,571	20,550	20,544
Effect of dilutive securities: RSUs	70	65	93	71	82	68
Denominator for diluted earnings per share:						
Weighted average number of shares	<u>20,579</u>	<u>20,579</u>	<u>20,683</u>	<u>20,642</u>	<u>20,632</u>	<u>20,612</u>
Earnings per common share: basic	\$.24	\$.25				
Earnings per common share: diluted	<u>\$.23</u>	<u>\$.25</u>				
Earnings per common share: basic and diluted			\$.45	\$.30	\$.68	\$.55

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

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ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
MARCH 31, JUNE 30, 2024 (CONTINUED)

NOTE 10.11 – 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 Months Ended March 31, 2024:								
Three and Six Months Ended June 30, 2024:								
	Total Number	Shares Included Based on (a)		Shares	Total Number	Shares Included Based on (a)		Shares
	of Underlying	Return on	Stockholder		of Underlying	Return on	Stockholder	
Three								
and Six								
Months								
Ended								
June								
30,								
2024:								

Date of Award	Shares	Capital Metric	Return Metric	Total	Excluded (b)	Shares	Capital Metric	Return Metric	Total	Excluded (b)
July 1, 2023	85,250	27,062	42,625	69,687	15,563	85,250	26,750	42,625	69,375	15,875
July 1, 2022	83,240	36,917	—	36,917	46,323	83,240	36,765	—	36,765	46,475
August 3, 2021	79,622	39,811	—	39,811	39,811	79,622	39,811	—	39,811	39,811
Totals	248,112	103,790	42,625	146,415	101,697	248,112	103,326	42,625	145,951	102,161

Three Months Ended March 31, 2023:

Three and Six Months Ended June 30, 2023:

Date of Award	Shares Included Based on (a)					Shares Included Based on (a)				
	Total Number of Underlying Shares	Return on Capital Metric	Stockholder	Shares	Excluded (b)	Total Number of Underlying Shares	Return on Capital Metric	Stockholder	Shares	Excluded (b)
Shares	Capital Metric	Return Metric	Total	Excluded (b)	Shares	Capital Metric	Return Metric	Total	Excluded (b)	
July 1, 2022	85,350	42,522	—	42,522	42,828	85,350	42,675	—	42,675	42,675
August 3, 2021	80,700	40,350	—	40,350	40,350	80,700	40,350	—	40,350	40,350
August 3, 2020	75,026	37,513	37,513	75,026	—	75,026	37,494	37,494	74,988	38
Totals	241,076	120,385	37,513	157,898	83,178	241,076	120,519	37,494	158,013	83,063

(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 **March 31** **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 2023 **2022** and **2021** 2022 vest, subject to satisfaction of the applicable market and/or performance conditions, as of June 30, 2026, **and 2025, and 2024**, respectively (see Note **9** **10**).

(d) **Subsequent** With respect to **March 31, 2023** the RSUs awarded August 3, 2021, **2,110** 39,811 shares were deemed to have vested and the balance of the 2022 award and 1,078 shares of the 2021 39,811 award shares were forfeited due to the retirement as of a recipient before the completion of the applicable three-year performance cycle, June 30, 2024 (see Note 10). The vested shares will be issued in August 2024.

(e) With respect to the RSUs awarded August 3, 2020, 74,988 shares were deemed to have vested and the balance of 38 shares were forfeited in **June 2023**, as of June 30, 2023 (see Note 10). The vested shares were issued in August 2023.

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ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
MARCH 31, JUNE 30, 2024 (CONTINUED)

NOTE 11.12 – 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):

	March 31,	December 31,	June 30,	December 31,
	2024	2023	2024	2023
Fair value of mortgages payable (a)	\$ 394,661	\$ 397,031	\$392,896	\$ 397,031
Carrying value of mortgages payable, gross	\$ 420,992	\$ 422,565	\$419,765	\$ 422,565
Fair value less than the carrying value	\$ (26,331)	\$ (25,534)	\$ (26,869)	\$ (25,534)
Blended market interest rate (a)	6.08 %	5.93 %	6.18 %	5.93 %
Weighted average interest rate	4.41 %	4.31 %	4.41 %	4.31 %
Weighted average remaining term to maturity (years)	6.3	5.9	6.0	5.9

(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.

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 **March 31, 2024** **June 30, 2024**, the Company had in effect 12 interest rate derivatives, all of which were interest rate swaps, related to 12 outstanding mortgage loans with an aggregate **\$28,485,000** **\$28,183,000** notional amount maturing between 2024 and 2026 (weighted average remaining term to maturity of **1.0** approximately one year years). The Company's objective in using interest rate swaps is to add stability to interest expense. 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 3.22% to 4.34% and a weighted average interest rate of 3.86% at **March 31, 2024** **June 30, 2024**. 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 **March 31, 2024** **June 30, 2024**, 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. 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.

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ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
MARCH 31, JUNE 30, 2024 (CONTINUED)

NOTE 11.12 – FAIR VALUE MEASUREMENTS (CONTINUED)

The fair value of the Company's derivative financial instruments was determined to be the following (amounts in thousands):

	As of	Carrying and		Balance Sheet	As of	Carrying and		Balance Sheet
		Fair Value	Classification			Fair Value	Classification	
Financial assets: Interest rate swaps	March 31, 2024	\$ 755	Other assets	June 30, 2024	\$ 567	Other assets		
	December 31, 2023	824	Other assets	December 31, 2023	824	Other assets		

As of **March 31, 2024** **June 30, 2024** and December 31, 2023, 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		Three Months Ended		Six Months Ended	
	March 31,		June 30,		June 30,	
	2024	2023	2024	2023	2024	2023
Amount of gain (loss) recognized on derivatives in other comprehensive income	\$ 183	\$ (121)				
Amount of gain recognized on derivatives in other comprehensive income			\$ 58	\$ 488	\$ 241	\$ 367
Amount of reclassification from Accumulated other comprehensive income into Interest expense	272	288	246	347	518	635

During the twelve months ending **March 31, 2025** **June 30, 2025**, the Company estimates an additional **\$610,000** **\$477,000** will be reclassified from Accumulated other comprehensive income as a decrease to Interest expense.

The derivative agreements in effect at **March 31, 2024** **June 30, 2024** 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 12 – REAL ESTATE ACQUISITION*Fair Value on a Non-Recurring Basis*

Acquisition
subsequent
to
March
31,
2024

On April 24, 2024, Non-financial assets measured at fair value on a non-recurring basis in the Company acquired consolidated financial statements consist of a single-tenant industrial property located in Albuquerque, New Mexico Hamilton, Ohio for \$6,450,000, which the Company recorded an impairment loss of \$1,086,000 at June 30, 2024 (as discussed in Note 5). The initial term Company determined fair value based on an executed contract of sale for the lease expires property which was determined to be a Level 3 input in 2031.

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ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) MARCH 31, JUNE 30, 2024 (CONTINUED)

NOTE 13 – NEW ACCOUNTING PRONOUNCEMENT

On January 1, 2024, the Company adopted the FASB ASU No. 2023-07, *Segment Reporting – Improvements to Reportable Segments Disclosures*, which enhances disclosures of significant segment expenses regularly provided to the chief operating decision maker.

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 financial reports which include (i) a consolidated income statement (detailing total revenues, operating income and net income) and (ii) Funds from Operations ("FFO") and Adjusted Funds from Operations ("AFFO"). These financial reports assist the CODMs in assessing the Company's financial performance and in allocating resources appropriately.

NOTE 14 – 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.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of OperationsForward-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. 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 our results of operations, financial condition, cash flows, 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 retail, restaurant, theater and health and fitness sectors, which could impact our tenants' ability to pay rent and expense reimbursement;
- 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;
- the level and volatility of interest rates;
- 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;
- 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 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
- 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, 2023 (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.

Actual results may also differ from expectations because, among other things, estimates of rental income exclude any related variable rent, anticipated property purchases, sales and/or financings may not be completed on the terms or during the period indicated or at all, and estimates of gains from property sales and financings are subject to adjustment because actual closing costs may differ from the estimated costs.

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 United States 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

As more fully described in our Annual Report, and in particular, the sections thereof entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", we face challenges due to the volatile economic environment, and certain of our properties and tenants (including The Vue Apartments, LA Fitness and Regal Cinemas) face various challenges. Our cash flow and profitability will be adversely impacted if the issues with respect to the challenged tenants/properties identified in the Annual Report are not resolved in a satisfactory manner. There have been no material changes to the status of such tenants/properties. properties other than with respect to our Hamilton, Ohio property formerly tenanted by LA Fitness— see "—Sales Contract and Impairment Loss" below.

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 and, to a lesser extent, retail properties, many of which are subject to long-term net leases. As of **March 31, 2024** **June 30, 2024**, we own **110** **106** properties (including **three** **two** properties owned by consolidated joint ventures and two properties owned by unconsolidated joint ventures) located in 31 states. Based on square footage, our occupancy rate at **March 31, 2024** **June 30, 2024** is approximately **98.4%** **98.2%**.

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.

We 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 into account, among other things, the property type (i.e., industrial, retail or other), our perception of the property's long-term

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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.

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Our 2024 contractual base rent is approximately **\$70.2 million** **\$70.9 million** and represents, after giving effect to any abatements, concessions, deferrals or adjustments, the base rent payable to us during the **year** **twelve months** ending **December 31, 2024** **June 30, 2025** under leases in effect at **March 31, 2024** **June 30, 2024**.

Included in contractual rental income is \$162,000 representing the base rent payable by Dick's Sporting Goods (Champaign, Illinois) in the twelve months ending June 30, 2025, although such lease is subject to termination by the landlord or tenant upon 90 days' notice.

Excluded from contractual rental income is an aggregate of **\$1.6 million** **\$1.5 million** comprised of:

- **\$1.3 million** based on a negotiated but unsigned lease amendment from a tenant at our Brooklyn, New York office property, and
- **\$325,000** representing the base rent payable by Dick's Sporting Goods (Champaign, Illinois) in the twelve months ending December 31, 2024, although such lease is subject to termination by the landlord or tenant upon 90 days' notice.

Excluded from such contractual rental income is an aggregate of \$2.5 million comprised of:

- \$1.3 million, subject to the property generating specified levels of positive operating cash flow, of estimated variable lease payments from The Vue, a multi-family complex which ground leases the underlying land from us and as to which there is uncertainty as to when and whether the tenant will resume paying rent,
- an aggregate of \$995,000 representing the base rent payable from three properties which were or will be sold in May 2024 and June 2024 (i.e., \$220,000 from Applebee's in Kennesaw, Georgia, \$215,000 from FedEx in Miamisburg, OH, and \$560,000 from Havertys in Wichita, Kansas), and
- **\$235,000** **221,000** representing our share of the base rent payable to our joint ventures.

The following table sets forth scheduled expirations of leases at our properties as of **March 31, 2024** **June 30, 2024** for the years indicated below:

Year of Lease Expiration	Approximate				Percentage of			
	Number of Leases	Expiring	Subject to	2024 Contractual Rental Income Under	2024 Contractual		Approximate Contractual	Percentage of Contractual Rental Income
					Number of	Square Footage		
(a)								
2024	12			\$ 545,028	Expiring Leases	Expiring Leases	3.5	

Lease Expiration (a) 12 Months Ending June 30,					Expiring	Subject to	Rental Income Under	Represented by
					Leases	Expiring Leases (b)	Expiring Leases	Expiring Leases
2025	12	565,136	4,587,040	6.5	13	515,309	\$ 3,223,845	4.6
2026	19	1,007,595	6,229,965	8.9	12	670,745	4,156,636	5.9
2027	36	2,238,958	14,205,415	20.2	30	1,162,861	8,384,629	11.8
2028	22	1,489,205	9,837,933	14.0	25	2,151,955	12,976,997	18.3
2029	13	1,276,554	7,174,637	10.2	22	1,805,370	11,936,539	16.9
2030	15	672,179	7,315,582	10.4	10	713,188	4,481,164	6.3
2031	7	864,358	4,099,948	5.9	12	1,046,676	6,893,731	9.7
2032	9	325,456	3,250,054	4.6	5	401,899	2,288,825	3.2
2033	9	853,179	7,309,776	10.4	13	857,298	6,456,361	9.1
2034 and thereafter	8	832,770	3,765,177	5.4				
2034					8	466,724	5,467,346	7.7
2035 and thereafter					8	772,695	4,591,937	6.5
	162	10,670,418	\$ 70,244,155	100.0	158	10,564,720	\$ 70,858,010	100.0

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

(b) Excludes an aggregate of 173,726 195,988 square feet of vacant space.

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[Property Transaction During the Three Months Ended March 31, 2024](#)

On March 6, 2024, a consolidated joint venture, in which we hold a 90% interest, sold a restaurant parcel at its multi-tenant shopping center in Lakewood, Colorado for a gross sales price of \$2.9 million and recognized a gain of \$1.8 million from this sale. The non-controlling interest's share of the gain was \$178,000. In connection with the sale, we recognized a \$250,000 lease termination fee from the former tenant. [Transactions](#)

[Completed Acquisitions during the three months ended June 30, 2024](#)

[Property Transactions Subsequent](#) We acquired industrial properties in Albuquerque, New Mexico and Savannah, Georgia for an aggregate purchase price of \$11.7 million, incurred \$108,000 of transaction costs that were capitalized and subsequently obtained new mortgage debt in the aggregate of \$6.2 million bearing an interest rate of 6.00% and maturing between 2032 and 2035 (see Note 4 to [March 31, 2024](#) our consolidated financial statements). These properties contributed \$160,000 of rental income, net, \$76,000 of operating expenses (including depreciation and amortization expense of \$71,000) and \$25,000 of mortgage interest expense. We estimate that commencing July 1, 2024, the aggregate quarterly rental income (excluding variable lease revenues), depreciation and amortization expense and mortgage interest expense from these properties will be \$252,000, \$103,000 and \$93,000, respectively.

[Acquisition Contracts](#)

On April 24, 2024 June 13, 2024, we acquired entered into a 63,421 contract to acquire a 302,347 square foot, multi-tenant industrial property located in Albuquerque, New Mexico Council Bluffs, Iowa for \$6.5 million \$33.0 million ("Council Bluffs I"). The property is leased by a single tenant whose current in connection with the acquisition, we anticipate obtaining new mortgage debt of approximately \$18.4 million bearing an interest rate of 6.08% (interest only until 2029) and maturing in 2034. We anticipate paying the balance of the purchase price from our available cash. We estimate the annual base rent is \$431,000 with 1.5% will be approximately \$2.1 million (with annual increases).

Sales base rent increases ranging from 1.90% to 3.25%) and Contemplated Sales

During May 2024 and June 2024, we have sold and anticipate the closing will sell occur during the following properties: three months ending September 30, 2024.

Description of Property	City, State	Date Sold/ Estimated Sale	2023 Depreciation			
			Gross	Estimated	2023 Rental	& Amortization
			Sales Price	Gain on Sale	Income, net	Expense
Applebee's restaurant property	Kennesaw, Georgia	May 6, 2024	\$ 2,834,000	\$ 1,000,000	\$ 187,000	\$ 38,000
FedEx industrial property	Miamisburg, Ohio	May 8, 2024	2,793,000	1,500,000	238,000	59,000
Havertys retail property	Wichita, Kansas	June 6, 2024	6,600,000	2,000,000	544,000	140,000
Vacant retail property (a)	Kennesaw, Georgia	June 28, 2024	6,700,000	1,900,000	111,000	240,000

On August 1, 2024, we entered into a contract, subject to our right to terminate, to acquire a 236,324 square foot, multi-tenant industrial property located in Council Bluffs, Iowa for \$28.3 million ("Council Bluffs II"; and together with Council Bluffs I, the "Council Bluffs Acquisitions"). In connection with this acquisition, we anticipate obtaining new mortgage debt of approximately \$17.0 million bearing an interest rate of 5.89% (interest only until 2029) and maturing in 2034. We anticipate paying the balance of the purchase price from our available cash. We estimate the annual base rent will be approximately \$1.9 million (with annual base rent increases ranging from 3.00% to 3.25%) and anticipate the closing will occur during September or October 2024.

Completed Sales during the three months ended June 30, 2024

We sold the following properties (amounts in thousands):

Description of Property	City, State	Date Sold	2023				
			Gross		Gain on		Depreciation & Real Estate
			Sales	Price	Sale of Real	Estate, net	Rental
Applebee's restaurant property	Kennesaw, Georgia	May 6, 2024	\$ 2,834	\$ 964	\$ 187	\$ 38	\$ —
FedEx industrial property	Miamisburg, Ohio	May 9, 2024	2,793	1,507	238	59	35
Havertys retail property	Wichita, Kansas	June 6, 2024	6,600	1,884	544	140	—
Urban Outfitters retail property	Lawrence, Kansas	June 7, 2024	1,300	43	155	36	40
Walgreens retail property (a)	Cape Girardeau, Missouri	June 10, 2024	2,793	978	203	46	5
Vacant retail property (b)	Kennesaw, Georgia	June 28, 2024	6,700	2,072	111	240	80
			\$ 23,020	\$ 7,448	\$ 1,438	\$ 559	\$ 160

(a) This property was owned by a consolidated joint venture in which we held a 95% interest. The non-controlling interest's share of the gain was \$105. During 2023, this property incurred real estate operating expenses and mortgage interest expense of \$80,000 \$41. The mortgage debt was paid off in January 2024.

(b) This property was formerly tenanted by Bed Bath & Beyond and \$173,000, respectively, became vacant in April 2023. During 2023, this property incurred mortgage interest expense of \$173. In connection with this sale, we intend to payoff paid off the approximate \$4.4 million principal balance \$4,412 mortgage on this property.

Generally, we sold these properties due to our belief that such property had achieved its maximum potential value; our concern with respect to the long-term prospects for the tenant or the geographic sub-market; or due to concern in our ability, on acceptable terms, to refinance the property's mortgage debt or re-lease the property. A significant portion of the net proceeds of these sales have been invested in short-term U.S. treasury bills. We may during the balance of 2024, sell several more properties, including some retail properties.

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Sales Contracts and Impairment Loss

On July 1, 2024, we entered into a contract to sell our vacant industrial property in Wauconda, Illinois for \$4.5 million. This property was formerly tenanted by Echo, Inc. whose lease expired in January 2024. This property contributed \$430,000 of rental income, net, and \$298,000 of operating expenses (including depreciation and amortization expense of \$168,000), during the year ended December 31, 2023. We anticipate that, subject to the buyer's right to terminate this contract, this transaction will be completed by September 30, 2024 and estimate that we will recognize a gain on sale of real estate, net, of approximately \$1.2 million on the consolidated statement of income during the three months ending September 30, 2024.

On July 11, 2024, we entered into a contract to sell our health and fitness property in Hamilton, Ohio for \$4.4 million. This property was formerly tenanted by LA Fitness whose lease expired in May 2024. In connection with the proposed sale, we recorded an impairment charge of \$1.1 million during the three and six months ended June 30, 2024. This property contributed \$893,000 of rental income, net, \$394,000 of operating expenses (including depreciation and amortization expense of \$206,000) and \$198,000 of mortgage interest expense during the year ended December 31, 2023. We anticipate that, subject to the buyer's right to terminate this contract, this property will be sold at a nominal gain during the three months ending September 30, 2024.

Equity Incentive Program Activity

On July 16, 2024, we awarded an aggregate of 88,250 shares subject to restricted stock units ("RSUs"), and related dividend equivalent rights. Generally, the awards vest in 2027 subject to satisfaction of, among other things, market and performance conditions similar to the conditions applicable to the RSUs granted in 2023 and 2022.

On August 6, 2024, we determined that the performance and market conditions with respect to the vesting of 39,811 of the 80,700 RSUs granted in 2021 had been met as of June 30, 2024, and authorized the issuance of 39,811 shares of common stock. We anticipate paying the holders of the RSUs an aggregate of approximately \$215,000 with respect to the dividend equivalent rights with respect to the vested shares.

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Results of Operations

Total revenues

The following table compares total revenues for the periods indicated:

(Dollars in thousands)	Three Months Ended				Three Months Ended				Six Months Ended			
	March 31,		Increase		June 30,		Increase		June 30,		Increase	
	2024	2023	(Decrease)	% Change	2024	2023	(Decrease)	% Change	2024	2023	(Decrease)	% Change
Rental income, net	\$ 22,446	\$ 22,952	\$ (506)	(2.2)	\$ 21,800	\$ 22,407	\$ (607)	(2.7)	\$ 44,246	\$ 45,359	\$ (1,113)	(2.5)

Lease termination fee	250	—	250	n/a	—	—	—	—	250	—	250	n/a
Total revenues	\$ 22,696	\$ 22,952	\$ (256)	(1.1)	\$ 21,800	\$ 22,407	\$ (607)	(2.7)	\$44,496	\$45,359	\$ (863)	(1.9)

Rental income, net

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

(Dollars in thousands)	Three Months Ended March 31,				Three Months Ended June 30,				Six Months Ended June 30,			
			Increase				Increase				Increase	
	2024	2023	(Decrease)	% Change	2024	2023	(Decrease)	% Change	2024	2023	(Decrease)	% Change
Acquisition												
(a)	\$ 354	\$ —	\$ 354	n/a								
Acquisitions					\$ 529	\$ —	\$ 529	n/a	\$ 883	\$ —	\$ 883	n/a
Dispositions												
(b)	—	792	(792)	(100.0)	213	1,041	(828)	(79.5)	543	2,321	(1,778)	(76.6)
Same store												
(c)	22,092	22,160	(68)	(0.3)	21,058	21,366	(308)	(1.4)	42,820	43,038	(218)	(0.5)
Rental income, net	\$ 22,446	\$ 22,952	\$ (506)	(2.2)	\$ 21,800	\$ 22,407	\$ (607)	(2.7)	\$44,246	\$45,359	\$ (1,113)	(2.5)

(a) Represents rental income from one property three properties acquired since January 1, 2023.

(b) Represents rental income from properties sold since January 1, 2023.

(c) Represents rental income from 107 101 properties that were owned for the entirety of the periods presented.

Changes at same store properties

The decrease changes in same store rental income during the three and six months ended March 31, 2024 is June 30, 2024 are due primarily to decreases of:

- \$498,000 335,000 and \$552,000, respectively, from lease expirations at various properties (including \$155,000 and \$251,000, respectively, from LA Fitness – Hamilton, Ohio),
- \$283,000 and \$781,000, respectively, from our two Regal Cinemas properties due to lease amendments effectuated in connection with its 2023 bankruptcy reorganization, and
- \$143,000 from Bed Bath & Beyond for the three months ended June 30, 2024, \$140,000 in Kennesaw, Georgia which filed for bankruptcy in 2023. tenant reimbursements, primarily related to real estate tax expenses.

The decrease was decreases were offset during the three and six months ended March 31, 2024 June 30, 2024 by increases in rental income of:

- \$300,000 in tenant reimbursements, of which \$180,000 relates to real estate taxes 324,000 and \$120,000 relates to operating expenses generally incurred in the same period, and
- \$265,000 \$658,000, respectively, from various lease amendments and extensions at our properties. properties,
- \$156,000 and \$294,000, respectively, due to new tenants at various properties, and
- for the six months ended June 30, 2024, \$175,000 in tenant reimbursements, of which \$137,000 relates to operating expenses generally incurred during such period.

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Lease Termination Fee

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 from a tenant due to the early termination of its 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		Increase		% Change
	2024	2023	(Decrease)		
Operating expenses:					
Depreciation and amortization	\$ 6,021	\$ 6,145	\$ (124)		(2.0)
General and administrative	3,923	4,039	(116)		(2.9)
Real estate expenses	4,470	4,124	346		8.4
State taxes	63	68	(5)		(7.4)
Total operating expenses	\$ 14,477	\$ 14,376	\$ 101		.7

(Dollars in thousands)	Three Months Ended		Six Months Ended		% Change			
	2024	2023	Decrease	% Change				
Operating expenses:								
Depreciation and amortization	\$ 5,965	\$ 6,114	\$ (149)	(2.4)	\$ 11,986	\$ 12,259	\$ (273)	(2.2)
General and administrative	3,776	4,165	(389)	(9.3)	7,699	8,204	(505)	(6.2)
Real estate expenses	3,976	3,954	22	.6	8,446	8,078	368	4.6
Impairment Loss	1,086	—	1,086	n/a	1,086	—	1,086	n/a
State taxes	47	88	(41)	(46.6)	110	156	(46)	(29.5)
Total operating expenses	\$ 14,850	\$ 14,321	\$ 529	3.7	\$ 29,327	\$ 28,697	\$ 630	2.2

Depreciation and amortization. The decrease decreases in the three and six months ended March 31, 2024 is June 30, 2024 are due primarily to (i) decreases of \$356,000 \$367,000 and \$723,000, respectively, related to tenant origination costs at several properties that prior to March 31, 2024 June 30, 2024 were fully amortized, and (ii) the inclusion in the corresponding 2023 period periods of \$160,000 \$253,000 and \$412,000, respectively, of such expense from the properties sold since January 1, 2023.

The decrease was decreases were offset by (i) \$220,000 \$291,000 and \$511,000, respectively, of such expense from a property three properties acquired in 2023, since January 1, 2023, and (ii) \$132,000 \$118,000 and \$247,000, respectively, of depreciation from improvements at several properties.

General and administrative. The decrease in the three and six months ended March 31, 2024 is due primarily to a \$92,000 net decrease in professional fees incurred non-cash compensation expense due to (i) the inclusion of \$233,000 in the corresponding 2023 period, periods from the retirement, and related accelerated vesting, of an executive officer's restricted stock awards, and (ii) decreases of \$140,000 and \$138,000, respectively, from the re-assessment of the achievability of performance metrics related to the RSUs.

Real estate expenses. The increase in the three six months ended March 31, 2024 June 30, 2024 is due primarily to:

- \$168,000 relating to real estate tax expense (primarily related to our Bolingbrook, Illinois property), and
- \$116,000 to \$229,000 from a property acquired in 2023.

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

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

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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				Three Months Ended				Six Months Ended			
	March 31,		Increase		June 30,		Increase		June 30,		Increase	
	2024	2023	(Decrease)	% Change	2024	2023	(Decrease)	% Change	2024	2023	(Decrease)	% Change
Gain on sale of real estate, net	\$ 1,784	\$ 1,534	\$ 250	16.3	\$ 7,448	\$ 3,180	\$ 4,268	134.2	\$ 9,232	\$ 4,714	\$ 4,518	95.8

The \$1.8 million gain in following table lists the 2024 period was realized from sold properties and the sale of a restaurant parcel at our Lakewood, Colorado multi-tenant shopping center which is owned through a consolidated joint venture in which we have a 90% interest. The non-controlling interest's share of this gain was \$178,000, related gains, net, for the periods indicated:

(Dollars in thousands)	Three Months Ended				Six Months Ended			
	June 30,		June 30,		June 30,		June 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Restaurant parcel - Lakewood, Colorado (a)	\$ —	\$ —	\$ 1,784	\$ —	\$ 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 (b)	978	—	—	—	978	—	—	—
Vacant retail property - Kennesaw, Georgia	2,072	—	—	—	2,072	—	—	—

Restaurant property - Hauppauge, New York	—	—	—	1,534
Retail property - Duluth, Georgia	—	3,180	—	3,180
Total Gain on sale of real estate, net	\$ 7,448	\$ 3,180	\$ 9,232	\$ 4,714

(a) This restaurant parcel, at our Lakewood, Colorado multi-tenant shopping center, is owned through a consolidated joint venture in which we have a 90% interest. The non-controlling interest's share of this gain was \$178.

(b) 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.

The \$1.5 million gain in the 2023 period was realized from the sale of our Hauppauge, New York restaurant property.

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Other Income and Expenses

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

(Dollars in thousands)	Three Months Ended				Three Months Ended				Six Months Ended			
	March 31,		Increase	%	June 30,		Increase	%	June 30,		Increase	%
	2024	2023	(Decrease)	Change	2024	2023	(Decrease)	Change	2024	2023	(Decrease)	Change
Other income and expenses:												
Equity in earnings of unconsolidated joint ventures	\$ 53	\$ 85	\$ (32)	(37.6)	\$ 43	\$ 60	\$ (17)	(28.3)	\$ 96	\$ 145	\$ (49)	(33.8)
Other income	267	15	252	1,680.0	276	28	248	885.7	543	43	500	1,162.8
Interest:												
Expense	(4,717)	(4,600)	117	2.5	(4,750)	(4,610)	140	3.0	(9,467)	(9,210)	257	2.8
Amortization and write-off of deferred financing costs	(226)	(202)	24	11.9	(290)	(205)	85	41.5	(516)	(407)	109	26.8

Other Income. The **increase** in the three and six months ended **March 31, 2024** is **June 30, 2024** are due primarily to a **\$192,000 increase** of **\$113,000** and **\$305,000**, respectively, in interest income from investments in short-term U.S. treasury bills. The balance of the increase is due to various factors, none of which was individually significant.

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

(Dollars in thousands)	Three Months Ended				Three Months Ended				Six Months Ended			
	March 31,		Increase	%	June 30,		Increase	%	June 30,		Increase	%
	2024	2023	(Decrease)	Change	2024	2023	(Decrease)	Change	2024	2023	(Decrease)	Change
Interest expense:												
Mortgage interest	\$ 4,654	\$ 4,240	\$ 414	9.8	\$ 4,687	\$ 4,282	\$ 405	9.5	\$ 9,341	\$ 8,522	\$ 819	9.6
Credit line interest	63	360	(297)	(82.5)	63	328	(265)	(80.8)	126	688	(562)	(81.7)
Total	<u>\$ 4,717</u>	<u>\$ 4,600</u>	<u>\$ 117</u>	2.5	<u>\$ 4,750</u>	<u>\$ 4,610</u>	<u>\$ 140</u>	3.0	<u>\$ 9,467</u>	<u>\$ 9,210</u>	<u>\$ 257</u>	2.8

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				Three Months Ended				Six Months Ended			
	March 31,		Increase	%	June 30,		Increase	%	June 30,		Increase	%
	2024	2023	(Decrease)	Change	2024	2023	(Decrease)	Change	2024	2023	(Decrease)	Change
Weighted average principal amount	\$423,422	\$410,021	\$ 13,401	3.3	\$420,732	\$411,537	\$ 9,195	2.2	\$422,077	\$410,783	\$ 11,294	2.7
Weighted average interest rate	4.36 %	4.11 %	0.25 %	6.2	4.42 %	4.14 %	0.28 %	6.8	4.39 %	4.13 %	0.26 %	6.3

The **increase** **increases** in mortgage interest in the three and six months ended March 31, 2024 is June 30, 2024 are due primarily to the **increase** **increases** in the average principal amount of mortgage debt outstanding as a result of financings and refinancings, offset by mortgage payoffs (generally in connection with scheduled maturities) and scheduled amortization payments.

Credit line interest

The **decrease** **is decreases** in credit line interest in the three and six months ended June 30, 2024 are due to the **elimination** **payoff** of the principal balance outstanding on the credit facility. The **\$63,000** of interest expense of \$63,000 and \$126,000 for the three and six months ended June 30, 2024, respectively, constitutes the unused facility fee.

As of March 31, 2023, the The weighted average interest rate was 6.23% 6.69% and 6.44% for the three and six months ended June 30, 2023, respectively, and the weighted average principal amount outstanding was \$20.2 million. \$16.6 million and \$18.4 million for the three and six months ended June 30, 2023, respectively.

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 **May 1, 2024** **August 1, 2024**, was **\$115.1 million** **\$134.1 million**, including **\$15.1 million** **\$34.1 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 **May 1, 2024** **August 1, 2024**, 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, anticipated dividend payments and repurchases of our common stock, 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 \$2.8 million of capital expenditures) from the foregoing, as well as property financings and refinancings, property sales and sales of our common stock long-term:

- operating cash requirements (including debt service, anticipated dividend payments and, if any, repurchases of our common stock), principally from cash flow from operations, our available cash and cash equivalents, proceeds from and, to the extent permitted and needed, our credit facility,
- investing cash requirements (including an estimated \$26 million (net of anticipated financing) for the Council Bluffs' Acquisitions and \$3 million of capital expenditures on existing properties), from the foregoing, as well as property sales, sales of our common stock and property financings and refinancings, and
- financing cash requirements as described below.

At **March 31, 2024** **June 30, 2024**, we had **67** **68** outstanding mortgages payable secured by **68** **69** properties in the aggregate principal amount of **\$421.0 million** **\$419.8 million** (before netting unamortized deferred financing costs of **\$3.7** **\$3.6 million** and mortgage intangibles of **\$770,000**) **\$736,000**). These mortgages represent first liens on individual real estate investments with an aggregate carrying value of **\$668.0 million** **\$672.6 million**, before accumulated depreciation of **\$130.4 million** **\$131.3 million**. After giving effect to interest rate swap agreements, the mortgage payments bear interest at fixed rates ranging from 3.05% to **8.32%** **8.33%** (a 4.41% weighted average interest rate) and mature between 2024 and 2047 (a **6.36.0** year weighted average remaining term to maturity).

The following table sets forth, as of **March 31, 2024** **June 30, 2024**, information with respect to our mortgage debt that is payable during the **nine** **six** months ending December 31, 2024 and for each of the subsequent twelve months through December 31, 2027:

(Dollars in thousands)	2024	2025	2026	2027	Total	2024	2025	2026	2027	Total
Amortization payments	\$ 8,954	\$ 10,908	\$ 10,865	\$ 9,797	\$ 40,524	\$ 5,884	\$ 10,842	\$ 10,794	\$ 9,721	\$ 37,241
Principal due at maturity	25,309	29,157	19,179	38,525	112,170	25,309	29,157	19,179	38,525	112,170
Total	\$ 34,263	\$ 40,065	\$ 30,044	\$ 48,322	\$ 152,694	\$31,193	\$39,999	\$29,973	\$48,246	\$149,411

Weighted average interest rate % on principal due at maturity	4.74 %	4.34 %	3.88 %	3.64 %	4.11 %					
Weighted average interest rate on principal due at maturity						4.74 %	4.34 %	3.88 %	3.64 %	4.11 %

We intend to make debt amortization payments from operating cash flow and, though 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 in from 2024 through 2027. In particular, during the quarter ending September 30, 2024, we anticipate paying off approximately \$9 million to \$11 million of mortgages maturing in 2024 (of which we anticipate approximately \$6 million will be paid from the proceeds on the sale of the related properties). We anticipate that during the quarter ending September 30, 2024, we will obtain gross proceeds of between \$21 million and \$26 million from property financings (net of refinanced amounts ranging from \$9 million to \$12 million, respectively). On such debt, we expect the weighted average interest rate to range from 6.11% to 6.13% and the weighted average remaining term to maturity to range from five years to six years.

We anticipate refinancing a substantial portion of the remaining debt maturing in 2024 and 2025, although given the significant increase in interest rates over the past year, we can provide no assurance that we will be able to do so on terms as favorable as those currently in effect or at all. 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 property sales and, if any, the sale of our common stock, and our credit facility (to the extent available).

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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 use 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.

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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 three six months ended March 31, 2024 June 30, 2024 and 2023. 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 7.08% 7.09% at each of June 30, 2024 and 7.06% at March 31, 2024 and May 1, 2024, respectively. August 1, 2024.

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 **March 31, 2024** **June 30, 2024**, we were in compliance with the covenants under this facility.

Other Financing Sources and Arrangements

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 **three** **six** months ended **March 31, 2024** **June 30, 2024** and 2023. At **March 31, 2024** **June 30, 2024**, the carrying value of the land on our balance sheet was approximately **\$17.3 million** **\$17.3 million**; our leasehold position is subordinate to **\$63.2 million** **\$62.9 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 **5** **6** 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.

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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 from FFO for straight-line rent accruals and amortization of lease intangibles, deducting from income additional rent from ground lease tenant, income on settlement of litigation, income on insurance recoveries from casualties, lease termination and assignment fees, and adding back amortization of restricted stock and restricted stock unit compensation expense, amortization of costs in connection with our financing activities (including our share of our unconsolidated joint ventures), debt prepayment costs and amortization of lease incentives and 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 and 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	
	March 31,	
	2024	2023
GAAP net income attributable to One Liberty Properties, Inc.	\$ 5,155	\$ 5,386
Add: depreciation and amortization of properties	5,832	5,969
Add: our share of depreciation and amortization of unconsolidated joint ventures	6	130
Add: amortization of deferred leasing costs	189	176
Add: our share of amortization of deferred leasing costs of unconsolidated joint ventures	—	4
Deduct: gain on sale of real estate, net	(1,784)	(1,534)
Adjustments for non-controlling interests	161	(18)
NAREIT funds from operations applicable to common stock	9,559	10,113
Deduct: straight-line rent accruals and amortization of lease intangibles	(661)	(893)
Deduct: our share of straight-line rent accruals and amortization of lease intangibles of unconsolidated joint ventures	(1)	(5)
Deduct: lease termination fee income	(250)	—
Deduct: other income	(27)	—
Add: amortization of restricted stock and RSU compensation	1,272	1,328
Add: amortization and write-off of deferred financing costs	226	202
Add: amortization of lease incentives	30	31
Add: amortization of mortgage intangible assets	34	23
Add: our share of amortization of deferred financing costs of unconsolidated joint venture	—	4
Adjustments for non-controlling interests	28	—
Adjusted funds from operations applicable to common stock	\$ 10,210	\$ 10,803

	Three Months Ended		Three Months Ended		Six Months Ended	
	March 31,		June 30,		June 30,	
	2024	2023	2024	2023	2024	2023
GAAP net income attributable to One Liberty Properties, Inc.	\$.23	\$.25	\$ 9,553	\$ 6,519	\$ 14,708	\$ 11,905
Add: depreciation and amortization of properties	.28	.27	5,770	5,925	11,602	11,894

Add: our share of depreciation and amortization of unconsolidated joint ventures	—	.01	5	130	11	259
Add: impairment loss			1,086	—	1,086	—
Add: amortization of deferred leasing costs	.01	.01	195	189	384	365
Add: our share of amortization of deferred leasing costs of unconsolidated joint ventures	—	—	—	5	1	10
Deduct: gain on sale of real estate, net	(.08)	(.07)	(7,448)	(3,180)	(9,232)	(4,714)
Adjustments for non-controlling interests	.01	—	85	(18)	245	(35)
NAREIT funds from operations per share of common stock (a)	.45	.47				
NAREIT funds from operations applicable to common stock			9,246	9,570	18,805	19,684
Deduct: straight-line rent accruals and amortization of lease intangibles	(.03)	(.04)	(509)	(626)	(1,169)	(1,520)
Deduct: our share of straight-line rent accruals and amortization of lease intangibles of unconsolidated joint ventures	—	—	(2)	(4)	(3)	(9)
Deduct: lease termination fee income	(.01)	—	—	—	(250)	—
Deduct: other income	—	—	(27)	—	(55)	—
Deduct: additional rent from ground lease tenant			—	(16)	—	(16)
Add: amortization of restricted stock and RSU compensation	.06	.06	1,167	1,564	2,439	2,892
Add: amortization and write-off of deferred financing costs	.01	.01	290	205	516	407
Add: amortization of lease incentives	—	—	30	30	60	61
Add: amortization of mortgage intangible assets	—	—	34	23	69	46
Add: our share of amortization of deferred financing costs of unconsolidated joint venture	—	—	—	4	—	8
Adjustments for non-controlling interests	—	—	—	—	27	—
Adjusted funds from operations per share of common stock (a)	\$.48	\$.50	\$ 10,229	\$ 10,750	\$ 20,439	\$ 21,553

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
GAAP net income attributable to One Liberty Properties, Inc.	\$.45	\$.30	\$.68	\$.55
Add: depreciation and amortization of properties	.27	.28	.55	.56
Add: our share of depreciation and amortization of unconsolidated joint ventures	—	.01	—	.01
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	(.35)	(.15)	(.43)	(.22)
Adjustments for non-controlling interests	—	—	.01	—
NAREIT funds from operations per share of common stock (a)	.43	.45	.88	.92
Deduct: straight-line rent accruals and amortization of lease intangibles	(.01)	(.03)	(.05)	(.06)
Deduct: our share of straight-line rent accruals and amortization of lease intangibles of unconsolidated joint ventures	—	—	—	—
Deduct: lease termination fee income	—	—	(.01)	—
Deduct: other income	—	—	—	—
Deduct: additional rent from ground lease tenant	—	—	—	—
Add: amortization of restricted stock and RSU compensation	.05	.07	.11	.13
Add: amortization and write-off of deferred financing costs	.01	.01	.02	.02
Add: amortization of lease incentives	—	—	—	—
Add: amortization of mortgage intangible assets	—	—	—	—
Add: our share of amortization of deferred financing costs of unconsolidated joint venture	—	—	—	—
Adjustments for non-controlling interests	—	—	—	—
Adjusted funds from operations per share of common stock (a)	\$.48	\$.50	\$.95	\$ 1.01

(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.

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Three Months Ended March 31, 2024 months ended June 30, 2024 and 2023

The ~~\$554,000~~ \$324,000, or ~~5.5%~~3.4%, decrease in FFO for the three months ended ~~March 31, 2024~~June 30, 2024 from the corresponding 2023 period is due primarily to:

- a ~~\$506,000~~ \$607,000 decrease in rental income, net,
- a ~~\$346,000~~ increase in real estate operating expenses,
- a ~~\$160,000~~ \$147,000 decrease in equity in earnings from our unconsolidated joint ventures due to the inclusion and exclusion, in the 2023 period, of rent income and depreciation expense, respectively, from our former Manahawkin, New Jersey shopping center (the "Manahawkin Property), which was sold in December 2023, and
- a ~~\$117,000~~ \$140,000 increase in interest expense.

Offsetting the decrease is:

- a ~~\$252,000~~ increase \$389,000 decrease in other income,
- a ~~\$250,000~~ lease termination fee income, general and administrative expenses, and
- a ~~\$116,000~~ decrease \$248,000 increase in general and administrative expenses. other income.

The ~~\$593,000~~ \$521,000, or ~~5.5%~~4.8%, decrease in AFFO for the three months ended ~~March 31, 2024~~June 30, 2024 from the corresponding 2023 period is due to the factors impacting FFO as described immediately above, excluding the (i) ~~\$250,000 lease termination fee income~~\$397,000 decrease in general and administrative expenses related to the amortization of restricted stock and RSU compensation and (ii) a ~~\$232,000~~ \$117,000 increase in rental income, net, due to the exclusion of the amortization of straight line rent and lease-related intangibles.

See "—Results of Operations" for further information regarding these changes.

Six months ended June 30, 2024 and 2023

The \$879,000, or 4.5%, decrease in FFO for the six months ended June 30, 2024 from the corresponding 2023 period is due primarily to:

- a \$1.1 million decrease in rental income, net,
- a \$368,000 increase in real estate operating expenses,
- a \$306,000 decrease in equity in earnings from our unconsolidated joint ventures, as described above with respect to the Manahawkin Property, and
- a \$257,000 increase in interest expense.

Offsetting the decrease is:

- a \$505,000 decrease in general and administrative expenses
- a \$500,000 increase in other income, and
- \$250,000 of lease termination fee income.

The \$1.1 million, or 5.2%, decrease in AFFO for the six months ended June 30, 2024 from the corresponding 2023 period is due to the factors impacting FFO as described immediately above, excluding the (i) \$453,000 decrease in general and administrative expenses related to the amortization of restricted stock and RSU compensation, (ii) a \$351,000 increase in rental income, net, due to the exclusion of the amortization of straight line rent and lease-related intangibles, and (iii) \$250,000 lease termination fee income.

See "—Results of Operations" for further information regarding these changes.

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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 **March 31, 2024** **June 30, 2024**, we had no liability in the event of the early termination of our swaps.

At **March 31, 2024** **June 30, 2024**, we had 12 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 **March 31, 2024** **June 30, 2024**, 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 **\$243,000** **\$177,000**. 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 **\$247,000** **\$180,000**. 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.

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 **March 31, 2024** **June 30, 2024** that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

A subsidiary of ours is a defendant in a lawsuit entitled *Eastgate LLC, et al. v. OLP Beachwood OH LLC*, in the United States District Court for the Northern District of Ohio, Eastern Division, with respect to our land parcel in Beachwood, Ohio. The plaintiffs own the office building adjacent to our parcel and, among other things, seek to declare as void and unenforceable, deed restrictions prohibiting the use of a portion of their property for multi-family residential purposes. The lawsuit is in the preliminary pleading stage and we believe we have meritorious defenses.

Item 5. Other Information

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 **March 31, 2024** **June 30, 2024**.

Item 6. Exhibits

Exhibit No.	Title of Exhibit
10.1*	Form of Performance Agreement for RSU grants in 2024 pursuant to the 2022 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 March 31, 2024 June 30, 2024 filed on May 7, 2024 August 7, 2024 , 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.

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: May 7, 2024

/s/ Patrick J. Callan, Jr.

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

Date: May 7, 2024

/s/ Isaac Kalish

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

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EXHIBIT 10.1

PERFORMANCE AWARDS AGREEMENT ONE LIBERTY PROPERTIES, INC.

Name of Participant:

Number of ROC Units:

Number of TSR Units:

Grant Date: July 16, 2024

THIS PERFORMANCE AWARD 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. 2022 Incentive Plan ("Plan"); and

WHEREAS, the Compensation Committee of the Board of Directors ("Committee") 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 receipt of the Plan, the Prospectus dated June 10, 2022, the Prospectus Supplement dated the Grant Date and the Clawback Policy (as defined in Section 9 of this Agreement).

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, 2027, 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 hereof, 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, 2024 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, 2025. If the effective date of the Change in Control occurs prior to or on December 31, 2025, 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, 2024 and ending on the effective date of the Change in Control, and the denominator of which is the total number of days in the period commencing July 1, 2024 and ending December 31, 2025.
- (c) if a Participant's relationship with the Company terminates due to a DDR Event and subsequent thereto (but prior to June 30, 2025) 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, 2024 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, 2024 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 the grant of the Units and the issuance of Shares 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 (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) Subject to Section 9 of this Agreement, this Agreement and the Plan 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.

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

EXHIBIT A

PERFORMANCE CRITERIA

The number of Restricted Stock Units ("Units") that vest, will be determined by the Compensation Committee as soon as practicable after the completion of the three-year Performance Cycle (which commences July 1, 2024 and ends June 30, 2027), using the following Performance Criteria:

Return on Capital: The issuance of Shares underlying the ROC Units identified on the cover page of this Agreement are subject to the satisfaction of an average annual return on capital metric during the Performance Cycle. If the average of the annual return on capital during the Performance Cycle is:

- at least 8.75%, all the ROC Units vest;
- less than 6.0%, none of the ROC Units vest; and
- equals or exceeds 6.0% but less than 8.75%, then a proportional number of ROC Units vest.

Return on capital means adjusted funds from operations, as determined below, divided by average capital, as determined below. Adjusted funds from operations means funds from operations, determined in accordance with the National Association of Real Estate Investment Trusts definition, adjusted for straight-line rent accruals and amortization of lease intangibles, and adding and deducting gains and losses, respectively, on sales of properties. Gains and/or losses on property sales shall equal the sales price for a property less the purchase price, costs of capital improvements and costs of sale. Such return shall be calculated for each twelve-month period beginning July 1, 2024. Average capital is defined as stockholders' equity, plus depreciation and amortization, adjusted for intangibles, and for each twelve month period during the Performance Cycle, shall be measured by reference to the quotient obtained by dividing (a) the sum of the capital as of July 1 and the following June 30 by (b) two. The average annual return on capital shall be determined for each twelve-month period beginning July 1, 2024, 2025 and 2026, and whether and to the extent an award vests, will be based on the average of such averages.

Total Stockholder Return: The issuance of Shares underlying the TSR Units identified on the cover page of this Agreement is subject to the satisfaction of an average annual total stockholder return metric during the Performance Cycle, calculated as described below.

If the average annual total stockholder return during the Performance Cycle is:

- at least 11.0%, all of the TSR Units vest;
- less than 6.0%, none of the TSR Units vest; and
- equals or exceeds 6.0% but less than 11.0%, a proportional number of TSR Units vest.

Total stockholder return (expressed as a percentage), for each twelve month period beginning July 1, shall equal the quotient obtained by dividing (a) the sum of (i): the volume weighted average price (the "VWAP") of the Company's common stock for the twenty (20) trading days ending on the last trading day of the measurement period (the applicable June 30th), (ii) plus all dividends paid during the measurement period and (iii) minus the VWAP of the Company's common stock for the twenty (20) trading days ending at the start of the measurement period (the applicable July 1st) and (b) by the VWAP of the Company's common stock at the commencement of the measurement period (the applicable July 1st). Once total stockholder return has been calculated for each of the three years in the Performance Cycle, the average of the total stockholder return for each twelve month period during the Performance

Cycle shall be determined, and such average shall be the average annual total stockholder return of the Performance Cycle. For the avoidance of doubt (i) the stock prices to be used shall be those reported on the NYSE Consolidated Tape, (ii) dividends shall not be deemed to be reinvested, (iii) in the event that a measurement period begins or ends on a day which is not a trading day, then the measurement period shall be deemed to begin or end, as the case may be, on the immediately preceding trading date, (iv) the VWAP to be used for the beginning of the measurement period shall be the VWAP for the 20 trading days ending on June 30th immediately preceding July 1st, or if such June 30th is not a trading day, then the immediately preceding day which is a trading day, and (v) the VWAP for the 20 trading days ended June 28, 2024 is \$23.65.

EXHIBIT 31.1

CERTIFICATION

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

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended **March 31, 2024** June 30, 2024 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: **May 7, 2024** August 7, 2024

/s/ Patrick J. Callan, Jr.

Patrick J. Callan, Jr.

President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Isaac Kalish, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended **March 31, 2024** June 30, 2024 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: **May 7, 2024** **August 7, 2024**

/s/ Isaac Kalish

Isaac Kalish

Senior Vice President and Chief Financial Officer

EXHIBIT 32.1

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 **March 31, 2024** **June 30, 2024** 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: **May 7, 2024** **August 7, 2024**

/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.

EXHIBIT 32.2

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 **March 31, 2024** **June 30, 2024** 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: **May 7, 2024** **August 7, 2024**

/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.

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