



EASTERLY GOVERNMENT PROPERTIES REPORTS FIRST QUARTER 2025 RESULTS

Awarded New Federal Courthouse Development Project with 20-Year Non-Cancelable Lease Term Announces Accretive DC Government Acquisition with Nearly 12-year WALT Raises Lower End of 2025 Guidance

WASHINGTON, D.C. – April 29, 2025 – Easterly Government Properties, Inc. (NYSE: DEA) (the “Company” or “Easterly”), a fully integrated real estate investment trust (“REIT”) focused primarily on the acquisition, development and management of Class A commercial properties leased to the U.S. Government and its adjacent partners, today announced its results of operations for the quarter ended March 31, 2025.

Highlights for the Quarter Ended March 31, 2025:

- Net income of \$3.3 million, or \$0.07 per share on a fully diluted basis
- Core FFO of \$33.1 million, or \$0.73 per share on a fully diluted basis
- Entered into a master note purchase agreement to issue an aggregate \$125.0 million of senior unsecured notes in two tranches: (i) \$25.0 million of 6.13% Series A Notes with a maturity date of March 20, 2030; and (ii) \$100.0 million of 6.33% Series B Notes with a maturity date of March 20, 2032
- Issued an aggregate of 1,514,266 shares of the Company's common stock in settlement of previously entered into forward sales transactions through the Company's \$300.0 million ATM Program launched in June 2021 (the “2021 ATM Program”). These shares were then physically settled in the same quarter at a weighted average price per share of \$27.40, raising net proceeds to the Company of approximately \$40.9 million

NOTE: Unless noted otherwise, all share and per share data have been adjusted for all periods presented to reflect a 1 for 2.5 reverse stock split effective April 28, 2025 (the “Reverse Stock Split”).

“We took strong steps to position the Company for future growth opportunity during the quarter,” said Darrell Crate, President & CEO of Easterly Government Properties. “With the DOGE initiative we have observed the U.S. Government to be more receptive to cost saving efforts than in the past. We believe this provides an opportunity for us to add more value as a public private partner as the U.S. Government has stated their intent for greater reliance on leased versus owned real estate.”

Portfolio Operations

As of March 31, 2025, the Company or its JV owned 100 operating properties in the United States encompassing approximately 9.7 million leased square feet, including 92 operating properties that were leased primarily to U.S. Government tenant agencies, four operating properties leased primarily to tenant agencies of a U.S. state or local government and three operating properties that were entirely leased to private tenants. In addition, the Company wholly owned two properties in development that the Company expects will encompass approximately 0.2 million rentable square feet upon completion. The first re-development project, located in Atlanta, Georgia, is currently under construction and, once complete, a 20-year lease with the U.S. General Services Administration (GSA) is expected to commence for the beneficial use of the U.S. Food and Drug Administration (FDA). The second project, located in Flagstaff, Arizona, is currently under construction and, once complete, a 20-year lease with the GSA is expected to commence for the beneficial use of the United States Judiciary. As of



March 31, 2025, the portfolio had a weighted average age of 15.9 years, based upon the date properties were built or renovated-to-suit, and had a weighted average remaining lease term of 9.8 years.

On March 12, 2025, the Company was awarded a 20-year non-cancelable lease for a 40,035 square foot Federal District and Federal Magistrate Courthouse in Medford, Oregon ("JUD - Medford"). Closing of the acquisition of the underlying property to be redeveloped is subject to customary closing conditions.

Balance Sheet and Capital Markets Activity

As of March 31, 2025, the Company had total indebtedness of approximately \$1.6 billion comprised of \$155.1 million outstanding on its senior unsecured revolving credit facility, \$100.0 million outstanding on its 2016 term loan facility (the "2016 Term Loan"), \$174.5 million outstanding on its 2018 term loan facility, \$1.0 billion of senior unsecured notes, and \$155.2 million of mortgage debt (excluding unamortized premiums and discounts and deferred financing fees). The Company's outstanding debt had a weighted average maturity of 4.8 years and a weighted average interest rate of 4.6%. Further, the Company's Net Debt to total enterprise value was 56.2% and its Adjusted Net Debt to annualized quarterly pro forma EBITDA ratio was 7.1x.

On January 8, 2025, the Company amended the 2016 Term Loan. Easterly extended the maturity date of the 2016 Term Loan from January 30, 2025 to January 28, 2028. Further, the Company may exercise at its discretion two one-year extension options, subject to certain conditions, thus extending the maturity date as late as January 28, 2030. Easterly further secured increased borrowing capacity on the accordion feature from \$150.0 million to \$250.0 million. In connection with the 2016 Term Loan, the Company also entered into an interest rate swap to effectively fix SOFR at 3.8569% annually. By executing this swap, the Company provides greater certainty over its interest rate exposure. Borrowings under the 2016 Term Loan will continue to bear interest at a rate of SOFR, a credit spread adjustment of 0.10%, plus a spread of 1.20% to 1.70%, depending on the Company's leverage ratio. Given the Company's leverage ratio as of March 31, 2025, the 2016 Term Loan's spread to SOFR is set at 1.35%.

On March 25, 2025, the Company announced it had entered into a master note purchase agreement to issue an aggregate \$125.0 million of senior unsecured notes consisting of: \$25.0 million of 6.13% Series A Notes with a maturity date of March 20, 2030; and \$100.0 million of 6.33% Series B Notes with a maturity date of March 20, 2032. The Company, together with various subsidiaries of the Partnership, have guaranteed the Series A and B Senior Notes. In connection with issuing the Series B Notes, the Company also entered into treasury lock agreements.

Dividend

On April 9, 2025, the Board of Directors of Easterly approved a cash dividend for the first quarter of 2025 in the amount of \$0.45 per common share. The dividend will be payable May 17, 2025 to shareholders of record on May 5, 2025.

Subsequent Events

On April 9, 2025, with the intent to right size the Company's payout ratio, the Company's Board of Directors approved a reduction of \$0.085, or approximately 32.0% from the Company's prior quarter dividend of \$0.265 per share (not adjusted for the Reverse Stock Split). The new quarterly dividend amount is now \$0.18 per share (not adjusted for the Reverse Stock Split). On April 9, 2025, the Board of Directors also approved a 1-for-2.5 Reverse Stock Split of the Company's issued and outstanding shares of common stock, which was effective on April 28, 2025. The Reverse Stock Split, whereby every 2.5 issued and outstanding shares of common stock were exchanged for one share of common stock, reducing the number of shares outstanding from approximately 112.3 million to 44.9 million. The par value of the common stock remained unchanged at



\$0.01 per share. As a result of the Reverse Stock Split, the announced dividend of \$0.18 per share was also adjusted to \$0.45 per share (\$1.80 per share per year).

On April 3, 2025, the Company acquired a 289,873 square foot facility leased primarily to the District of Columbia Government with a lease through February 2038.

On April 24, 2025, the Company settled 202,721 shares of the Company's common stock under our 2021 ATM Program and received \$5.3 million of net proceeds.

Guidance

This guidance is forward-looking and reflects management's view of current and future market conditions. The Company's actual results may differ materially from this guidance.

Outlook for the 12 Months Ending December 31, 2025

The Company is raising the lower end of its guidance for full-year 2025 Core FFO per share on a fully diluted basis at a range of \$2.98 - \$3.03.

	Low	High
Net income (loss) per share – fully diluted basis	\$ 0.48	0.53
Plus: Company's share of real estate depreciation and amortization	\$ 2.47	2.47
FFO per share – fully diluted basis	\$ 2.95	3.00
Plus: Company's share of depreciation of non-real estate assets	\$ 0.03	0.03
Core FFO per share – fully diluted basis	\$ 2.98	3.03

This guidance assumes approximately \$140 million of wholly owned acquisitions and \$25 - \$75 million of gross development-related investment during 2025.

Non-GAAP Supplemental Financial Measures

This section contains definitions of certain non-GAAP financial measures and other terms that the Company uses in this press release and, where applicable, the reasons why management believes these non-GAAP financial measures provide useful information to investors about the Company's financial condition and results of operations and the other purposes for which management uses the measures. These measures should not be considered in isolation or as a substitute for measures of performance in accordance with GAAP. A reconciliation of the differences between each non-GAAP financial measure and the comparable GAAP financial measure are included in this press release following the consolidated financial statements. Additional detail can be found in the Company's most recent annual report on Form 10-K and quarterly report on Form 10-Q, as well as other documents filed with or furnished to the Securities and Exchange Commission from time to time. We present certain financial information and metrics "at Easterly's Share," which is calculated on an entity-by-entity basis. "At Easterly's Share" information, which we also refer to as being "at share," "pro rata," or "our share" is not, and is not intended to be, a presentation in accordance with GAAP.

Cash Available for Distribution (CAD) is a non-GAAP financial measure that is not intended to represent cash flow for the period and is not indicative of cash flow provided by operating activities as determined under GAAP. CAD is calculated in accordance with the current Nareit definition as FFO minus normalized recurring real estate-related expenditures and other non-cash items, nonrecurring expenditures and the unconsolidated real estate venture's allocated share of these adjustments. CAD is presented solely as a supplemental disclosure because the Company believes it provides useful information regarding the Company's ability to fund its dividends.

Because all companies do not calculate CAD the same way, the presentation of CAD may not be comparable to similarly titled measures of other companies.

Core Funds from Operations (Core FFO) adjusts FFO to present an alternative measure of the Company's operating performance, which, when applicable, excludes items which it believes are not representative of ongoing operating results, such as liability management related costs (including losses on extinguishment of debt and modification costs), catastrophic event charges, depreciation of non-real estate assets, recovery of credit losses, and the unconsolidated real estate venture's allocated share of these adjustments. In future periods, the Company may also exclude other items from Core FFO that it believes may help investors compare its results. The Company believes Core FFO more accurately reflects the ongoing operational and financial performance of the Company's core business.

EBITDA is calculated as the sum of net income (loss) before interest expense, taxes, depreciation and amortization, (gain) loss on the sale of operating properties, impairment loss, and the unconsolidated real estate venture's allocated share of these adjustments. EBITDA is not intended to represent cash flow for the period, is not presented as an alternative to operating income as an indicator of operating performance, should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP, is not indicative of operating income or cash provided by operating activities as determined under GAAP and may be presented on a pro forma basis. EBITDA is presented solely as a supplemental disclosure with respect to liquidity because the Company believes it provides useful information regarding the Company's ability to service or incur debt. Because all companies do not calculate EBITDA the same way, the presentation of EBITDA may not be comparable to similarly titled measures of other companies.

Funds From Operations (FFO) is defined, in accordance with the Nareit FFO White Paper - 2018 Restatement, as net income (loss), 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 and impairment write-downs of certain real estate assets and investments in entities when the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity. FFO includes the Company's share of FFO generated by unconsolidated affiliates. FFO is a widely recognized measure of REIT performance. Although FFO is a non-GAAP financial measure, the Company believes that information regarding FFO is helpful to shareholders and potential investors.

Net Debt and Adjusted Net Debt Net Debt represents the Company's consolidated debt and its share of unconsolidated debt adjusted to exclude its share of unamortized premiums and discounts and deferred financing fees, less its share of cash and cash equivalents and property acquisition closing escrow, net of deposit. By excluding these items, the result provides an estimate of the contractual amount of borrowed capital to be repaid, net of cash available to repay it. The Company believes this calculation constitutes a beneficial supplemental non-GAAP financial disclosure to investors in understanding its financial condition. Adjusted Net Debt is Net Debt reduced by 1) for each project under construction or in design, the lesser of i) outstanding lump-sum reimbursement amounts and ii) the cost to date, 2) 40% times the amount by which the cost to date exceeds total lump-sum reimbursement amounts for each project under construction or in design and 3) outstanding lump-sum reimbursement amounts for projects previously completed. These adjustments are made to 1) remove the estimated portion of each project under construction, in design or previously completed that has been financed with debt which may be repaid with outstanding cost reimbursement payments from the US Government and 2) remove the estimated portion of each project under construction or in design, in excess of total lump-sum reimbursements, that has been financed with debt but has not yet produced earnings. See page 25 of the Company's Q1 2025 Supplemental Information Package for further information. The Company's method of calculating Net Debt and Adjusted Net Debt may be different from methods used by other REITs and may be presented on a pro forma basis. Accordingly, the Company's method may not be comparable to such other REITs.



Other Definitions

Fully diluted basis assumes the exchange of all outstanding common units representing limited partnership interests in the Company's operating partnership, or common units, the full vesting of all shares of restricted stock, and the exchange of all earned and vested LTIP units in the Company's operating partnership for shares of common stock on a one-for-one basis, which is not the same as the meaning of "fully diluted" under GAAP.

Conference Call Information

The Company will host a webcast and conference call at 11:00 am Eastern time on April 29, 2025 to review the first quarter 2025 performance, discuss recent events and conduct a question-and-answer session. A live webcast will be available in the Investor Relations section of the Company's website. Shortly after the webcast, a replay of the webcast will be available on the Investor Relations section of the Company's website for up to twelve months. Please note that the full text of the press release and supplemental information package are also available through the Company's website at ir.easterlyreit.com.

About Easterly Government Properties, Inc.

Easterly Government Properties, Inc. (NYSE: DEA) is based in Washington, D.C., and focuses primarily on the acquisition, development and management of Class A commercial properties that are leased to the U.S. Government. Easterly's experienced management team brings specialized insight into the strategy and needs of mission-critical U.S. Government agencies for properties leased to such agencies either directly or through the U.S. General Services Administration (GSA). For further information on the company and its properties, please visit www.easterlyreit.com.

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Forward Looking Statements

We make statements in this press release that are considered "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, which are usually identified by the use of words such as "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "seeks," "should," "will," and variations of such words or similar expressions and include our guidance with respect to Net income (loss) and Core FFO per share on a fully diluted basis. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and are including this statement in this press release for purposes of complying with those safe harbor provisions. These forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in or suggested by those forward-looking statements are reasonable, we can give no assurance that the plans, intentions, expectations or strategies will be attained or achieved. Furthermore, actual

results may differ materially from those described in the forward-looking statements and will be affected by a variety of risks and factors that are beyond our control including, without limitation: risks associated with our dependence on the U.S. Government and its agencies for substantially all of our revenues, including credit risk and risk that the U.S. Government reduces its spending on real estate or that it changes its preference away from leased properties; risks associated with ownership and development of real estate; the risk of decreased rental rates or increased vacancy rates; the loss of key personnel; general volatility of the capital and credit markets and the market price of our common stock; the risk we may lose one or more major tenants; difficulties in completing and successfully integrating acquisitions; failure of acquisitions or development projects to occur at anticipated levels or yield anticipated results; risks associated with our joint venture activities; risks associated with actual or threatened terrorist attacks; intense competition in the real estate market that may limit our ability to attract or retain tenants or re-lease space; insufficient amounts of insurance or exposure to events that are either uninsured or underinsured; uncertainties and risks related to adverse weather conditions, natural disasters and climate change; exposure to liability relating to environmental and health and safety matters; limited ability to dispose of assets because of the relative illiquidity of real estate investments and the nature of our assets; exposure to litigation or other claims; risks associated with breaches of our data security; risks associated with our indebtedness, including failure to refinance current or future indebtedness on favorable terms, or at all, failure to meet the restrictive covenants and requirements in our existing and new debt agreements, fluctuations in interest rates and increased costs to refinance or issue new debt; risks associated with derivatives or hedging activity; risks associated with mortgage debt or unsecured financing or the unavailability thereof, which could make it difficult to finance or refinance properties and could subject us to foreclosure; adverse impacts from any future pandemic, epidemic or outbreak of any highly infectious disease on the U.S., regional and global economies and our financial condition and results of operations; and other risks and uncertainties detailed in the “Risk Factors” section of our Form 10-K for the year ended December 31, 2024, filed with the Securities and Exchange Commission (SEC) on February 25, 2025, and under the heading “Risk Factors” in our other public filings. In addition, our anticipated qualification as a real estate investment trust involves the application of highly technical and complex provisions of the Internal Revenue Code of 1986, or the Code, and depends on our ability to meet the various requirements imposed by the Code through actual operating results, distribution levels and diversity of stock ownership. We assume no obligation to update publicly any forward looking statements, whether as a result of new information, future events or otherwise.

Balance Sheet

(Unaudited, in thousands, except share amounts)

	March 31, 2025	December 31, 2024
Assets		
Real estate properties, net	\$ 2,573,509	\$ 2,572,095
Cash and cash equivalents	8,459	19,353
Restricted cash	9,030	8,451
Tenant accounts receivable	70,531	71,172
Investment in unconsolidated real estate venture	314,546	316,521
Real estate loan receivable, net	43,760	34,081
Intangible assets, net	155,663	161,425
Interest rate swaps	145	717
Prepaid expenses and other assets	48,964	39,256
Total assets	<u>\$ 3,224,607</u>	<u>\$ 3,223,071</u>
Liabilities		
Revolving credit facility	155,050	274,550
Term loan facilities, net	273,387	274,009
Notes payable, net	1,018,187	894,676
Mortgage notes payable, net	154,508	155,586
Intangible liabilities, net	14,093	14,885
Deferred revenue	118,340	120,977
Interest rate swaps	1,323	-
Accounts payable, accrued expenses and other liabilities	91,161	101,271
Total liabilities	<u>1,826,049</u>	<u>1,835,954</u>
Equity		
Common stock, par value \$0.01, 200,000,000 shares authorized, 44,702,490 and 43,188,224 shares issued and outstanding at March 31, 2025 and December 31, 2024, respectively	447	432
Additional paid-in capital ⁽¹⁾	1,915,891	1,874,193
Retained earnings	134,981	131,854
Cumulative dividends	(714,657)	(686,044)
Accumulated other comprehensive income	(2,971)	683
Total stockholders' equity	<u>1,333,691</u>	<u>1,321,118</u>
Non-controlling interest in Operating Partnership	64,867	65,999
Total equity	<u>1,398,558</u>	<u>1,387,117</u>
Total liabilities and equity	<u>\$ 3,224,607</u>	<u>\$ 3,223,071</u>

⁽¹⁾ As of December 31, 2024 and March 31, 2025, the Company reclassified \$0.6 million from Common Stock to Additional Paid-in-Capital due to the reduction in shares outstanding in connection with the Reverse Stock Split effective April 28, 2025.

Income Statement

(Unaudited, in thousands, except share and per share amounts)

	Three Months Ended	
	March 31, 2025	March 31, 2024
Revenues		
Rental income	\$ 75,546	\$ 70,746
Tenant reimbursements	1,026	1,017
Asset management income	622	550
Other income	1,481	487
Total revenues	<u>78,675</u>	<u>72,800</u>
Expenses		
Property operating	17,799	16,592
Real estate taxes	7,957	8,229
Depreciation and amortization	26,797	23,800
Acquisition costs	307	419
Corporate general and administrative	6,215	6,455
Recovery of credit losses	(238)	-
Total expenses	<u>58,837</u>	<u>55,495</u>
Other income (expense)		
Income from unconsolidated real estate venture	1,822	1,415
Interest expense, net	(18,377)	(13,836)
Net income	<u>3,283</u>	<u>4,884</u>
Non-controlling interest in Operating Partnership	(156)	(258)
Net income available to Easterly Government Properties, Inc.	<u>\$ 3,127</u>	<u>\$ 4,626</u>
Net income available to Easterly Government Properties, Inc. per share:		
Basic	<u>\$ 0.07</u>	<u>\$ 0.11</u>
Diluted	<u>\$ 0.07</u>	<u>\$ 0.11</u>
Weighted-average common shares outstanding:		
Basic	43,224,145	40,797,257
Diluted	43,372,207	40,894,004
Net income, per share - fully diluted basis	<u>\$ 0.07</u>	<u>\$ 0.11</u>
Weighted average common shares outstanding - fully diluted basis	45,420,667	43,086,640

EBITDA

(Unaudited, in thousands)

	Three Months Ended	
	March 31, 2025	March 31, 2024
Net income	\$ 3,283	\$ 4,884
Depreciation and amortization	26,797	23,800
Interest expense	18,377	13,836
Tax expense	163	266
Unconsolidated real estate venture allocated share of above adjustments	2,341	2,074
EBITDA	<u>\$ 50,961</u>	<u>\$ 44,860</u>

FFO and CAD

(Unaudited, in thousands, except share and per share amounts)

	Three Months Ended	
	March 31, 2025	March 31, 2024
Net income	\$ 3,283	\$ 4,884
Depreciation of real estate assets	26,546	23,549
Unconsolidated real estate venture allocated share of above adjustments	2,279	2,002
FFO	<u>\$ 32,108</u>	<u>\$ 30,435</u>
Adjustments to FFO:		
Loss on extinguishment of debt and modification costs	\$ 900	\$ -
Recovery of credit losses	(238)	-
Natural disaster event expense, net of recovery	23	53
Depreciation of non-real estate assets	251	251
Unconsolidated real estate venture allocated share of above adjustments	17	17
Core FFO	<u>\$ 33,061</u>	<u>\$ 30,756</u>
FFO, per share - fully diluted basis	<u>\$ 0.71</u>	<u>\$ 0.71</u>
Core FFO, per share - fully diluted basis	<u>\$ 0.73</u>	<u>\$ 0.71</u>
Core FFO	\$ 33,061	\$ 30,756
Straight-line rent and other non-cash adjustments	251	(856)
Amortization of above-/below-market leases	(518)	(594)
Amortization of deferred revenue	(1,762)	(1,604)
Non-cash interest expense	759	307
Non-cash compensation	1,421	1,229
Natural Disaster event expense, net of recovery	(23)	(53)
Principal amortization	(1,127)	(1,117)
Maintenance capital expenditures	(285)	(1,724)
Contractual tenant improvements	(612)	(444)
Unconsolidated real estate venture allocated share of above adjustments	(20)	(15)
Cash Available for Distribution (CAD)	<u>\$ 31,145</u>	<u>\$ 25,885</u>
Weighted average common shares outstanding - fully diluted basis	45,420,667	43,086,640

Net Debt and Adjusted Net Debt

(Unaudited, in thousands)

	March 31, 2025
Total Debt⁽¹⁾	\$ 1,609,722
Less: Cash and cash equivalents	(9,689)
Less: property acquisition closing escrow, net of deposit	(7,200)
Net Debt	\$ 1,592,833
Less: Adjustment for development projects ⁽²⁾	(138,909)
Adjusted Net Debt	\$ 1,453,924

¹ Excludes unamortized premiums / discounts and deferred financing fees.

² See definition of Adjusted Net Debt on Page 4 of this release.