

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

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

**Date of Report (Date of earliest event reported): August 03, 2022**

**BROADSTONE NET LEASE, INC.**

(Exact name of Registrant as Specified in Its Charter)

**Maryland**  
(State or Other Jurisdiction  
of Incorporation)

**001-39529**  
(Commission File Number)

**26-1516177**  
(IRS Employer  
Identification No.)

**800 Clinton Square**  
**Rochester, New York**  
(Address of Principal Executive Offices)

**14604**  
(Zip Code)

**Registrant's Telephone Number, Including Area Code: 585 287-6500**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
Common Stock, \$0.00025 par value	BNL	The New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

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.

**Item 2.02 Results of Operations and Financial Condition.**

On August 3, 2022, Broadstone Net Lease, Inc. (the “Company”) issued a press release announcing its financial results for the quarter ended June 30, 2022. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference. Additionally, on August 3, 2022, the Company made available on its website an updated presentation containing quarterly supplemental information pertaining to its operations and financial results including the quarter ended June 30, 2022. A copy of the quarterly supplemental information is attached hereto as Exhibit 99.2 and is incorporated herein by reference. The press release and quarterly supplemental information are also available on the Company’s website.

The information contained in this Item 2.02, including the information contained in the press release attached as Exhibit 99.1 hereto and quarterly supplemental information attached as Exhibit 99.2 hereto, are being “furnished” and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall such information be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing. References to the Company’s website in this Current Report on Form 8-K and in the attached Exhibit 99.1 and Exhibit 99.2 to this Current Report on Form 8-K do not incorporate by reference the information on such website into this Current Report on Form 8-K and the Company disclaims any such incorporation by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

**INDEX TO EXHIBITS**

<b><u>Exhibit No.</u></b>	<b><u>Description</u></b>
99.1	<a href="#">Press Release dated August 3, 2022</a>
99.2	<a href="#">Quarterly Supplemental Information for the Quarter Ended June 30, 2022</a>
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

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**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.

**BROADSTONE NET LEASE, INC.**

Date: August 3, 2022

By: /s/ John D. Callan

Name: John D. Callan

Title: Senior Vice President, General Counsel and Secretary

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**For Immediate Release**  
**August 3, 2022**

**Company Contact:**

Michael Caruso  
 SVP, Corporate Finance & Investor Relations  
 michael.caruso@broadstone.com  
 585.402.7842



**Broadstone Net Lease Announces Second Quarter 2022 Results**

**ROCHESTER, N.Y.** – Broadstone Net Lease, Inc. (NYSE: BNL) ("BNL," the "Company," "we," "our," or "us"), today announced its operating results for the quarter ended June 30, 2022.

**SECOND QUARTER 2022 HIGHLIGHTS**

<b>INVESTMENT ACTIVITY</b>	<ul style="list-style-type: none"> <li>Invested \$182.4 million in 15 properties at a weighted average initial cash capitalization rate of 6.4%. The leases had a weighted average initial term of 19.9 years and minimum annual rent increases of 2.1%. These acquisitions included properties in the industrial, retail, and healthcare asset classes. Subsequent to quarter end, we closed an additional \$80.2 million of acquisitions and currently have \$70.9 million in acquisitions under control.</li> <li>Sold three properties, at a weighted average capitalization rate of 5.1%, for net proceeds of \$11.4 million, recognizing a gain of \$4.1 million over original purchase price.</li> </ul>
<b>CAPITAL MARKETS ACTIVITY</b>	<ul style="list-style-type: none"> <li>Sold 3,236,000 shares of common stock for net proceeds of \$68.3 million under our at-the-market common equity offering ("ATM Program").</li> <li>Ended the quarter with total outstanding debt of \$1.9 billion, Net Debt of \$1.8 billion, and a Net Debt to Annualized Adjusted EBITDA ratio of 5.3x.</li> <li>Declared a quarterly dividend on July 28, 2022, of \$0.27 per common share and OP Unit to shareholders and OP unitholders of record as of September 30, 2022.</li> <li>On August 1, 2022, we entered into a \$200 million, five year unsecured term loan and a \$300 million, seven year unsecured term loan, the proceeds of which were used to repay in full our \$190 million term loan set to mature in 2024, and a portion of the outstanding borrowings on our Revolver.</li> </ul>
<b>OPERATING RESULTS</b>	<ul style="list-style-type: none"> <li>Collected 100% of base rents due for the second quarter, and our portfolio was 99.8% leased, consistent with the prior quarter.</li> <li>Incurred \$9.3 million of general and administrative expenses, inclusive of \$1.4 million of stock-based compensation.</li> <li>Generated net income of \$35.6 million, or \$0.20 per share.</li> <li>Generated adjusted funds from operations ("AFFO") of \$62.8 million, or \$0.35 per share.</li> <li>Narrowed 2022 AFFO guidance range to between \$1.38 and \$1.40 per diluted share, driven primarily by proactively accelerating our capital markets activity during the first half of the year, providing a strong balance sheet and significant liquidity position to support our defensive growth strategy.</li> </ul>

## MANAGEMENT COMMENTARY

"Diversification continues to be the foundation of everything we do as a net lease REIT, and we expect it to be critical through potentially uncertain times ahead of us," said Chris Czarniecki, BNL's Chief Executive Officer. "We took advantage of the flexibility it afforded to us in our pipeline and acquired \$182.4 million of properties during the quarter with a strong weighted average initial cash cap rate of 6.4%. Our portfolio continues to perform well, with strong diversification by property type, geographic location, tenant, and industry serving as a natural hedge to current and future economic pressures. With significant liquidity and year-to-date capital markets execution, we remain committed to our defensive growth strategy to provide strong returns to investors."

## SUMMARIZED FINANCIAL RESULTS

	For the Three Months Ended			For the Six Months Ended	
	June 30, 2022	March 31, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<i>(in thousands, except per share data)</i>					
Revenues	\$ 98,013	\$ 93,841	\$ 84,759	\$ 191,854	\$ 167,457
Net income, including non-controlling interests	\$ 35,552	\$ 28,441	\$ 22,820	\$ 63,993	\$ 46,780
Net earnings per share	\$ 0.20	\$ 0.16	\$ 0.14	\$ 0.36	\$ 0.30
FFO	\$ 68,340	\$ 61,504	\$ 50,184	\$ 129,844	\$ 102,113
FFO per share	\$ 0.38	\$ 0.35	\$ 0.32	\$ 0.73	\$ 0.65
Core FFO	\$ 65,986	\$ 64,076	\$ 55,816	\$ 130,062	\$ 108,422
Core FFO per share	\$ 0.37	\$ 0.37	\$ 0.35	\$ 0.73	\$ 0.69
AFFO	\$ 62,804	\$ 60,401	\$ 52,024	\$ 123,205	\$ 101,434
AFFO per share	\$ 0.35	\$ 0.35	\$ 0.33	\$ 0.69	\$ 0.64
Diluted Weighted Average Shares Outstanding	180,256	174,288	157,430	177,346	157,115

FFO, Core FFO and AFFO are measures that are not calculated in accordance with accounting principles generally accepted in the United States of America ("GAAP"). See the Reconciliation of Non-GAAP Measures later in this press release.

## REAL ESTATE PORTFOLIO UPDATE

As of June 30, 2022, we owned a diversified portfolio of 764 individual net leased commercial properties with 757 properties located in 44 U.S. states and seven properties located in four Canadian provinces, comprising approximately 34.4 million rentable square feet of operational space. As of June 30, 2022, all but two of our properties were subject to a lease, and our properties were occupied by 213 different commercial tenants, with no single tenant accounting for more than 2.0% of ABR. Properties subject to a lease represent 99.8% of our portfolio's rentable square footage. The ABR weighted average annual minimum rent increase, pursuant to leases on properties in the portfolio as of June 30, 2022, was 2.0%.

During the second quarter, we invested \$182.4 million, excluding capitalized acquisition costs, in 15 properties at a weighted average initial cash cap rate of 6.4%. The acquisitions included properties in industrial (82.1% of the quarter's volume, based on ABR), retail (10.7%), and healthcare (7.2%) asset classes. The second quarter acquisitions were located across 14 U.S. states with a weighted average initial lease term and minimum annual rent increases of 19.9 years and 2.1%, respectively.

BNL continues to build and evaluate a robust pipeline of potential investment opportunities predominantly focused on industrial, healthcare, restaurant, and retail asset classes. Subsequent to quarter end, we invested an additional \$80.2 million, excluding capitalized acquisition costs, in 14 properties in the industrial and retail asset classes. BNL currently has \$70.9 million of properties under control, which we define as under contract or executed letter of intent.

During the second quarter, we sold three properties for net proceeds of \$11.4 million, recognizing a gain over original purchase price of \$4.1 million. The weighted average capitalization rate realized on the tenanted properties was 5.1%.

## **BALANCE SHEET AND CAPITAL MARKETS ACTIVITIES**

During the second quarter, BNL sold 3,236,000 shares of common stock under its ATM Program at a weighted average sale price of \$21.42 per share for net proceeds of \$68.3 million. There was approximately \$166.0 million of capacity remaining on the ATM Program as of June 30, 2022.

Subsequent to quarter end, on August 1, 2022, we entered into two new unsecured bank term loans, including a \$200 million, five year term loan that matures in 2027 (the "2027 Unsecured Term Loan"), and a \$300 million, seven year term loan that matures in 2029 (the "2029 Unsecured Term Loan"). Borrowings on the new term loans bear interest at variable rates based on the Secured Overnight Financing Rate ("SOFR") plus a margin based on our credit rating ranging between 0.80% and 1.60% per annum for the 2027 Unsecured Term Loan, and 1.15% and 2.20% per annum for the 2029 Unsecured Term Loan. The initial applicable margin was 0.95% and 1.25% for the 2027 Unsecured Term Loan and 2029 Unsecured Term Loan, respectively. Proceeds from the loans were used to repay in full our \$190 million unsecured term loan set to mature in 2024, including accrued interest, and a portion of the outstanding balance on our Revolver.

## **DISTRIBUTIONS**

At its July 28, 2022, meeting, our board of directors declared a \$0.27 distribution per common share and OP Unit to stockholders and OP unitholders of record as of September 30, 2022, payable on or before October 14, 2022.

## **2022 GUIDANCE**

BNL has narrowed its guidance range for the 2022 full year and currently expects to report AFFO of between \$1.38 and \$1.40 per diluted share, driven primarily by the incremental interest expense associated with our new unsecured term loans, as well as accelerated equity raise during the first half of the year.

The updated guidance range is based on the following key assumptions:

- (i) investments in real estate properties between \$700 million and \$800 million, which is unchanged;
- (ii) dispositions of real estate properties between \$75 million and \$100 million, which is unchanged; and
- (iii) total cash general and administrative expenses between \$31 million and \$33 million, which is unchanged.

AFFO per share is sensitive to the timing and amount of real estate acquisitions, property dispositions, and capital markets activities during the year.

The Company does not provide guidance for the most comparable GAAP financial measure, net income, or a reconciliation of the forward-looking non-GAAP financial measure of AFFO to net income computed in accordance with GAAP, because it is unable to reasonably predict, without unreasonable efforts, certain items that would be contained in the GAAP measure, including items that are not indicative of the Company's ongoing operations, including, without limitation, potential impairments of real estate assets, net gain/loss on dispositions of real estate assets, changes in allowance for credit losses, and stock-based compensation expense. These items are uncertain, depend on various factors, and could have a material impact on the Company's GAAP results for the guidance periods.

## **CONFERENCE CALL AND WEBCAST**

**The company will host its second quarter earnings conference call and audio webcast on Thursday, August 4, 2022, at 10:00 a.m. Eastern Time.**

To access the live webcast, which will be available in listen-only mode, please visit: <https://events.q4inc.com/attendee/962354572>. If you prefer to listen via phone, U.S. participants may dial: 1-888-510-2080 (toll free) or 1-646-960-0460 (local), access code 1514584. International access numbers are viewable here: <https://events.q4irportal.com/custom/access/2324/>.

A replay of the conference call webcast will be available approximately one hour after the conclusion of the live broadcast. To listen to a replay of the call via phone, all participants may dial: 1-800-770-2030 (toll free) or 1-647-362-9199 (local), access code 1514584. The replay will be available via dial-in until Thursday, August 18, 2022. To listen to a replay of the call via the web, which will be available for one year, please visit: <https://investors.bnl.broadstone.com>.

## **About Broadstone Net Lease, Inc.**

BNL is a real estate investment trust that acquires, owns, and manages primarily single-tenant commercial real estate properties that are net leased on a long-term basis to a diversified group of tenants. The Company utilizes an investment strategy underpinned by strong fundamental credit analysis and prudent real estate underwriting. As of June 30, 2022, BNL's diversified portfolio consisted of 764 individual net leased commercial properties with 757 properties located in 44 U.S. states and seven properties located in four Canadian provinces across the industrial, healthcare, restaurant, retail, and office property types.

## **Forward-Looking Statements**

This press release contains "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, regarding, among other things, our plans, strategies, and prospects, both business and financial. Such forward-looking statements can generally be identified by our use of forward-looking terminology such as "may," "will," "should," "expect," "intend," "anticipate," "estimate," "would be," "believe," "continue," or other similar words. Forward-looking statements, including our 2022 guidance and assumptions, involve known and unknown risks and uncertainties, which may cause BNL's actual future results to differ materially from expected results, including, without limitation, risks and uncertainties related to the COVID-19 pandemic and its related impacts on us and our tenants, general economic conditions, including but not limited to increases in the rate of inflation and/or interest rates, local real estate conditions, tenant financial health, property acquisitions, and the timing and uncertainty of completing these acquisitions, and uncertainties regarding future distributions to our stockholders. These and other risks, assumptions, and uncertainties are described in Item 1A "Risk Factors" of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021, filed with the SEC on February 23, 2022, which you are encouraged to read, and is available on the SEC's website at [www.sec.gov](http://www.sec.gov). Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. The Company assumes no obligation to, and does not currently intend to, update any forward-looking statements after the date of this press release, whether as a result of new information, future events, changes in assumptions, or otherwise.

## **Notice Regarding Non-GAAP Financial Measures**

In addition to our reported results and net earnings per diluted share, which are financial measures presented in accordance with GAAP, this press release contains and may refer to certain non-GAAP financial measures, including Funds from Operations ("FFO"), Core Funds From Operations ("Core FFO"), Adjusted Funds from Operations ("AFFO"), Net Debt, and Net Debt to Annualized Adjusted EBITDAre. We believe the use of FFO, Core FFO, and AFFO are useful to investors because they are widely accepted industry measures used by analysts and investors to compare the operating performance of REITs. FFO, Core FFO, and AFFO should not be considered alternatives to net income as a performance measure or to cash flows from operations, as reported on our statement of cash flows, or as a liquidity measure, and should be considered in addition to, and not in lieu of, GAAP financial measures. We believe presenting Net Debt to Annualized Adjusted EBITDAre is useful to investors because it provides information about gross debt less cash and cash equivalents, which could be used to repay debt, compared to our performance as measured using Annualized Adjusted EBITDAre. You should not consider our Annualized Adjusted EBITDAre as an alternative to net income or cash flows from operating activities determined in accordance with GAAP. A reconciliation of non-GAAP measures to the most directly comparable GAAP financial measure and statements of why management believes these measures are useful to investors are included below.

Broadstone Net Lease, Inc. and Subsidiaries  
Condensed Consolidated Balance Sheets  
(in thousands, except per share amounts)

	June 30, 2022	December 31, 2021
<b>Assets</b>		
Accounted for using the operating method:		
Land	\$ 731,208	\$ 655,374
Land improvements	320,513	295,329
Buildings and improvements	3,503,478	3,242,618
Equipment	10,422	11,870
Total accounted for using the operating method	4,565,621	4,205,191
Less accumulated depreciation	(479,952)	(430,141)
Accounted for using the operating method, net	4,085,669	3,775,050
Accounted for using the direct financing method	28,584	28,782
Accounted for using the sales-type method	571	571
Investment in rental property, net	4,114,824	3,804,403
Cash and cash equivalents	16,813	21,669
Accrued rental income	124,297	116,874
Tenant and other receivables, net	2,069	1,310
Prepaid expenses and other assets	22,916	17,275
Interest rate swap, assets	26,562	—
Goodwill	339,769	339,769
Intangible lease assets, net	316,119	303,642
Debt issuance costs – unsecured revolving credit facility, net	6,956	4,065
Leasing fees, net	9,117	9,641
<b>Total assets</b>	<b>\$ 4,979,442</b>	<b>\$ 4,618,648</b>
<b>Liabilities and equity</b>		
Unsecured revolving credit facility	\$ 320,657	\$ 102,000
Mortgages, net	95,453	96,846
Unsecured term loans, net	587,098	646,671
Senior unsecured notes, net	844,178	843,801
Interest rate swap, liabilities	—	27,171
Accounts payable and other liabilities	42,923	38,038
Dividends payable	49,541	45,914
Accrued interest payable	6,086	6,473
Intangible lease liabilities, net	66,864	70,596
<b>Total liabilities</b>	<b>2,012,800</b>	<b>1,877,510</b>
<b>Commitments and contingencies</b>		
<b>Equity</b>		
Broadstone Net Lease, Inc. stockholders' equity:		
Preferred stock, \$0.001 par value; 20,000 shares authorized, no shares issued or outstanding	—	—
Common stock, \$0.00025 par value; 500,000 shares authorized, 172,023 and 162,383 shares issued and outstanding at June 30, 2022 and December 31, 2021, respectively	43	41
Additional paid-in capital	3,125,377	2,924,168
Cumulative distributions in excess of retained earnings	(350,127)	(318,476)
Accumulated other comprehensive income (loss)	23,397	(28,441)
Total Broadstone Net Lease, Inc. stockholders' equity	2,798,690	2,577,292
Non-controlling interests	167,952	163,846
<b>Total equity</b>	<b>2,966,642</b>	<b>2,741,138</b>
<b>Total liabilities and equity</b>	<b>\$ 4,979,442</b>	<b>\$ 4,618,648</b>



Broadstone Net Lease, Inc. and Subsidiaries  
Condensed Consolidated Statements of Income and Comprehensive Income  
(in thousands, except per share amounts)

	(Unaudited) For the Three Months Ended		(Unaudited) For the Six Months Ended	
	June 30, 2022	March 31, 2022	June 30, 2022	June 30, 2021
<b>Revenues</b>				
Lease revenues, net	\$ 98,013	\$ 93,841	\$ 191,854	\$ 167,457
<b>Operating expenses</b>				
Depreciation and amortization	35,511	34,290	69,801	61,938
Property and operating expense	4,696	5,044	9,740	9,177
General and administrative	9,288	8,828	18,116	19,288
Provision for impairment of investment in rental properties	1,380	—	1,380	2,012
<b>Total operating expenses</b>	<u>50,875</u>	<u>48,162</u>	<u>99,037</u>	<u>92,415</u>
<b>Other income (expenses)</b>				
Interest income	—	—	—	11
Interest expense	(17,888)	(16,896)	(34,784)	(31,538)
Cost of debt extinguishment	—	—	—	(126)
Gain on sale of real estate	4,071	1,196	5,267	8,571
Income taxes	(401)	(412)	(813)	(714)
Change in fair value of earnout liability	—	—	—	(4,480)
Other income (expenses)	2,632	(1,126)	1,506	14
<b>Net income</b>	<u>35,552</u>	<u>28,441</u>	<u>63,993</u>	<u>46,780</u>
Net income attributable to non-controlling interests	(2,036)	(1,683)	(3,719)	(3,343)
<b>Net income attributable to Broadstone Net Lease, Inc.</b>	<u>\$ 33,516</u>	<u>\$ 26,758</u>	<u>\$ 60,274</u>	<u>\$ 43,437</u>
<b>Weighted average number of common shares outstanding</b>				
Basic	<u>169,555</u>	<u>163,809</u>	<u>166,698</u>	<u>145,728</u>
Diluted	<u>180,256</u>	<u>174,288</u>	<u>177,346</u>	<u>157,115</u>
<b>Net earnings per common share</b>				
Basic and diluted	<u>\$ 0.20</u>	<u>\$ 0.16</u>	<u>\$ 0.36</u>	<u>\$ 0.30</u>
<b>Comprehensive income</b>				
Net income	\$ 35,552	\$ 28,441	\$ 63,993	\$ 46,780
<b>Other comprehensive income</b>				
Change in fair value of interest rate swaps	18,772	34,961	53,733	25,769
Realized loss (gain) on interest rate swaps	695	659	1,354	(83)
Comprehensive income	<u>55,019</u>	<u>64,061</u>	<u>119,080</u>	<u>72,466</u>
Comprehensive income attributable to non-controlling interests	(3,151)	(3,790)	(6,941)	(5,212)
Comprehensive income attributable to Broadstone Net Lease, Inc.	<u>\$ 51,868</u>	<u>\$ 60,271</u>	<u>\$ 112,139</u>	<u>\$ 67,254</u>

## Reconciliation of Non-GAAP Measures

The following is a reconciliation of net income to FFO, Core FFO, and AFFO for the three months ended June 30, 2022 and March 31, 2022 and for the six months ended June 30, 2022 and 2021. Also presented is the weighted average number of shares of our common stock and OP Units used for the diluted per share computation:

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2022	March 31, 2022	June 30, 2022	June 30, 2021
<i>(in thousands, except per share data)</i>				
Net income	\$ 35,552	\$ 28,441	\$ 63,993	\$ 46,780
Real property depreciation and amortization	35,479	34,259	69,738	61,892
Gain on sale of real estate	(4,071)	(1,196)	(5,267)	(8,571)
Provision for impairment on investment in rental properties	1,380	—	1,380	2,012
<b>FFO</b>	<b>\$ 68,340</b>	<b>\$ 61,504</b>	<b>\$ 129,844</b>	<b>\$ 102,113</b>
Net write-offs of accrued rental income	—	1,326	1,326	442
Cost of debt extinguishment	—	—	—	126
Severance	278	120	398	1,275
Change in fair value of earnout liability	—	—	—	4,480
Other (Income) expenses <sup>(1)</sup>	(2,632)	1,126	(1,506)	(14)
<b>Core FFO</b>	<b>\$ 65,986</b>	<b>\$ 64,076</b>	<b>\$ 130,062</b>	<b>\$ 108,422</b>
Straight-line rent adjustment	(4,965)	(4,934)	(9,899)	(10,053)
Adjustment to provision for credit losses	(1)	—	(1)	(1)
Amortization of debt issuance costs	900	856	1,756	1,870
Amortization of net mortgage premiums	(25)	(27)	(52)	(72)
Loss (gain) on interest rate swaps and other non-cash interest expense	695	659	1,354	(83)
Amortization of lease intangibles	(1,167)	(1,158)	(2,325)	(1,369)
Stock-based compensation	1,381	929	2,310	2,720
<b>AFFO</b>	<b>\$ 62,804</b>	<b>\$ 60,401</b>	<b>\$ 123,205</b>	<b>\$ 101,434</b>
Diluted WASO <sup>(2)</sup>	180,256	174,288	177,346	157,115
Net earnings per share <sup>(3)</sup>	\$ 0.20	\$ 0.16	\$ 0.36	\$ 0.30
FFO per share <sup>(3)</sup>	0.38	0.35	0.73	0.65
Core FFO per share <sup>(3)</sup>	0.37	0.37	0.73	0.69
AFFO per share <sup>(3)</sup>	0.35	0.35	0.69	0.64

<sup>1</sup> Amount includes \$(2.6) million and \$1.1 million of unrealized foreign exchange (gain) loss for the three months ended June 30, 2022 and March 31, 2022, respectively, and \$(1.5) million of unrealized foreign exchange (gain) for the six months ended June 30, 2022, primarily associated with our Canadian dollar denominated revolving borrowings.

<sup>2</sup> Excludes 377,407, and 370,539 weighted average shares of unvested restricted common stock for the three months ended June 30, 2022 and March 31, 2022, respectively. Excludes 373,992, and 360,593 weighted average shares of unvested restricted common stock for the six months ended June 30, 2022 and 2021, respectively.

<sup>3</sup> Excludes \$0.1 million from the numerator for the three months ended June 30, 2022 and March 31, 2022, respectively, and \$0.2 million from the numerator for the six months ended June 30, 2022 and 2021, respectively, related to dividends paid or declared on shares of unvested restricted common stock.

Our reported results and net earnings per diluted share are presented in accordance with GAAP. We also disclose FFO, Core FFO, and AFFO, each of which are non-GAAP measures. We believe the use of FFO, Core FFO, and AFFO are useful to investors because they are widely accepted industry measures used by analysts and investors to compare the operating performance of REITs. FFO, Core FFO, and AFFO should not be considered alternatives to net income as a performance measure or to cash flows from operations, as reported on our statement of cash flows, or as a liquidity measure and should be considered in addition to, and not in lieu of, GAAP financial measures.

We compute FFO in accordance with the standards established by the Board of Governors of Nareit, the worldwide representative voice for REITs and publicly traded real estate companies with an interest in the U.S. real estate and capital markets. Nareit defines FFO as GAAP net income or loss adjusted to exclude net gains (losses) from sales of certain depreciated real estate assets, depreciation and amortization expense from real estate assets, gains and losses from change in control, and impairment charges related to certain previously depreciated real estate assets. FFO is used by management, investors, and analysts to facilitate meaningful comparisons of operating performance between periods and among our peers, primarily because it excludes the effect of real estate depreciation and amortization and net gains (losses) on sales, which are based on historical costs and implicitly assume that the value of real estate diminishes predictably over time, rather than fluctuating based on existing market conditions.

We compute Core FFO by adjusting FFO, as defined by Nareit, to exclude certain GAAP income and expense amounts that we believe are infrequently recurring, unusual in nature, or not related to its core real estate operations, including write-offs or recoveries of accrued rental income, lease termination fees, the change in fair value of our earnout liability, cost of debt extinguishments, unrealized and realized gains or losses on foreign currency transactions, severance, and other extraordinary items. Exclusion of these items from similar FFO-type metrics is common within the equity REIT industry, and management believes that presentation of Core FFO provides investors with a metric to assist in their evaluation of our operating performance across multiple periods and in comparison to the operating performance of our peers, because it removes the effect of unusual items that are not expected to impact our operating performance on an ongoing basis.

We compute AFFO by adjusting Core FFO for certain non-cash revenues and expenses, including straight-line rents, amortization of lease intangibles, amortization of debt issuance costs, amortization of net mortgage premiums, (gain) loss on interest rate swaps and other non-cash interest expense, stock-based compensation, and other specified non-cash items. We believe that excluding such items assists management and investors in distinguishing whether changes in our operations are due to growth or decline of operations at our properties or from other factors. We use AFFO as a measure of our performance when we formulate corporate goals, and is a factor in determining management compensation. We believe that AFFO is a useful supplemental measure for investors to consider because it will help them to better assess our operating performance without the distortions created by non-cash revenues or expenses.

Specific to our adjustment for straight-line rents, our leases include cash rents that increase over the term of the lease to compensate us for anticipated increases in market rental rates over time. Our leases do not include significant front-loading or back-loading of payments, or significant rent-free periods. Therefore, we find it useful to evaluate rent on a contractual basis as it allows for comparison of existing rental rates to market rental rates. In situations where we granted short-term rent deferrals as a result of the COVID-19 pandemic, and such deferrals were probable of collection and expected to be repaid within a short term, we continued to recognize the same amount of GAAP lease revenues each period. Consistent with GAAP lease revenues, the short-term deferrals associated with COVID-19, and the corresponding payments, did not impact our AFFO.

FFO, Core FFO, and AFFO may not be comparable to similarly titled measures employed by other REITs, and comparisons of our FFO, Core FFO, and AFFO with the same or similar measures disclosed by other REITs may not be meaningful.

Neither the SEC nor any other regulatory body has passed judgment on the acceptability of the adjustments to FFO that we use to calculate Core FFO and AFFO. In the future, the SEC, Nareit or another regulatory body may decide to standardize the allowable adjustments across the REIT industry and in response to such standardization we may have to adjust our calculation and characterization of Core FFO and AFFO accordingly.

The following is a reconciliation of net income to Annualized Adjusted EBITDAre, debt to Net Debt and Net Debt to Annualized Adjusted EBITDAre as of and for the three months ended June 30, 2022, March 31, 2022, and June 30, 2021:

(in thousands)	For the Three Months Ended		
	June 30, 2022	March 31, 2022	June 30, 2021
<b>Net income</b>	\$ 35,552	\$ 28,441	\$ 22,820
Depreciation and amortization	35,511	34,290	31,225
Interest expense	17,888	16,896	15,430
Income taxes	401	412	301
<b>EBITDA</b>	\$ 89,352	\$ 80,039	\$ 69,776
Provision for impairment of investment in rental properties	1,380	—	—
Gain on sale of real estate	(4,071)	(1,196)	(3,838)
<b>EBITDAre</b>	\$ 86,661	\$ 78,843	\$ 65,938
Adjustment for current quarter acquisition activity <sup>(1)</sup>	2,780	3,225	2,761
Adjustment for current quarter disposition activity <sup>(2)</sup>	(141)	(79)	(353)
Adjustment to exclude change in fair value of earnout liability	—	—	5,604
Adjustment to exclude net write-offs of accrued rental income	—	1,326	—
Adjustment to exclude realized / unrealized foreign exchange (gain) loss	(2,632)	1,125	—
<b>Adjusted EBITDAre</b>	\$ 86,668	\$ 84,440	\$ 73,950
<b>Annualized EBITDAre</b>	\$ 346,642	\$ 315,375	\$ 263,761
<b>Annualized Adjusted EBITDAre</b>	\$ 346,672	\$ 337,759	\$ 295,808

<sup>1</sup> Reflects an adjustment to give effect to all acquisitions during the quarter as if they had been acquired as of the beginning of the quarter.

<sup>2</sup> Reflects an adjustment to give effect to all dispositions during the quarter as if they had been sold as of the beginning of the quarter.

(in thousands)	June 30, 2022	March 31, 2022	June 30, 2021
<b>Debt</b>			
Unsecured revolving credit facility	\$ 320,657	\$ 266,118	\$ —
Unsecured term loans, net	587,098	586,884	910,994
Senior unsecured notes, net	844,178	843,990	472,637
Mortgages, net	95,453	96,141	105,748
Debt issuance costs	8,991	9,419	6,625
<b>Gross Debt</b>	1,856,377	1,802,552	1,496,004
Cash and cash equivalents	(16,813)	(54,103)	(78,987)
Restricted cash	(12,163)	(11,444)	(8,021)
<b>Net Debt</b>	\$ 1,827,401	\$ 1,737,005	\$ 1,408,996
<b>Net Debt to Annualized EBITDAre</b>	5.3x	5.5x	5.3x
<b>Net Debt to Annualized Adjusted EBITDAre</b>	5.3x	5.1x	4.8x

We define Net Debt as gross debt (total reported debt plus debt issuance costs) less cash and cash equivalents and restricted cash. We believe that the presentation of Net Debt to Annualized EBITDAre and Net Debt to Annualized Adjusted EBITDAre is useful to investors and analysts because these ratios provide information about gross debt less cash and cash equivalents, which could be used to repay debt, compared to our performance as measured using EBITDAre.

We compute EBITDA as earnings before interest, income taxes and depreciation and amortization. EBITDA is a measure commonly used in our industry. We believe that this ratio provides investors and analysts with a measure of our performance that includes our operating results unaffected by the differences in capital structures, capital investment cycles and useful life of related assets compared to other companies in our industry. We compute EBITDAre in accordance with the definition adopted by Nareit, as EBITDA excluding gains (losses) from the sales of depreciable property and provisions for impairment on investment in real estate. We believe EBITDA and EBITDAre are useful to investors and analysts because they provide important supplemental information about our operating performance exclusive of certain non-cash and other costs. EBITDA and EBITDAre are not measures of financial performance under GAAP, and our EBITDA and EBITDAre may not be comparable to similarly titled measures of other companies. You should not consider our EBITDA and EBITDAre as alternatives to net income or cash flows from operating activities determined in accordance with GAAP.

We are focused on a disciplined and targeted acquisition strategy, together with active asset management that includes selective sales of properties. We manage our leverage profile using a ratio of Net Debt to Annualized Adjusted EBITDAre, discussed further below, which we believe is a useful measure of our ability to repay debt and a relative measure of leverage, and is used in communications with our lenders and rating agencies regarding our credit rating. As we fund new acquisitions using our unsecured Revolving Credit Facility, our leverage profile and Net Debt will be immediately impacted by current quarter acquisitions. However, the full benefit of EBITDAre from newly acquired properties will not be received in the same quarter in which the properties are acquired. Additionally, EBITDAre for the quarter includes amounts generated by properties that have been sold during the quarter. Accordingly, the variability in EBITDAre caused by the timing of our acquisitions and dispositions can temporarily distort our leverage ratios. We adjust EBITDAre ("Adjusted EBITDAre") for the most recently completed quarter (i) to recalculate as if all acquisitions and dispositions had occurred at the beginning of the quarter, (ii) to exclude certain GAAP income and expense amounts that are either non-cash, such as cost of debt extinguishments, or the change in fair value of our earnout liability, or that we believe are one time, or unusual in nature because they relate to unique circumstances or transactions that had not previously occurred and which we do not anticipate occurring in the future, and (iii) to eliminate the impact of lease termination fees and other items, that are not a result of normal operations. We then annualize quarterly Adjusted EBITDAre by multiplying it by four ("Annualized Adjusted EBITDAre"). You should not unduly rely on this measure as it is based on assumptions and estimates that may prove to be inaccurate. Our actual reported EBITDAre for future periods may be significantly different from our Annualized Adjusted EBITDAre. Adjusted EBITDAre and Annualized Adjusted EBITDAre are not measurements of performance under GAAP, and our Adjusted EBITDAre and Annualized Adjusted EBITDAre may not be comparable to similarly titled measures of other companies. You should not consider our Adjusted EBITDAre and Annualized Adjusted EBITDAre as alternatives to net income or cash flows from operating activities determined in accordance with GAAP.

# BROADSTONE

 NET LEASE, INC.



## Q2 2022 QUARTERLY SUPPLEMENTAL INFORMATION

Broadstone Net Lease, Inc. (NYSE: BNL) is a Real Estate Investment Trust (REIT) that acquires, owns, and manages single-tenant commercial real estate properties that are net leased on a long-term basis to a diversified group of tenants.

[www.broadstone.com](http://www.broadstone.com)

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## About the Data

This data and other information described herein are as of and for the three months ended June 30, 2022 unless otherwise indicated. Future performance may not be consistent with past performance and is subject to change and inherent risks and uncertainties. This information should be read in conjunction with Broadstone Net Lease, Inc.'s Quarterly Report on Form 10-Q for the three months ended June 30, 2022, including the financial statements and the management's discussion and analysis of financial condition and results of operations sections.

### Forward Looking Statements

Information set forth herein contains forward-looking statements, which reflect our current views regarding our business, financial performance, growth prospects and strategies, market opportunities, and market trends. Forward-looking statements include all statements that are not historical facts. In some cases, you can identify these forward-looking statements by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "could," "seeks," "approximately," "projects," "predicts," "intends," "plans," "estimates," "anticipates," or the negative version of these words or other comparable words. All of the forward-looking statements herein are subject to various risks and uncertainties. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions, and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results, performance, and achievements could differ materially from those expressed in or by the forward-looking statements and may be affected by a variety of risks and other factors. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from such forward-looking statements. These factors include, but are not limited to, risks and uncertainties related to the COVID-19 pandemic and its related impacts on us and our tenants, general economic conditions, including but not limited to increases in the rate of inflation and/or interest rates, local real estate conditions, tenant financial health, and property acquisitions and the timing of these acquisitions. These and other risks, assumptions, and uncertainties are described in our filings with the SEC, which are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

You are cautioned not to place undue reliance on any forward-looking statements included herein. All forward-looking statements are made as of the date of this document and the risk that actual results, performance, and achievements will differ materially from the expectations expressed or referenced herein will increase with the passage of time. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments, or otherwise, except as required by law.



## Company Overview

Broadstone Net Lease, Inc. (NYSE:BNL) (the "Company," "BNL," "us," "our" and "we") is a real estate investment trust ("REIT") that acquires, owns, and manages primarily single-tenant commercial real estate properties that are net leased on a long-term basis to a diversified group of tenants. Since our inception, we have selectively invested in real estate across the industrial, healthcare, restaurant, retail, and office property types. We target properties with credit worthy tenants in industries characterized by positive business drivers and trends, where the properties are an integral part of the tenants' businesses and there are opportunities to secure long-term net leases. Through long-term net leases, our tenants are able to retain operational control of their strategically important locations, while allocating their debt and equity capital to fund core business operations rather than real estate ownership.

### Executive Team

**Christopher J. Czarnecki**

Chief Executive Officer, President, and Director

**Ryan M. Albano**

Executive Vice President and Chief Financial Officer

**John D. Moragne**

Executive Vice President and Chief Operating Officer

**John D. Callan, Jr.**

Senior Vice President, General Counsel, and Secretary

**Michael B. Caruso**

Senior Vice President, Corporate Finance & Investor Relations

**Timothy D. Dieffenbacher**

Senior Vice President, Chief Accounting Officer, and Treasurer

**Kevin M. Fennell**

Senior Vice President, Capital Markets & Credit Risk

**Laurier James Lessard, Jr.**

Senior Vice President, Asset Management

**Roderick A. Pickney**

Senior Vice President, Acquisitions

**Molly Kelly Wiegel**

Senior Vice President, Human Resources

**Andrea T. Wright**

Senior Vice President, Property Management

### Board of Directors

**Laurie A. Hawkes**

Chairman of the Board

**Christopher J. Czarnecki**

Chief Executive Officer and President

**Denise Brooks-Williams****Michael A. Coke****David M. Jacobstein****Shekar Narasimhan****Geoffrey H. Rosenberger****James H. Waters**

### Company Contact Information

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### Transfer Agent

**Computershare Trust Company, N.A.**

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Canton, Massachusetts 02021

800-736-3001

## Quarterly Financial Summary

(unaudited, dollars in thousands, except per share data)

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
<b>Financial Summary</b>					
Investment in rental property	\$ 4,594,776	\$ 4,431,929	\$ 4,234,544	\$ 4,110,958	\$ 3,954,597
Less accumulated depreciation	(479,952)	(454,122)	(430,141)	(407,354)	(390,236)
Investment in rental property, net	4,114,824	3,977,807	3,804,403	3,703,604	3,564,361
Cash and cash equivalents	16,813	54,103	21,669	16,182	78,987
Restricted cash	12,163	11,444	6,100	3,895	8,021
Total assets	4,979,442	4,852,520	4,618,648	4,501,972	4,423,611
Unsecured revolving credit facility	320,657	266,118	102,000	—	—
Mortgage, net	95,453	96,141	96,846	97,530	105,748
Unsecured term loans, net	587,098	586,884	646,671	646,458	910,994
Senior unsecured notes, net	844,178	843,990	843,801	843,665	472,637
Total liabilities	2,012,800	1,961,200	1,877,510	1,785,847	1,700,103
Total Broadstone Net Lease, Inc. stockholders' equity	2,798,690	2,724,641	2,577,292	2,552,004	2,554,653
Total equity (book value)	2,966,642	2,891,320	2,741,138	2,716,125	2,723,508
<b>Operating Performance</b>					
Revenues	98,013	93,841	92,642	122,777	84,759
General and administrative - other	7,907	7,899	7,501	7,628	7,704
Stock based compensation	1,381	929	1,025	924	951
General and administrative	9,288	8,828	8,526	8,552	8,655
Total operating expenses	50,875	48,162	46,649	76,065	44,452
Interest expense	17,888	16,896	16,997	15,611	15,430
Net income	35,552	28,441	32,226	30,522	22,820
Net earnings per common share, diluted	\$ 0.20	\$ 0.16	\$ 0.19	\$ 0.18	\$ 0.14
<b>FFO Metrics</b>					
FFO	68,340	61,504	62,152	91,947	50,184
FFO per share, diluted	\$ 0.38	\$ 0.35	\$ 0.36	\$ 0.54	\$ 0.32
Core FFO	65,986	64,076	62,232	59,769	55,816
Core FFO per share, diluted	\$ 0.37	\$ 0.37	\$ 0.36	\$ 0.35	\$ 0.35
AFFO	62,804	60,401	58,692	55,836	52,024
AFFO per share, diluted	\$ 0.35	\$ 0.35	\$ 0.34	\$ 0.33	\$ 0.33
<b>Capital Expenditures</b>					
Net cash provided by operating activities	58,855	59,104	57,619	88,303	47,235
Net cash used in investing activities	(172,293)	(207,678)	(133,925)	(205,667)	(175,051)
Net cash provided by financing activities	76,867	186,352	83,998	50,433	196,474
Distributions declared	49,507	48,115	45,857	43,423	43,484
Distributions declared per diluted share	\$ 0.270	\$ 0.265	\$ 0.265	\$ 0.255	\$ 0.255
<b>Portfolio Metrics</b>					
Properties	764	752	726	696	684
Rentable square feet	34.4M	32.8M	32.2M	31.4M	30.2M
Occupancy	99.8%	99.8%	99.8%	99.8%	99.7%
Weighted average remaining lease term (years)	10.6	10.5	10.5	10.6	10.4

# Balance Sheet

(unaudited, in thousands)

	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
<b>Assets</b>					
Accounted for using the operating method:					
Land	\$ 731,208	\$ 709,962	\$ 655,374	\$ 616,917	\$ 597,779
Land improvements	320,513	300,300	295,329	291,045	291,981
Buildings and improvements	3,503,478	3,381,990	3,242,618	3,161,728	3,023,490
Equipment	10,422	10,422	11,870	11,870	11,870
Total accounted for using the operating method	4,565,621	4,402,674	4,205,191	4,081,560	3,925,120
Less accumulated depreciation	(479,952)	(454,122)	(430,141)	(407,354)	(390,236)
Accounted for using the operating method, net	4,085,669	3,948,552	3,775,050	3,674,206	3,534,884
Accounted for using the direct financing method					
	28,584	28,684	28,782	28,830	28,911
Accounted for using the sales-type method					
	571	571	571	568	566
Investment in rental property, net	4,114,824	3,977,807	3,804,403	3,703,604	3,564,361
Cash and cash equivalents	16,813	54,103	21,669	16,182	78,987
Accrued rental income	124,297	120,117	116,874	112,163	109,278
Tenant and other receivables, net	2,069	1,160	1,310	940	618
Prepaid expenses and other assets	22,916	22,525	17,275	13,819	18,846
Interest rate swap, assets	26,562	8,944	—	—	—
Goodwill	339,769	339,769	339,769	339,769	339,769
Intangible lease assets, net	316,119	311,277	303,642	301,046	296,134
Debt issuance costs – unsecured revolving credit facility, net	6,956	7,427	4,065	4,658	5,250
Leasing fees, net	9,117	9,391	9,641	9,791	10,368
<b>Total assets</b>	<b>\$ 4,979,442</b>	<b>\$ 4,852,520</b>	<b>\$ 4,618,648</b>	<b>\$ 4,501,972</b>	<b>\$ 4,423,611</b>
<b>Liabilities and equity</b>					
Unsecured revolving credit facility					
	\$ 320,657	\$ 266,118	\$ 102,000	\$ —	\$ —
Mortgages, net	95,453	96,141	96,846	97,530	105,748
Unsecured term loans, net	587,098	586,884	646,671	646,458	910,994
Senior unsecured notes, net	844,178	843,990	843,801	843,665	472,637
Interest rate swap, liabilities	—	1,154	27,171	36,196	46,335
Earnout liability	—	—	—	—	10,063
Accounts payable and other liabilities	42,923	40,611	38,038	35,732	32,279
Dividends payable	49,541	47,682	45,914	43,874	43,184
Accrued interest payable	6,086	9,845	6,473	9,895	3,885
Intangible lease liabilities, net	66,864	68,775	70,596	72,497	74,978
<b>Total liabilities</b>	<b>2,012,800</b>	<b>1,961,200</b>	<b>1,877,510</b>	<b>1,785,847</b>	<b>1,700,103</b>
<b>Equity</b>					
Broadstone Net Lease, Inc. stockholders' equity:					
Preferred stock, \$0.001 par value	—	—	—	—	—
Common stock, \$0.00025 par value	43	42	41	40	40
Additional paid-in capital	3,125,377	3,056,560	2,924,168	2,895,219	2,890,131
Cumulative distributions in excess of retained earnings	(350,127)	(336,988)	(318,476)	(305,665)	(293,622)
Accumulated other comprehensive loss	23,397	5,027	(28,441)	(37,590)	(41,896)
Total Broadstone Net Lease, Inc. stockholders' equity	2,798,690	2,724,641	2,577,292	2,552,004	2,554,653
Non-controlling interests	167,952	166,679	163,846	164,121	168,855
<b>Total equity</b>	<b>2,966,642</b>	<b>2,891,320</b>	<b>2,741,138</b>	<b>2,716,125</b>	<b>2,723,508</b>
<b>Total liabilities and equity</b>	<b>\$ 4,979,442</b>	<b>\$ 4,852,520</b>	<b>\$ 4,618,648</b>	<b>\$ 4,501,972</b>	<b>\$ 4,423,611</b>

## Income Statement Summary

(unaudited, in thousands, except per share data)

	Three Months Ended				
	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
<b>Revenues</b>					
Lease revenues, net	\$ 98,013	\$ 93,841	\$ 92,642	\$ 122,777	\$ 84,759
<b>Operating expenses</b>					
Depreciation and amortization	35,511	34,290	33,476	36,682	31,225
Property and operating expense	4,696	5,044	4,440	4,842	4,572
General and administrative	9,288	8,828	8,526	8,552	8,655
Provision for impairment of investment in rental properties	1,380	—	207	25,989	—
<b>Total operating expenses</b>	<b>50,875</b>	<b>48,162</b>	<b>46,649</b>	<b>76,065</b>	<b>44,452</b>
<b>Other income (expenses)</b>					
Interest income	—	—	6	—	6
Interest expense	(17,888)	(16,896)	(16,997)	(15,611)	(15,430)
Cost of debt extinguishment	—	—	—	(242)	—
Gain on sale of real estate	4,071	1,196	3,732	1,220	3,838
Income taxes	(401)	(412)	(457)	(473)	(301)
Change in fair value of earnout liability	—	—	—	(1,059)	(5,604)
Other income (expenses)	2,632	(1,126)	(51)	(25)	4
<b>Net income</b>	<b>35,552</b>	<b>28,441</b>	<b>32,226</b>	<b>30,522</b>	<b>22,820</b>
Net income attributable to non-controlling interests	(2,036)	(1,683)	(1,935)	(1,824)	(1,606)
<b>Net income attributable to Broadstone Net Lease, Inc.</b>	<b>\$ 33,516</b>	<b>\$ 26,758</b>	<b>\$ 30,291</b>	<b>\$ 28,698</b>	<b>\$ 21,214</b>
<b>Weighted average number of common shares outstanding</b>					
Basic <sup>1</sup>	169,555	163,809	161,545	159,226	146,119
Diluted <sup>1</sup>	180,256	174,288	172,094	169,587	157,430
<b>Net earnings per common share<sup>2</sup></b>					
Basic and diluted	\$ 0.20	\$ 0.16	\$ 0.19	\$ 0.18	\$ 0.14

<sup>1</sup> Excludes 377,407, 370,539, 373,678, 378,244, and 386,772, weighted average shares of unvested restricted common stock for the three months ended June 30, 2022, March 31, 2022, December 31, 2021, September 30, 2021, and June 30, 2021, respectively.

<sup>2</sup> Excludes \$0.1 million from the numerator for the three months ended June 30, 2022, March 31, 2022, December 31, 2021, September 30, 2021, and June 30, 2021, related to dividends declared on shares of unvested restricted common stock.

## Funds From Operations (FFO), Core Funds From Operations (Core FFO), and Adjusted Funds From Operations (AFFO)

(unaudited, in thousands, except per share data)

	Three Months Ended				
	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
<b>Net income</b>	\$ 35,552	\$ 28,441	\$ 32,226	\$ 30,522	\$ 22,820
Real property depreciation and amortization	35,479	34,259	33,451	36,656	31,202
Gain on sale of real estate	(4,071)	(1,196)	(3,732)	(1,220)	(3,838)
Provision for impairment of investment in rental properties	1,380	—	207	25,989	—
<b>FFO</b>	\$ 68,340	\$ 61,504	\$ 62,152	\$ 91,947	\$ 50,184
Net write-offs of accrued rental income	—	1,326	—	1,496	—
Lease termination fee	—	—	—	(35,000)	—
Cost of debt extinguishment	—	—	—	242	—
Severance	278	120	29	—	32
Change in fair value of earnout liability	—	—	—	1,059	5,604
Other (income) expenses <sup>1</sup>	(2,632)	1,126	51	25	(4)
<b>Core FFO</b>	\$ 65,986	\$ 64,076	\$ 62,232	\$ 59,769	\$ 55,816
Straight-line rent adjustment	(4,965)	(4,934)	(5,321)	(4,930)	(4,979)
Adjustment to provision for credit losses	(1)	—	(37)	—	—
Amortization of debt issuance costs	900	856	1,022	962	956
Amortization of net mortgage premiums	(25)	(27)	(26)	(34)	(37)
Loss (gain) on interest rate swaps and other non-cash interest expense	695	659	696	85	(42)
Amortization of lease intangibles	(1,167)	(1,158)	(899)	(940)	(641)
Stock-based compensation	1,381	929	1,025	924	951
<b>AFFO</b>	\$ 62,804	\$ 60,401	\$ 58,692	\$ 55,836	\$ 52,024
Diluted weighted average shares outstanding <sup>2</sup>	180,256	174,288	172,094	169,587	157,430
Net earnings per diluted share <sup>3</sup>	\$ 0.20	\$ 0.16	\$ 0.19	\$ 0.18	\$ 0.14
FFO per diluted share <sup>3</sup>	0.38	0.35	0.36	0.54	0.32
Core FFO per diluted share <sup>3</sup>	0.37	0.37	0.36	0.35	0.35
AFFO per diluted share <sup>3</sup>	0.35	0.35	0.34	0.33	0.33

<sup>1</sup> Amount includes (\$2.6 million and \$1.1 million of unrealized and realized foreign exchange (gain) loss, primarily associated with our Canadian dollar denominated revolving borrowings for the three months ended June 30, 2022 and March 31, 2022.

<sup>2</sup> Excludes 377,407, 370,539, 373,678, 378,244, and 386,772, weighted average shares of unvested restricted common stock for the three months ended June 30, 2022, March 31, 2022, December 31, 2021, September 30, 2021, and June 30, 2021, respectively.

<sup>3</sup> Excludes \$0.1 million from the numerator for the three months ended June 30, 2022, March 31, 2022, December 31, 2021, September 30, 2021, and June 30, 2021, related to dividends declared on shares of unvested restricted common stock.

## EBITDA, EBITDAre, and Other-Non GAAP Operating Measures

(unaudited, in thousands)

	Three Months Ended				
	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
<b>Net income</b>	\$ 35,552	\$ 28,441	\$ 32,226	\$ 30,522	\$ 22,820
Depreciation and amortization	35,511	34,290	33,476	36,682	31,225
Interest expense	17,888	16,896	16,997	15,611	15,430
Income taxes	401	412	457	473	301
<b>EBITDA</b>	\$ 89,352	\$ 80,039	\$ 83,156	\$ 83,288	\$ 69,776
Provision for impairment of investment in rental properties	1,380	—	207	25,989	—
Gain on sale of real estate	(4,071)	(1,196)	(3,732)	(1,220)	(3,838)
<b>EBITDAre</b>	\$ 86,661	\$ 78,843	\$ 79,631	\$ 108,057	\$ 65,938
Adjustment for current quarter acquisition activity <sup>1</sup>	2,780	3,225	2,002	3,534	2,761
Adjustment for current quarter disposition activity <sup>2</sup>	(141)	(79)	(180)	(1,387)	(353)
Adjustment to exclude change in fair value of earnout liability	—	—	—	1,059	5,604
Adjustment to exclude net write-offs of accrued rental income	—	1,326	—	1,496	—
Adjustment to exclude realized / unrealized foreign exchange (gain) loss	(2,632)	1,125	—	—	—
Adjustment to exclude cost of debt extinguishments	—	—	—	242	—
Adjustment to exclude lease termination fees	—	—	—	(35,000)	—
<b>Adjusted EBITDAre</b>	\$ 86,668	\$ 84,440	\$ 81,453	\$ 78,001	\$ 73,950
General and administrative	9,288	8,825	8,523	8,537	8,650
<b>Adjusted Net Operating Income ("NOI")</b>	\$ 95,956	\$ 93,265	\$ 89,976	\$ 86,538	\$ 82,600
Straight-line rental revenue, net	(5,616)	(5,456)	(5,611)	(5,789)	(5,245)
Other amortization and non-cash charges	(1,167)	(1,157)	(847)	(616)	(642)
<b>Adjusted Cash NOI</b>	\$ 89,173	\$ 86,652	\$ 83,518	\$ 80,133	\$ 76,713
Annualized EBITDAre	\$ 346,642	\$ 315,375	\$ 318,526	\$ 432,221	\$ 263,761
Annualized Adjusted EBITDAre	346,672	337,759	325,812	311,998	295,808
Annualized Adjusted NOI	383,830	373,060	359,904	346,145	330,410
Annualized Adjusted Cash NOI	356,701	346,606	334,072	320,524	306,863

<sup>1</sup> Reflects an adjustment to give effect to all acquisition during the quarter as if they had been acquired as of the beginning of the quarter.

<sup>2</sup> Reflects an adjustment to give effect to all dispositions during the quarter as if they had been sold as of the beginning of the quarter.

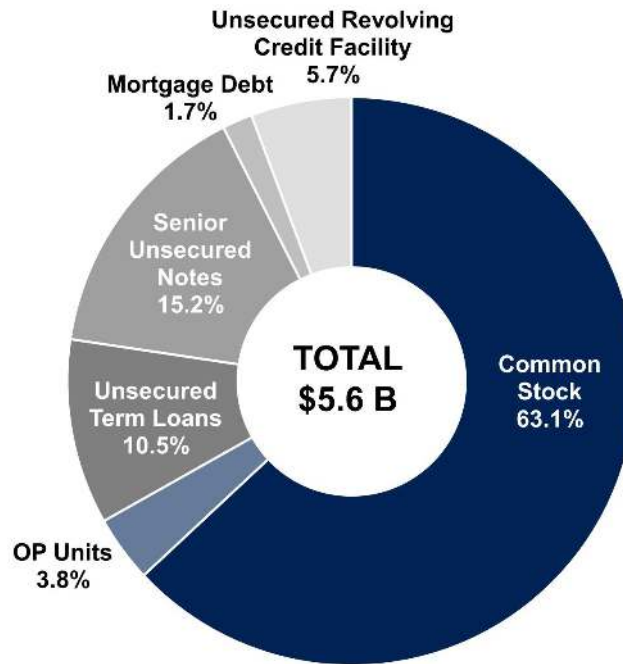
## Lease Revenues Detail

(unaudited, in thousands)

	Three Months Ended				
	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Contractual rental amounts billed for operating leases	\$ 87,505	\$ 84,396	\$ 81,482	\$ 78,886	\$ 75,011
Adjustment to recognize contractual operating lease billings on a straight-line basis	5,090	5,021	5,372	4,942	4,724
Net write-offs of accrued rental income	—	(1,326)	—	—	—
Variable rental amounts earned	291	186	433	130	114
Earned income from direct financing leases	721	723	725	726	728
Interest income from sales-type leases	15	14	15	14	15
Operating expenses billed to tenants	4,263	4,735	4,464	4,414	4,196
Other income from real estate transactions	134	42	1	33,515	28
Adjustment to revenue recognized for uncollectible rental amounts billed, net	(6)	50	150	150	(57)
<b>Total Lease revenues, net</b>	<b>\$ 98,013</b>	<b>\$ 93,841</b>	<b>\$ 92,642</b>	<b>\$ 122,777</b>	<b>\$ 84,759</b>

## Capital Structure

(unaudited, in thousands, except per share data)



### EQUITY

Shares of Common Stock		172,023
OP Units		10,323
Common Stock & OP Units		182,346
Price Per Share / Unit at June 30, 2022	\$	20.51
<b>IMPLIED EQUITY MARKET CAPITALIZATION</b>	<b>\$</b>	<b>3,739,920</b>
<i>% of Total Capitalization</i>		66.8 %

### DEBT

<b>Unsecured Revolving Credit Facility - 2026</b>	<b>\$</b>	<b>320,657</b>
<b>Unsecured Term Loan Facilities</b>		<b>590,000</b>
Unsecured Term Loan - 2024		190,000
Unsecured Term Loan - 2026		400,000
<b>Senior Unsecured Notes</b>		<b>850,000</b>
Senior Unsecured Notes - 2027		150,000
Senior Unsecured Notes - 2028		225,000
Senior Unsecured Notes - 2030		100,000
Senior Unsecured Notes - 2031		375,000
<b>Mortgage Debt - Various</b>		<b>95,720</b>
<b>TOTAL DEBT</b>	<b>\$</b>	<b>1,856,377</b>
<i>% of Total Capitalization</i>		33.2 %
<i>% of Total Debt Floating Rate Debt</i>		10.8 %
<i>% of Total Debt Fixed Rate Debt</i>		89.2 %
<i>% of Total Debt Secured Debt</i>		5.2 %
<i>% of Total Debt Unsecured Debt</i>		94.8 %

Total Capitalization	\$	5,596,297
Less: Cash and Cash Equivalents		(16,813)
<b>Enterprise Value</b>	<b>\$</b>	<b>5,579,484</b>



## Equity Rollforward

(unaudited, in thousands)

	Shares of Common Stock	OP Units	Total Diluted Shares
Balance, January 1, 2022	162,383	10,323	172,706
ATM offerings	6,273	—	6,273
Board of directors fees	12	—	12
Grants of restricted stock awards	142	—	142
Retirement of restricted stock awards	(59)	—	(59)
Forfeiture of restricted stock awards	(1)	—	(1)
Balance, March 31, 2022	168,750	10,323	179,073
ATM offerings	3,236	—	3,236
Board of directors fees <sup>1</sup>	13	—	13
Grants of restricted stock awards	32	—	32
Retirement of restricted stock awards	—	—	—
Forfeiture of restricted stock awards	(8)	—	(8)
Balance, June 30, 2022	172,023	10,323	182,346
Percentage ownership of OP at June 30, 2022	94.3%	5.7%	100%

<sup>1</sup> Beginning in May 2022, directors receive a portion of their fees in the form of restricted stock awards.

## Debt Outstanding

(unaudited, in thousands)

	Outstanding Balance		Interest Rate	Maturity Date
	June 30, 2022	December 31, 2021		
Unsecured revolving credit facility	\$ 320,657	\$ 102,000	Applicable reference rate + 0.85%	Mar. 2026
Unsecured term loans:				
2022 Unsecured Term Loan	—	60,000	one-month LIBOR + 1.00%	Feb. 2022
2024 Unsecured Term Loan	190,000	190,000	one-month LIBOR + 1.00%	Jun. 2024
2026 Unsecured Term Loan	400,000	400,000	one-month LIBOR + 1.00%	Feb. 2026
Total unsecured term loans	590,000	650,000		
Unamortized debt issuance costs, net	(2,902)	(3,329)		
Total unsecured term loans, net	587,098	646,671		
Senior unsecured notes:				
2027 Senior Unsecured Notes - Series A	150,000	150,000	4.84%	Apr. 2027
2028 Senior Unsecured Notes - Series B	225,000	225,000	5.09%	Jul. 2028
2030 Senior Unsecured Notes - Series C	100,000	100,000	5.19%	Jul. 2030
2031 Senior Unsecured Public Notes	375,000	375,000	2.60%	Sep. 2031
Total senior unsecured notes	850,000	850,000		
Unamortized debt issuance costs and original issuance discount, net	(5,822)	(6,199)		
Total senior unsecured notes, net	844,178	843,801		
Total unsecured debt, net	\$ 1,751,933	\$ 1,592,472		

Lender	Origination Date (Month/Year)	Maturity Date (Month/Year)	Interest Rate	June 30, 2022	December 31, 2021
Wilmington Trust National Association	Apr-19	Feb-28	4.92%	\$ 46,142	\$ 46,760
Wilmington Trust National Association	Jun-18	Aug-25	4.36%	19,355	19,557
PNC Bank	Oct-16	Nov-26	3.62%	16,886	17,094
T2 Durham I, LLC	Jul - 21	Jul -24	Greater of Prime + 1.25% or 5.00%	7,500	7,500
Aegon	Apr-12	Oct-23	6.38%	5,837	6,249
Total mortgages				95,720	97,160
Debt issuance costs, net				(267)	(314)
Mortgages, net				\$ 95,453	\$ 96,846

Year of Maturity	Revolving Credit Facility	Term Loans	Senior Notes	Mortgages	Total
2022	\$ —	\$ —	\$ —	\$ 1,466	\$ 1,466
2023	—	—	—	7,582	7,582
2024	—	190,000	—	9,760	199,760
2025	—	—	—	20,195	20,195
2026	320,657	400,000	—	16,843	737,500
Thereafter	—	—	850,000	39,874	889,874
Total	\$ 320,657	\$ 590,000	\$ 850,000	\$ 95,720	\$ 1,856,377

## Net Debt Metrics

(unaudited, in thousands)

	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
<b>Debt</b>					
Unsecured revolving credit facility	\$ 320,657	\$ 266,118	\$ 102,000	\$ —	\$ —
Unsecured term loans, net	587,098	586,884	646,671	646,458	910,994
Senior unsecured notes, net	844,178	843,990	843,801	843,665	472,637
Mortgages, net	95,453	96,141	96,846	97,530	105,748
Debt issuance costs	8,991	9,419	9,842	10,215	6,625
<b>Gross Debt</b>	<b>1,856,377</b>	<b>1,802,552</b>	<b>1,699,160</b>	<b>1,597,868</b>	<b>1,496,004</b>
Cash and cash equivalents	(16,813)	(54,103)	(21,669)	(16,182)	(78,987)
Restricted cash	(12,163)	(11,444)	(6,100)	(3,895)	(8,021)
<b>Net Debt</b>	<b>\$ 1,827,401</b>	<b>\$ 1,737,005</b>	<b>\$ 1,671,391</b>	<b>\$ 1,577,791</b>	<b>\$ 1,408,996</b>
Net Debt to Annualized EBITDAre	5.3x	5.5x	5.3x	3.7x	5.3x
Net Debt to Annualized Adjusted EBITDAre	5.3x	5.1x	5.1x	5.1x	4.8x

## Covenants

(unaudited)

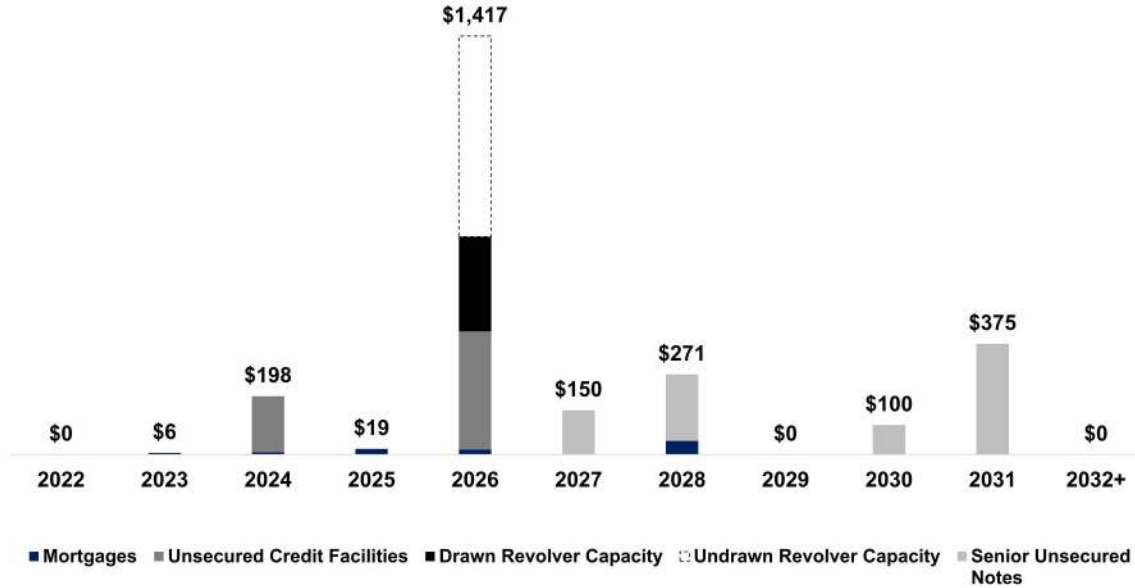
The following is a summary of key financial covenants for the Company's unsecured credit facility and unsecured term loans and senior notes. The covenants associated with the Revolving Credit Facility, Unsecured Term Loans with commercial banks, and the Series A-C Senior Unsecured Notes, are reported to the lenders via quarterly covenant reporting packages. The covenants associated with the 2031 Senior Unsecured Public Notes are not required to be reported externally to third parties, and are instead calculated in connection with borrowing activity and for financial reporting purposes only. These calculations, which are not based on U.S. GAAP measurements, are presented to investors to show that as of June 30, 2022, the Company believes it is in compliance with the covenants.

Covenants	Required	Revolving Credit Facility and Unsecured Term Loans	Senior Unsecured Notes Series A, B, & C	2031 Senior Unsecured Public Notes
Leverage ratio	≤ 0.60 to 1.00	0.34	0.35	Not Applicable
Secured indebtedness ratio	≤ 0.40 to 1.00	0.02	0.02	Not Applicable
Unencumbered coverage ratio	≥ 1.75 to 1.00	6.50	Not Applicable	Not Applicable
Fixed charge coverage ratio	≥ 1.50 to 1.00	4.19	4.19	Not Applicable
Total unsecured indebtedness to total unencumbered eligible property value	≤ 0.60 to 1.00	0.35	0.37	Not Applicable
Dividends and other restricted payments	Only applicable in case of default	Not Applicable	Not Applicable	Not Applicable
Aggregate debt ratio	≤ 0.60 to 1.00	Not Applicable	Not Applicable	0.37
Consolidated income available for debt to annual debt service charge	≥ 1.50 to 1.00	Not Applicable	Not Applicable	5.04
Total unencumbered assets to total unsecured debt	≥ 1.50 to 1.00	Not Applicable	Not Applicable	2.73
Secured debt ratio	≤ 0.40 to 1.00	Not Applicable	Not Applicable	0.02

## Debt Maturities

(unaudited, dollars in millions)

The Company utilizes diversified sources of debt capital including unsecured bank debt, unsecured notes, and secured mortgages (where appropriate).



## Portfolio Activity

### Acquisitions

(unaudited, square feet and dollars in thousands)

The following table summarizes the Company's property acquisition activity during 2022.

#### QTD Q1 2022

Property Type	Number of Properties	Square Feet	Weighted Average Lease Term (years)	Weighted Average Annual Rent Increase	Acquisition Price
Restaurant	16	131	19.5	1.1 %	\$ 99,587
Retail	9	224	19.4	1.9 %	82,975
Industrial	2	264	18.5	2.1 %	27,411
<b>Total Properties</b>	<b>27</b>	<b>619</b>	<b>19.3</b>	<b>1.5 %</b>	<b>\$ 209,973</b>
Weighted average initial cash cap rate					5.7 %
Weighted average initial GAAP cap rate					6.4 %

#### QTD Q2 2022

Property Type	Number of Properties	Square Feet	Weighted Average Lease Term (years)	Weighted Average Annual Rent Increase	Acquisition Price
Industrial <sup>1</sup>	8	1,395	22.1	2.2 %	\$ 149,160
Retail	6	169	9.8	1.1 %	20,755
Healthcare	1	41	9.9	3.0 %	12,467
<b>Total Properties</b>	<b>15</b>	<b>1,605</b>	<b>19.9</b>	<b>2.1 %</b>	<b>\$ 182,382</b>
Weighted average initial cash cap rate					6.4 %
Weighted average initial GAAP cap rate					8.0 %

#### FY 2022

Property Type	Number of Properties	Square Feet	Weighted Average Lease Term (years)	Weighted Average Annual Rent Increase	Acquisition Price
Industrial <sup>1</sup>	10	1,659	21.6	2.2 %	\$ 176,571
Retail	15	393	17.3	1.7 %	103,730
Restaurant	16	131	19.5	1.1 %	99,587
Healthcare	1	41	9.9	3.0 %	12,467
<b>Total Properties</b>	<b>42</b>	<b>2,224</b>	<b>19.6</b>	<b>1.8 %</b>	<b>\$ 392,355</b>
Weighted average initial cash cap rate					6.1 %
Weighted average initial GAAP cap rate					7.2 %

<sup>1</sup> Includes a \$17.4 million building expansion agreed to as a forward commitment in connection with a prior acquisition.

## Dispositions

(unaudited, square feet and dollars in thousands)

The following table summarizes the Company's property disposition activity during 2022.

### QTD Q1 2022

Property Type	Number of Properties	Square Feet	Acquisition Price	Disposition Price	Net Book Value
Restaurant	1	8	\$ 3,891	\$ 5,212	\$ 3,824
<b>Total Properties</b>	<b>1</b>	<b>8</b>	<b>\$ 3,891</b>	<b>\$ 5,212</b>	<b>\$ 3,824</b>
Weighted average cash cap rate					5.7 %

### QTD Q2 2022

Property Type	Number of Properties	Square Feet	Acquisition Price	Disposition Price	Net Book Value
Restaurant	3	13	\$ 7,792	\$ 11,889	\$ 7,311
<b>Total Properties</b>	<b>3</b>	<b>13</b>	<b>\$ 7,792</b>	<b>\$ 11,889</b>	<b>\$ 7,311</b>
Weighted average cash cap rate					5.1 %

### FY 2022

Property Type	Number of Properties	Square Feet	Acquisition Price	Disposition Price	Net Book Value
Restaurant	4	21	\$ 11,683	\$ 17,101	\$ 11,135
<b>Total Properties</b>	<b>4</b>	<b>21</b>	<b>\$ 11,683</b>	<b>\$ 17,101</b>	<b>\$ 11,135</b>
Weighted Average cash cap rate					5.3 %

## Portfolio at a Glance: Key Metrics

Properties	<b>764</b>
U.S. States	<b>44</b>
Canadian Provinces	<b>4</b>
Total Rentable Sq. Footage	<b>34.4M</b>
Tenants	<b>213</b>
Brands	<b>203</b>
Industries	<b>57</b>
Occupancy (based on SF)	<b>99.8%</b>
Top Ten Tenant Concentration	<b>16.5%</b>
Top Twenty Tenant Concentration	<b>29.4%</b>
Investment Grade (tenant/guarantor)	<b>16.4%</b>
Financial Reporting Coverage <sup>1</sup>	<b>94.0%</b>
Rent Coverage Ratio <sup>2</sup>	<b>3.3x</b>
Weighted Average Annual Rent Increases	<b>2.0%</b>
Weighted Average Remaining Lease Term	<b>10.6 years</b>
Master Leases (based on ABR)	
Total Portfolio	<b>36.1%</b>
Retail Portfolio	<b>42.5%</b>
Restaurant Portfolio	<b>76.4%</b>



<sup>1</sup> Includes 9.0% related to tenants not required to provide financial information under the terms of our lease, but whose financial statements are available publicly.

<sup>2</sup> Represents rent coverage ratio for Restaurant property type only.

## Diversification: Tenants & Brands

(unaudited)

### Top 20 Tenants

Tenant	Property Type	# Properties	ABR (\$'000s)	ABR as a % of Total Portfolio	Square Feet ('000s)	SF as a % of Total Portfolio
Jack's Family Restaurants LP	Quick Service Restaurants	43	\$ 7,166	2.0 %	147	0.4 %
Joseph T. Ryerson & Son, Inc	Distribution & Warehouse	11	6,395	1.8 %	1,537	4.5 %
Red Lobster Hospitality & Red Lobster Restaurants LLC	Casual Dining	20	6,361	1.8 %	166	0.5 %
J. Alexander's, LLC	Casual Dining	16	6,025	1.7 %	131	0.4 %
Axcelis Technologies, Inc.	Flex and R&D	1	5,991	1.6 %	417	1.2 %
Hensley & Company	Distribution & Warehouse	3	5,871	1.6 %	577	1.7 %
Dollar General Corporation	General Merchandise	57	5,636	1.5 %	531	1.5 %
BluePearl Holdings, LLC	Animal Health Services	13	5,451	1.5 %	165	0.5 %
Tractor Supply Company	General Merchandise	21	5,279	1.5 %	417	1.2 %
Outback Steakhouse of Florida LLC	Casual Dining	22	5,278	1.5 %	140	0.4 %
<b>Total Top 10 Tenants</b>		<b>207</b>	<b>\$ 59,453</b>	<b>16.5 %</b>	<b>4,228</b>	<b>12.3 %</b>
AHF, LLC	Distribution & Warehouse/ Manufacturing	5	\$ 5,142	1.4 %	982	2.8 %
Krispy Kreme Doughnut Corporation	Quick Service Restaurants/ Food Processing	27	5,034	1.4 %	156	0.4 %
Big Tex Trailer Manufacturing, Inc.	Automotive/Distribution & Warehouse/Manufacturing/ Corporate Headquarters	17	4,957	1.4 %	1,302	3.8 %
Siemens Medical Solutions USA, Inc. & Siemens Corporation	Manufacturing/Flex and R&D	2	4,936	1.4 %	545	1.6 %
Carvana, LLC	Industrial Services	2	4,510	1.3 %	230	0.7 %
Santa Cruz Valley Hospital	Healthcare Facilities	1	4,500	1.2 %	148	0.4 %
Nestle' Dreyer's Ice Cream Company	Cold Storage	1	4,476	1.2 %	310	0.9 %
Arkansas Surgical Hospital	Surgical	1	4,366	1.2 %	129	0.4 %
American Signature, Inc.	Home Furnishings	6	4,224	1.2 %	474	1.4 %
Fresh Express Incorporated	Food Processing	1	4,144	1.2 %	335	1.0 %
<b>Total Top 20 Tenants</b>		<b>270</b>	<b>\$ 105,742</b>	<b>29.4 %</b>	<b>8,839</b>	<b>25.7 %</b>



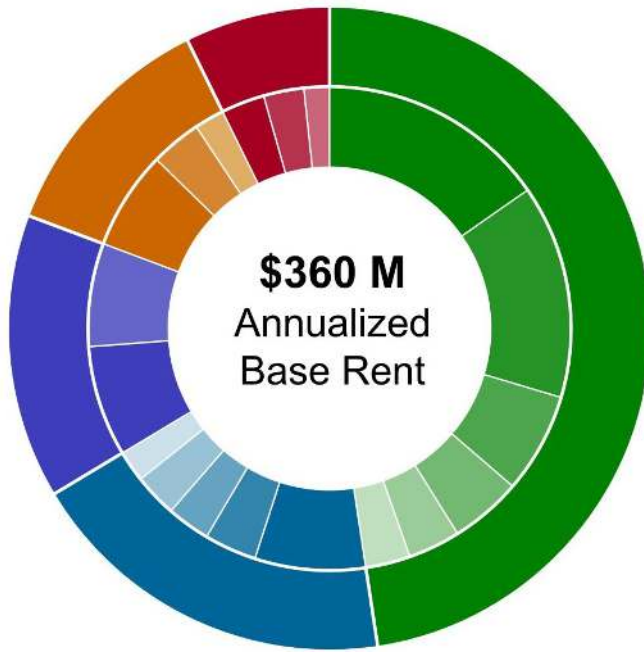
## Top 20 Brands

(unaudited)

Brand	Property Type	# Properties	ABR (\$'000s)	ABR as a % of Total Portfolio	Square Feet ('000s)	SF as a % of Total Portfolio
Jack's Family Restaurants	Quick Service Restaurants	43	\$ 7,166	2.0%	147	0.4%
Ryerson	Distribution & Warehouse	11	6,395	1.8%	1,537	4.5%
Red Lobster	Casual Dining	20	6,361	1.8%	166	0.5%
Axcelis	Flex and R&D	1	5,991	1.6%	417	1.2%
Hensley	Distribution & Warehouse	3	5,871	1.6%	577	1.7%
Dollar General	General Merchandise	57	5,636	1.5%	531	1.5%
BluePearl Veterinary Partners	Animal Health Services	13	5,451	1.5%	165	0.5%
Bob Evans Farms	Casual Dining/Food Processing	21	5,352	1.5%	281	0.9%
Tractor Supply Co.	General Merchandise	21	5,279	1.5%	417	1.2%
AHF Products	Distribution & Warehouse/Manufacturing	5	5,142	1.4%	982	2.8%
<b>Total Top 10 Brands</b>		<b>195</b>	<b>\$ 58,644</b>	<b>16.2%</b>	<b>5,220</b>	<b>15.2%</b>
Krispy Kreme	Quick Service Restaurants/ Food Processing	27	\$ 5,034	1.4%	156	0.4%
Big Tex Trailers	Automotive/Distribution & Warehouse/Manufacturing/ Corporate Headquarters	17	4,957	1.4%	1,302	3.8%
Siemens	Manufacturing/Flex and R&D	2	4,936	1.4%	545	1.6%
Outback Steakhouse	Casual Dining	20	4,566	1.3%	126	0.4%
Carvana	Industrial Services	2	4,510	1.3%	230	0.7%
Santa Cruz Valley Hospital	Healthcare Facilities	1	4,500	1.2%	148	0.4%
Nestle'	Cold Storage	1	4,476	1.2%	310	0.9%
Arkansas Surgical Hospital	Surgical	1	4,366	1.2%	129	0.4%
Wendy's	Quick Service Restaurants	29	4,320	1.2%	83	0.2%
Value City Furniture	Home Furnishings	6	4,224	1.2%	474	1.4%
<b>Total Top 20 Brands</b>		<b>301</b>	<b>\$ 104,533</b>	<b>29.0%</b>	<b>8,723</b>	<b>25.4%</b>

## Diversification: Property Type

(unaudited, rent percentages based on ABR)



### Industrial 48%

Manufacturing	15%
Distribution & Warehouse	14%
Food Processing	7%
Flex and R&D	5%
Cold Storage	4%
Industrial Services	3%

### Healthcare 19%

Clinical	7%
Healthcare Services	4%
Animal Health Services	3%
Surgical	3%
Life Science	2%

### Restaurant 14%

Casual Dining	7%
Quick Service Restaurants	7%

### Retail 12%

General Merchandise	7%
Automotive	3%
Home Furnishings	2%

### Office 7%

Corporate Headquarters	3%
Strategic Operations	2%
Call Center	2%

## Diversification: Property Type (continued)

(unaudited)

Property Type	# Properties	ABR (\$'000s)	ABR as a % of Total Portfolio	Square Feet ('000s)	SF as a % of Total Portfolio
<b>Industrial</b>					
Manufacturing	69	\$ 55,116	15.3 %	10,046	29.2 %
Distribution & Warehouse	47	51,375	14.3 %	9,526	27.7 %
Food Processing	17	24,200	6.7 %	2,730	7.9 %
Flex and R&D	7	17,296	4.8 %	1,457	4.3 %
Cold Storage	4	12,724	3.5 %	933	2.7 %
Industrial Services	22	10,765	3.0 %	587	1.7 %
<b>Industrial Total</b>	<b>166</b>	<b>171,476</b>	<b>47.6 %</b>	<b>25,279</b>	<b>73.5 %</b>
<b>Healthcare</b>					
Clinical	52	26,770	7.4 %	1,091	3.2 %
Healthcare Services	28	12,528	3.5 %	463	1.3 %
Animal Health Services	27	10,437	2.9 %	405	1.2 %
Surgical	12	10,274	2.9 %	329	0.9 %
Life Science	9	7,722	2.1 %	549	1.6 %
Untenanted	1	—	—	18	0.1 %
<b>Healthcare Total</b>	<b>129</b>	<b>67,731</b>	<b>18.8 %</b>	<b>2,855</b>	<b>8.3 %</b>
<b>Restaurant</b>					
Casual Dining	101	26,738	7.4 %	675	2.0 %
Quick Service Restaurants	146	24,787	6.9 %	499	1.4 %
<b>Restaurant Total</b>	<b>247</b>	<b>51,525</b>	<b>14.3 %</b>	<b>1,174</b>	<b>3.4 %</b>
<b>Retail</b>					
General Merchandise	126	23,924	6.6 %	1,802	5.2 %
Automotive	66	12,196	3.4 %	771	2.3 %
Home Furnishings	13	7,030	2.0 %	797	2.3 %
Untenanted	1	—	—	34	0.1 %
<b>Retail Total</b>	<b>206</b>	<b>43,150</b>	<b>12.0 %</b>	<b>3,404</b>	<b>9.9 %</b>
<b>Office</b>					
Corporate Headquarters	7	10,429	2.9 %	679	2.0 %
Strategic Operations	5	9,806	2.7 %	615	1.8 %
Call Center	4	5,902	1.7 %	391	1.1 %
<b>Office Total</b>	<b>16</b>	<b>26,137</b>	<b>7.3 %</b>	<b>1,685</b>	<b>4.9 %</b>
<b>Total</b>	<b>764</b>	<b>\$ 360,019</b>	<b>100.0 %</b>	<b>34,397</b>	<b>100.0 %</b>

## Key Statistics by Property Type

<b>Industrial</b>	
Number of properties	166
Square feet (000s)	25,279
Weighted average lease term (years)	10.8
Weighted average annual rent escalation	2.0 %
<b>Healthcare</b>	
Number of properties	129
Square feet (000s)	2,855
Weighted average lease term (years)	8.4
Weighted average annual rent escalation	2.2 %
<b>Restaurant</b>	
Number of properties	247
Square feet (000s)	1,174
Weighted average lease term (years)	15.0
Weighted average annual rent escalation	1.8 %
<b>Retail</b>	
Number of properties	206
Square feet (000s)	3,404
Weighted average lease term (years)	10.9
Weighted average annual rent escalation	1.6 %
<b>Office</b>	
Number of properties	16
Square feet (000s)	1,685
Weighted average lease term (years)	6.0
Weighted average annual rent escalation	2.4 %

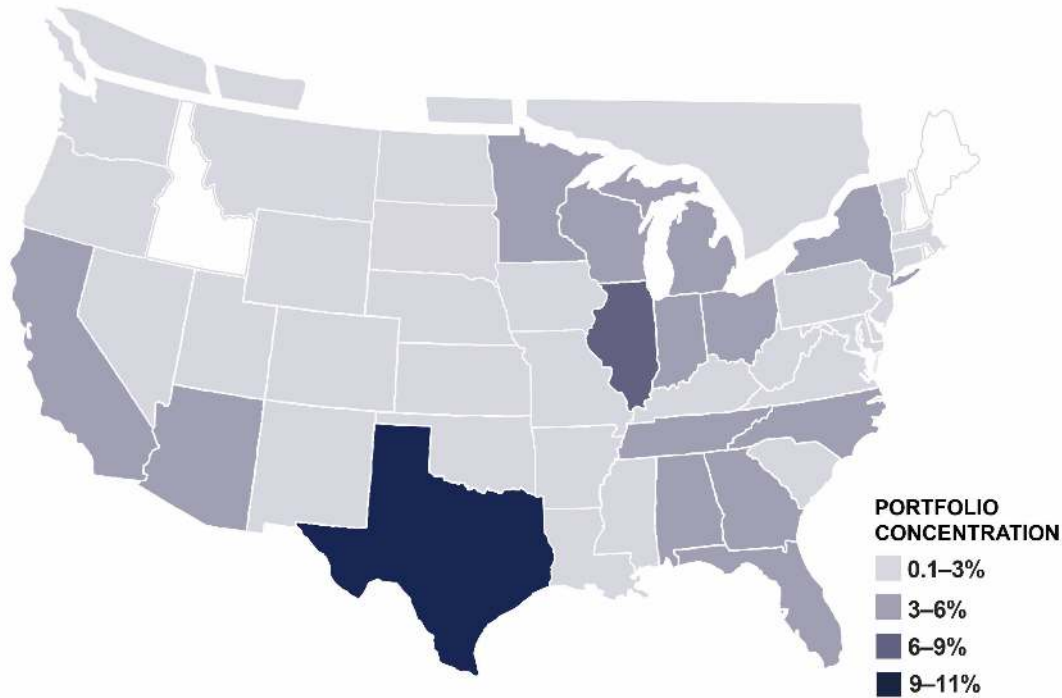
## Diversification: Tenant Industry

(unaudited)

Industry	# Properties	ABR (\$'000s)	ABR as a % of Total Portfolio	Square Feet ('000s)	SF as a % of Total Portfolio
Healthcare Facilities	102	\$ 53,633	14.9 %	2,029	5.9 %
Restaurant	250	52,296	14.5 %	1,217	3.5 %
Packaged Foods & Meats Distributors	11	17,698	4.9 %	1,914	5.6 %
Distributors	27	15,699	4.4 %	2,695	7.8 %
Food Distributors	8	14,678	4.1 %	1,786	5.2 %
Specialty Stores	31	13,930	3.9 %	1,338	3.9 %
Auto Parts & Equipment	39	12,672	3.5 %	2,387	6.9 %
Home Furnishings Retail	18	12,459	3.5 %	1,858	5.4 %
Specialized Consumer Services	47	12,218	3.4 %	722	2.1 %
Metal & Glass Containers	8	9,898	2.7 %	2,206	6.4 %
Healthcare Services	18	9,213	2.6 %	515	1.5 %
General Merchandise Stores	90	9,011	2.5 %	817	2.4 %
Aerospace & Defense	7	8,694	2.4 %	952	2.8 %
Internet & Direct Marketing Retail	3	6,881	1.9 %	447	1.3 %
Electronic Components	2	6,806	1.9 %	466	1.4 %
Other (42 industries)	101	104,233	28.9 %	12,996	37.7 %
Untenanted properties	2	—	—	52	0.2 %
<b>Total</b>	<b>764</b>	<b>\$ 360,019</b>	<b>100.0 %</b>	<b>34,397</b>	<b>100.0 %</b>

# Diversification: Geography

(unaudited, rent percentages based on ABR)

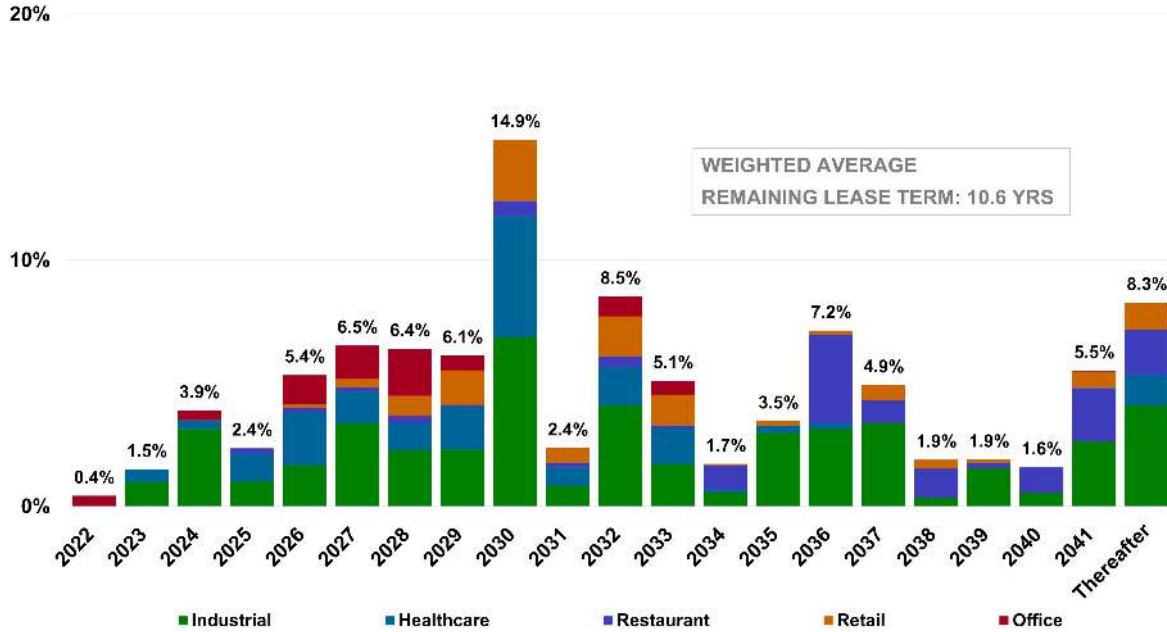


**TOTAL PROPERTIES: 764 TOTAL STATES/PROVINCES: 44 U.S. states & 4 Canadian provinces**

State / Province	# Properties	ABR (\$'000s)	ABR as a % of Total Portfolio	Square Feet ('000s)	SF as a % of Total Portfolio	State / Province	# Properties	ABR (\$'000s)	ABR as a % of Total Portfolio	Square Feet ('000s)	SF as a % of Total Portfolio
TX	70	\$ 37,549	10.4%	3,636	10.6%	LA	4	3,401	0.9%	194	0.6%
IL	27	21,566	6.0%	2,002	5.8%	NE	6	3,037	0.8%	509	1.5%
WI	35	20,744	5.8%	2,163	6.3%	MD	4	2,987	0.8%	293	0.9%
MI	49	17,130	4.8%	1,633	4.7%	NM	8	2,815	0.8%	96	0.3%
FL	42	16,122	4.5%	844	2.5%	MS	8	2,774	0.8%	334	1.0%
OH	38	15,786	4.4%	1,416	4.1%	IA	4	2,754	0.8%	622	1.8%
CA	10	15,622	4.3%	1,493	4.3%	SC	13	2,494	0.7%	308	0.9%
IN	30	15,035	4.2%	1,858	5.4%	WV	16	2,486	0.7%	109	0.3%
MN	21	14,600	4.0%	2,285	6.6%	CO	4	2,459	0.7%	126	0.4%
TN	49	13,995	3.9%	866	2.5%	UT	3	2,379	0.7%	280	0.8%
NC	36	13,742	3.8%	1,425	4.1%	CT	2	1,758	0.5%	55	0.2%
AZ	9	13,213	3.7%	909	2.6%	MT	7	1,563	0.4%	43	0.1%
AL	53	11,950	3.3%	873	2.5%	NV	2	1,336	0.4%	81	0.2%
GA	33	11,356	3.1%	1,576	4.6%	DE	4	1,154	0.3%	133	0.4%
NY	26	10,718	3.0%	680	2.0%	ND	2	943	0.3%	28	0.1%
MA	5	10,456	2.9%	1,026	3.0%	VT	2	420	0.1%	24	0.1%
AR	12	8,767	2.4%	544	1.6%	WY	1	307	0.1%	21	0.1%
OK	21	7,597	2.1%	977	2.8%	OR	1	136	0.0%	9	0.1%
KY	24	7,486	2.1%	946	2.7%	SD	1	81	0.0%	9	0.0%
PA	17	7,080	2.0%	1,037	3.0%	<b>Total US</b>	<b>757</b>	<b>\$ 351,970</b>	<b>97.8%</b>	<b>33,967</b>	<b>98.8%</b>
MO	12	6,064	1.7%	1,136	3.3%	BC	2	\$ 4,633	1.3%	253	0.7%
KS	11	5,489	1.5%	648	1.9%	ON	3	2,085	0.6%	101	0.3%
VA	17	5,451	1.5%	204	0.6%	AB	1	981	0.2%	51	0.1%
NJ	3	4,904	1.4%	366	1.1%	MB	1	350	0.1%	25	0.1%
WA	15	4,264	1.2%	150	0.4%	<b>Total Canada</b>	<b>7</b>	<b>\$ 8,049</b>	<b>2.2%</b>	<b>430</b>	<b>1.2%</b>
						<b>Grand Total</b>	<b>764</b>	<b>\$ 360,019</b>	<b>100.0%</b>	<b>34,397</b>	<b>100.0%</b>

# Lease Expirations

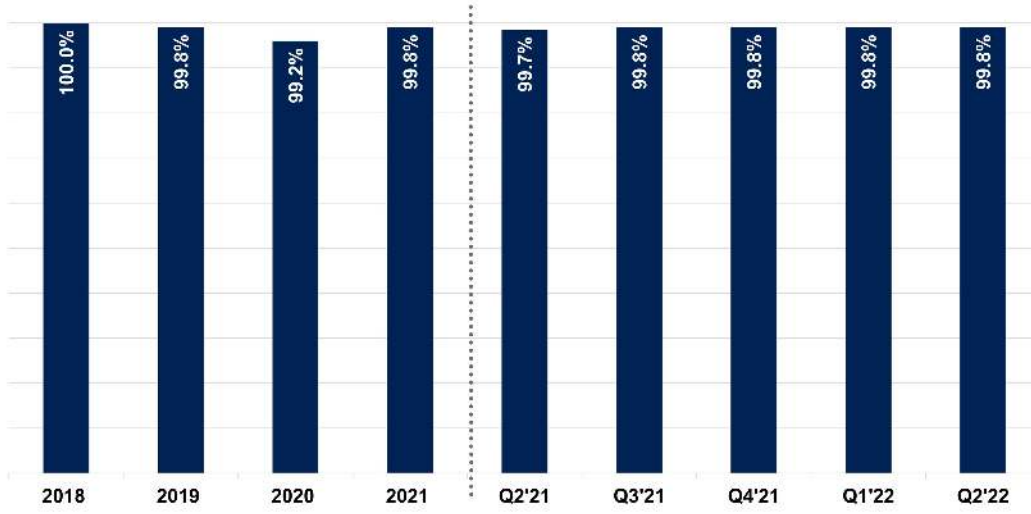
(unaudited, rent percentages based on ABR)



Expiration Year	# Properties	# Leases	ABR (\$'000s)	ABR as a % of Total Portfolio	Square Feet ('000s)	SF as a % of Total Portfolio
2022	1	2	\$ 1,566	0.4%	46	0.1%
2023	7	8	5,412	1.5%	538	1.6%
2024	11	11	14,036	3.9%	1,689	4.9%
2025	20	23	8,527	2.4%	698	2.0%
2026	35	32	19,235	5.4%	1,413	4.1%
2027	29	28	23,531	6.5%	2,019	5.9%
2028	33	31	23,061	6.4%	2,291	6.7%
2029	71	39	22,061	6.1%	2,711	7.9%
2030	101	57	53,636	14.9%	5,110	14.8%
2031	33	28	8,547	2.4%	805	2.3%
2032	59	44	30,701	8.5%	3,437	10.0%
2033	49	23	18,360	5.1%	1,575	4.6%
2034	33	22	6,240	1.7%	409	1.2%
2035	17	13	12,494	3.5%	1,927	5.6%
2036	86	21	25,732	7.2%	2,854	8.3%
2037	24	9	17,762	4.9%	1,369	4.0%
2038	33	29	6,842	1.9%	306	0.9%
2039	11	6	6,860	1.9%	803	2.3%
2040	31	5	5,744	1.6%	312	0.9%
2041	40	8	19,850	5.5%	1,731	5.0%
Thereafter	38	9	29,822	8.3%	2,302	6.7%
Untenanted properties	2	—	—	—	52	0.2%
<b>Total</b>	<b>764</b>	<b>448</b>	<b>\$ 360,019</b>	<b>100.0%</b>	<b>34,397</b>	<b>100.0%</b>

# Portfolio Occupancy

(unaudited, based on square feet)





## Definitions and Explanations

**Adjusted NOI, Annualized Adjusted NOI, Adjusted Cash NOI and Annualized Adjusted Cash NOI:** Our reported results and net earnings per diluted share are presented in accordance with accounting principles generally accepted in the United States of America (GAAP). Adjusted NOI and Adjusted Cash NOI are non-GAAP financial measures that we believe are useful to assess property-level performance. We compute Adjusted NOI by adjusting Adjusted EBITDAre (defined below) to exclude general and administrative expenses incurred at the corporate level. Given the net lease nature of our portfolio, we do not incur general and administrative expenses at the property level. To compute Adjusted Cash NOI, we adjust Adjusted NOI to exclude non-cash items included in total revenues and property expenses, such as straight-line rental revenue and other amortization and non-cash items, based on an estimate calculated as if all investment and disposition activity that took place during the quarter had occurred on the first day of the quarter. We then annualize quarterly Adjusted NOI and Adjusted Cash NOI by multiplying each amount by four to compute Annualized Adjusted NOI and Annualized Adjusted Cash NOI, respectively, which are also non-GAAP financial measures. We believe Adjusted NOI and Adjusted Cash NOI provide useful and relevant information because they reflect only those income and expense items that are incurred at the property level and present such items on an unlevered basis. We believe that the exclusion of certain non-cash revenues and expenses from Adjusted Cash NOI is a useful supplemental measure for investors to consider because it will help them to better assess our operating performance without the distortions created by non-cash revenues or expenses. You should not unduly rely on Annualized Adjusted NOI and Annualized Adjusted Cash NOI as they are based on assumptions and estimates that may prove to be inaccurate. Our actual reported Adjusted NOI and Adjusted Cash NOI for future periods may be significantly different from our Annualized Adjusted NOI and Annualized Adjusted Cash NOI. Additionally, our computation of Adjusted NOI and Adjusted Cash NOI may differ from the methodology for calculating these metrics used by companies in our industry, and, therefore, may not be comparable to similarly titled measures reported by other companies.

**Annualized Base Rent (ABR):** We define ABR as the annualized contractual cash rent due for the last month of the reporting period, excluding the impacts of the short-term rent deferrals and abatements agreed to as a result of tenant requests for rent relief related to the COVID-19 pandemic, and adjusted to remove rent from properties sold during the month and to include a full month of contractual cash rent for properties acquired during the last month.

**Cash Cap Rate:** Cash Cap Rate represents the estimated first year cash yield to be generated on a real estate investment property, which was estimated at the time of investment based on the contractually specified cash base rent for the first full year after the date of the investment, divided by the purchase price for the property.

**EBITDA, EBITDAre, Adjusted EBITDAre, and Annualized Adjusted EBITDAre:** EBITDA, EBITDAre, Adjusted EBITDAre, and Annualized Adjusted EBITDAre are non-GAAP financial measures. We compute EBITDA as earnings before interest, income taxes and depreciation and amortization. EBITDA is a measure commonly used in our industry. We believe that this ratio provides investors and analysts with a measure of our performance that includes our operating results unaffected by the differences in capital structures, capital investment cycles and useful life of related assets compared to other companies in our industry. We compute EBITDAre in accordance with the definition adopted by Nareit. Nareit defines EBITDAre as EBITDA excluding gains (loss) from the sales of depreciable property and provisions for impairment on investment in real estate. We believe EBITDA and EBITDAre are useful to investors and analysts because they provide important supplemental information about our operating performance exclusive of certain non-cash and other costs. Adjusted EBITDAre represents EBITDAre, adjusted to reflect revenue producing acquisitions and dispositions for the quarter as if such acquisitions and dispositions had occurred as of the beginning of the quarter, and to exclude certain GAAP income and expense amounts that are either non-cash, such as cost of debt extinguishments, realized and unrealized gains and losses on foreign currency transactions, or the change in fair value of our earnout liability, or that we believe are one time, or unusual in nature because they relate to unique circumstances or transactions that had not previously occurred and which we do not anticipate occurring in the future, and to eliminate the impact of lease termination fees, and other items that are not a result of normal operations. We then annualize quarterly Adjusted EBITDAre by multiplying it by four to compute Annualized Adjusted EBITDAre. Our reported EBITDA, EBITDAre, Adjusted EBITDAre, and Annualized Adjusted EBITDAre may not be comparable to similarly titled measures of other companies. You should not consider these measures as alternatives to net income or cash flows from operating activities determined in accordance with GAAP.

**Funds From Operations (FFO), Core Funds From Operations (Core FFO), and Adjusted Funds From Operations (AFFO):** FFO, Core FFO, and AFFO are non-GAAP measures. We believe the use of FFO, Core FFO and AFFO are useful to investors because they are widely accepted industry measures used by analysts and investors to compare the operating performance of REITs. FFO, Core FFO, and AFFO should not be considered alternatives to net income as a performance measure or to cash flows from operations, as reported on our statement of cash flows, or as a liquidity measure and should be considered in addition to, and not in lieu of, GAAP financial measures. We compute Core FFO by adjusting FFO to exclude certain GAAP income and expense amounts that we believe are infrequently recurring, unusual in nature, or not related to its core real estate operations, including write-offs or recoveries of accrued rental income, lease termination fees, the change in fair value of our earnout liability, cost of debt extinguishments, unrealized and realized gains or losses on foreign currency transactions, severance, and other extraordinary items. We compute AFFO by adjusting Core FFO for certain non-cash revenues and expenses, including straight-line rents, amortization of lease intangibles, amortization of debt issuance costs, amortization of net mortgage premiums, (gain) loss on interest rate swaps and other non-cash interest expense, stock-based compensation, and other specified non-cash items.

## Definitions and Explanations (continued)

**GAAP Cap Rate:** GAAP Cap Rate represents the estimated first year GAAP yield to be generated on a real estate investment property, which was computed at the time of investment based on the first full year of rental income computed in accordance with GAAP, divided by the purchase price including capitalized acquisition costs for the property.

**Gross Debt:** We define Gross Debt as total debt plus debt issuance costs and original issuance discount.

**Net Debt:** Net Debt is a non-GAAP financial measure. We define Net Debt as our Gross Debt less cash and cash equivalents and restricted cash.

**Occupancy:** Occupancy or a specified percentage of our portfolio that is "occupied" or "leased" means as of a specified date the quotient of (1) the total rentable square footage of our properties minus the square footage of our properties that are vacant and from which we are not receiving any rental payment, and (2) the total square footage of our properties.

**Rent Coverage Ratio:** Rent Coverage Ratio means the ratio of tenant-reported or, when available, management's estimate, based on tenant-reported financial information, of annual earnings before interest, taxes, depreciation, amortization, and cash rent attributable to the leased property (or properties, in the case of a master lease) to the annualized base rental obligation as of a specified date.