

BROADSTONE



NET LEASE, INC.



Q3 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

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About the Data

This data and other information described herein are as of and for the three months ended September 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 September 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.

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

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Quarterly Financial Summary

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

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Financial Summary					
Investment in rental property	\$ 4,775,460	\$ 4,594,776	\$ 4,431,929	\$ 4,234,544	\$ 4,110,958
Less accumulated depreciation	(505,456)	(479,952)	(454,122)	(430,141)	(407,354)
Investment in rental property, net	4,270,004	4,114,824	3,977,807	3,804,403	3,703,604
Cash and cash equivalents	75,912	16,813	54,103	21,669	16,182
Restricted cash	6,449	12,163	11,444	6,100	3,895
Total assets	5,239,192	4,979,442	4,852,520	4,618,648	4,501,972
Unsecured revolving credit facility	219,537	320,657	266,118	102,000	—
Mortgage, net	94,753	95,453	96,141	96,846	97,530
Unsecured term loans, net	894,378	587,098	586,884	646,671	646,458
Senior unsecured notes, net	844,367	844,178	843,990	843,801	843,665
Total liabilities	2,231,045	2,012,800	1,961,200	1,877,510	1,785,847
Total Broadstone Net Lease, Inc. stockholders' equity	2,840,692	2,798,690	2,724,641	2,577,292	2,552,004
Total equity (book value)	3,008,147	2,966,642	2,891,320	2,741,138	2,716,125
Revenues	103,524	98,013	93,841	92,642	122,777
General and administrative - other	8,439	7,907	7,899	7,501	7,628
Stock based compensation	1,503	1,381	929	1,025	924
General and administrative	9,942	9,288	8,828	8,526	8,552
Total operating expenses	59,133	50,875	48,162	46,649	76,065
Interest expense	20,095	17,888	16,896	16,997	15,611
Net income	28,709	35,552	28,441	32,226	30,522
Net earnings per common share, diluted	\$ 0.16	\$ 0.20	\$ 0.16	\$ 0.19	\$ 0.18
FFO	72,169	68,340	61,504	62,152	91,947
FFO per share, diluted	\$ 0.39	\$ 0.38	\$ 0.35	\$ 0.36	\$ 0.54
Core FFO	66,677	65,986	64,076	62,232	59,769
Core FFO per share, diluted	\$ 0.36	\$ 0.37	\$ 0.37	\$ 0.36	\$ 0.35
AFFO	63,386	62,804	60,401	58,692	55,836
AFFO per share, diluted	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.34	\$ 0.33
Net cash provided by operating activities	77,515	58,855	59,104	57,619	88,303
Net cash used in investing activities	(205,187)	(172,293)	(207,678)	(133,925)	(205,667)
Net cash provided by financing activities	181,057	76,867	186,352	83,998	50,433
Distributions declared	46,242	49,507	48,115	45,857	43,423
Distributions declared per diluted share	\$ 0.270	\$ 0.270	\$ 0.265	\$ 0.265	\$ 0.255
Portfolio Metrics					
Properties	790	764	752	726	696
Rentable square feet	36.8M	34.4M	32.8M	32.2M	31.4M
Occupancy	99.3%	99.8%	99.8%	99.8%	99.8%
Weighted average remaining lease term (years)	10.7	10.6	10.5	10.5	10.6

Balance Sheet

(unaudited, in thousands)

	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
Assets					
Accounted for using the operating method:					
Land	\$ 755,206	\$ 731,208	\$ 709,962	\$ 655,374	\$ 616,917
Land improvements	331,858	320,513	300,300	295,329	291,045
Buildings and improvements	3,650,275	3,503,478	3,381,990	3,242,618	3,161,728
Equipment	10,422	10,422	10,422	11,870	11,870
Total accounted for using the operating method	4,747,761	4,565,621	4,402,674	4,205,191	4,081,560
Less accumulated depreciation	(505,456)	(479,952)	(454,122)	(430,141)	(407,354)
Accounted for using the operating method, net	4,242,305	4,085,669	3,948,552	3,775,050	3,674,206
Accounted for using the direct financing method	27,128	28,584	28,684	28,782	28,830
Accounted for using the sales-type method	571	571	571	571	568
Investment in rental property, net	4,270,004	4,114,824	3,977,807	3,804,403	3,703,604
Cash and cash equivalents	75,912	16,813	54,103	21,669	16,182
Accrued rental income	129,579	124,297	120,117	116,874	112,163
Tenant and other receivables, net	791	2,069	1,160	1,310	940
Prepaid expenses and other assets	18,984	22,916	22,525	17,275	13,819
Interest rate swap, assets	66,602	26,562	8,944	—	—
Goodwill	339,769	339,769	339,769	339,769	339,769
Intangible lease assets, net	322,314	316,119	311,277	303,642	301,046
Debt issuance costs – unsecured revolving credit facility, net	6,485	6,956	7,427	4,065	4,658
Leasing fees, net	8,752	9,117	9,391	9,641	9,791
Total assets	\$ 5,239,192	\$ 4,979,442	\$ 4,852,520	\$ 4,618,648	\$ 4,501,972
Liabilities and equity					
Unsecured revolving credit facility	\$ 219,537	\$ 320,657	\$ 266,118	\$ 102,000	\$ —
Mortgages, net	94,753	95,453	96,141	96,846	97,530
Unsecured term loans, net	894,378	587,098	586,884	646,671	646,458
Senior unsecured notes, net	844,367	844,178	843,990	843,801	843,665
Interest rate swap, liabilities	—	—	1,154	27,171	36,196
Accounts payable and other liabilities	52,594	42,923	40,611	38,038	35,732
Dividends payable	49,886	49,541	47,682	45,914	43,874
Accrued interest payable	10,559	6,086	9,845	6,473	9,895
Intangible lease liabilities, net	64,971	66,864	68,775	70,596	72,497
Total liabilities	2,231,045	2,012,800	1,961,200	1,877,510	1,785,847
Equity					
Broadstone Net Lease, Inc. stockholders' equity:					
Preferred stock, \$0.001 par value	—	—	—	—	—
Common stock, \$0.00025 par value	43	43	42	41	40
Additional paid-in capital	3,148,075	3,125,377	3,056,560	2,924,168	2,895,219
Cumulative distributions in excess of retained earnings	(369,260)	(350,127)	(336,988)	(318,476)	(305,665)
Accumulated other comprehensive loss	61,834	23,397	5,027	(28,441)	(37,590)
Total Broadstone Net Lease, Inc. stockholders' equity	2,840,692	2,798,690	2,724,641	2,577,292	2,552,004
Non-controlling interests	167,455	167,952	166,679	163,846	164,121
Total equity	3,008,147	2,966,642	2,891,320	2,741,138	2,716,125
Total liabilities and equity	\$ 5,239,192	\$ 4,979,442	\$ 4,852,520	\$ 4,618,648	\$ 4,501,972

Income Statement Summary

(unaudited, in thousands, except per share data)

	Three Months Ended				
	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
Revenues					
Lease revenues, net	\$ 103,524	\$ 98,013	\$ 93,841	\$ 92,642	\$ 122,777
Operating expenses					
Depreciation and amortization	39,400	35,511	34,290	33,476	36,682
Property and operating expense	5,636	4,696	5,044	4,440	4,842
General and administrative	9,942	9,288	8,828	8,526	8,552
Provision for impairment of investment in rental properties	4,155	1,380	—	207	25,989
Total operating expenses	<u>59,133</u>	<u>50,875</u>	<u>48,162</u>	<u>46,649</u>	<u>76,065</u>
Other income (expenses)					
Interest income	4	—	—	6	—
Interest expense	(20,095)	(17,888)	(16,896)	(16,997)	(15,611)
Cost of debt extinguishment	(231)	—	—	—	(242)
Gain on sale of real estate	61	4,071	1,196	3,732	1,220
Income taxes	(356)	(401)	(412)	(457)	(473)
Change in fair value of earnout liability	—	—	—	—	(1,059)
Other income (expenses)	4,935	2,632	(1,126)	(51)	(25)
Net income	<u>28,709</u>	<u>35,552</u>	<u>28,441</u>	<u>32,226</u>	<u>30,522</u>
Net income attributable to non-controlling interests	(1,600)	(2,036)	(1,683)	(1,935)	(1,824)
Net income attributable to Broadstone Net Lease, Inc.	<u>\$ 27,109</u>	<u>\$ 33,516</u>	<u>\$ 26,758</u>	<u>\$ 30,291</u>	<u>\$ 28,698</u>
Weighted average number of common shares outstanding					
Basic ¹	172,578	169,555	163,809	161,545	159,226
Diluted ¹	182,971	180,256	174,288	172,094	169,587
Net earnings per common share²					
Basic and diluted	<u>\$ 0.16</u>	<u>\$ 0.20</u>	<u>\$ 0.16</u>	<u>\$ 0.19</u>	<u>\$ 0.18</u>

¹ Excludes 395,441, 377,407, 370,539, 373,678, and 378,244, weighted average shares of unvested restricted common stock for the three months ended September 30, 2022, June 30, 2022, March 31, 2022, December 31, 2021, and September 30, 2021.

² Excludes \$0.1 million from the numerator for the three months ended September 30, 2022, June 30, 2022, March 31, 2022, December 31, 2021, and September 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				
	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
Net income	\$ 28,709	\$ 35,552	\$ 28,441	\$ 32,226	\$ 30,522
Real property depreciation and amortization	39,366	35,479	34,259	33,451	36,656
Gain on sale of real estate	(61)	(4,071)	(1,196)	(3,732)	(1,220)
Provision for impairment of investment in rental properties	4,155	1,380	—	207	25,989
FFO	\$ 72,169	\$ 68,340	\$ 61,504	\$ 62,152	\$ 91,947
Net write-offs of accrued rental income	—	—	1,326	—	1,496
Lease termination fee	(791)	—	—	—	(35,000)
Cost of debt extinguishment	231	—	—	—	242
Severance	3	278	120	29	—
Change in fair value of earnout liability	—	—	—	—	1,059
Other (income) expenses ¹	(4,935)	(2,632)	1,126	51	25
Core FFO	\$ 66,677	\$ 65,986	\$ 64,076	\$ 62,232	\$ 59,769
Straight-line rent adjustment	(5,175)	(4,965)	(4,934)	(5,321)	(4,930)
Adjustment to provision for credit losses	(4)	(1)	—	(37)	—
Amortization of debt issuance costs	948	900	856	1,022	962
Amortization of net mortgage premiums	(26)	(25)	(27)	(26)	(34)
Loss on interest rate swaps and other non-cash interest expense	639	695	659	696	85
Amortization of lease intangibles	(1,176)	(1,167)	(1,158)	(899)	(940)
Stock-based compensation	1,503	1,381	929	1,025	924
AFFO	\$ 63,386	\$ 62,804	\$ 60,401	\$ 58,692	\$ 55,836
Diluted weighted average shares outstanding ²	182,971	180,256	174,288	172,094	169,587
Net earnings per diluted share ³	\$ 0.16	\$ 0.20	\$ 0.16	\$ 0.19	\$ 0.18
FFO per diluted share ³	0.39	0.38	0.35	0.36	0.54
Core FFO per diluted share ³	0.36	0.37	0.37	0.36	0.35
AFFO per diluted share ³	0.35	0.35	0.35	0.34	0.33

¹ Amount includes (\$4.9) million, (\$2.6) million and \$1.1 million of unrealized and realized foreign exchange (gain) loss for the three months ended September 30, 2022, June 30, 2022 and March 31, 2022, respectively, primarily associated with our Canadian dollar denominated revolver borrowings.

² Excludes 395,441, 377,407, 370,539, 373,678, and 378,244, weighted average shares of unvested restricted common stock for the three months ended September 30, 2022, June 30, 2022, March 31, 2022, December 31, 2021, and September 30, 2021, respectively.

³ Excludes \$0.1 million from the numerator for the three months ended September 30, 2022, June 30, 2022, March 31, 2022, December 31, 2021, and September 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				
	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
Net income	\$ 28,709	\$ 35,552	\$ 28,441	\$ 32,226	\$ 30,522
Depreciation and amortization	39,400	35,511	34,290	33,476	36,682
Interest expense	20,095	17,888	16,896	16,997	15,611
Income taxes	356	401	412	457	473
EBITDA	\$ 88,560	\$ 89,352	\$ 80,039	\$ 83,156	\$ 83,288
Provision for impairment of investment in rental properties	4,155	1,380	—	207	25,989
Gain on sale of real estate	(61)	(4,071)	(1,196)	(3,732)	(1,220)
EBITDAre	\$ 92,654	\$ 86,661	\$ 78,843	\$ 79,631	\$ 108,057
Adjustment for current quarter acquisition activity ¹	2,358	2,780	3,225	2,002	3,534
Adjustment for current quarter disposition activity ²	—	(141)	(79)	(180)	(1,387)
Adjustment to exclude change in fair value of earnout liability	—	—	—	—	1,059
Adjustment to exclude net write-offs of accrued rental income	—	—	1,326	—	1,496
Adjustment to exclude realized / unrealized foreign exchange (gain) loss	(4,934)	(2,632)	1,125	—	—
Adjustment to exclude cost of debt extinguishments	231	—	—	—	242
Adjustment to exclude lease termination fees	(791)	—	—	—	(35,000)
Adjusted EBITDAre	\$ 89,518	\$ 86,668	\$ 84,440	\$ 81,453	\$ 78,001
General and administrative	9,942	9,288	8,825	8,523	8,537
Adjusted Net Operating Income ("NOI")	\$ 99,460	\$ 95,956	\$ 93,265	\$ 89,976	\$ 86,538
Straight-line rental revenue, net	(5,750)	(5,616)	(5,456)	(5,611)	(5,789)
Other amortization and non-cash charges	(1,177)	(1,167)	(1,157)	(847)	(616)
Adjusted Cash NOI	\$ 92,533	\$ 89,173	\$ 86,652	\$ 83,518	\$ 80,133
Annualized EBITDAre	\$ 370,616	\$ 346,642	\$ 315,375	\$ 318,526	\$ 432,221
Annualized Adjusted EBITDAre	358,072	346,672	337,759	325,812	311,998
Annualized Adjusted NOI	397,834	383,830	373,060	359,904	346,145
Annualized Adjusted Cash NOI	370,128	356,701	346,606	334,072	320,524

¹ 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.

² 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.

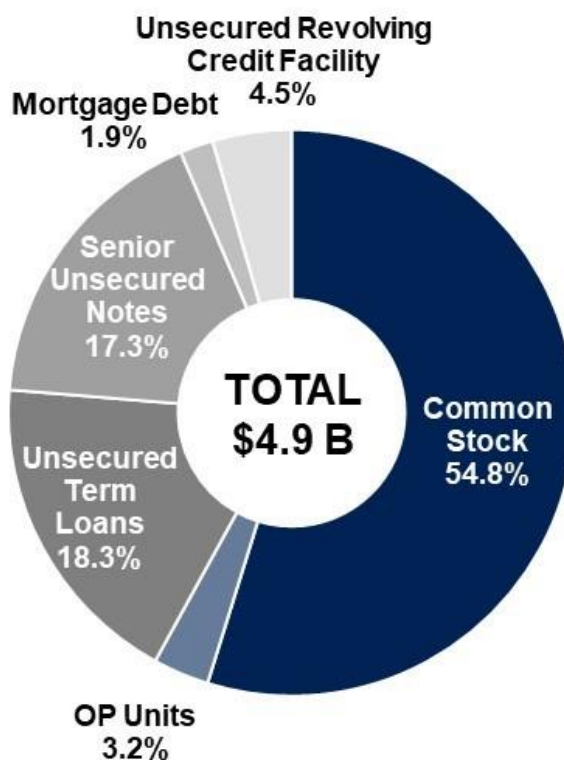
Lease Revenues Detail

(unaudited, in thousands)

	Three Months Ended				
	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
Contractual rental amounts billed for operating leases	\$ 91,208	\$ 87,505	\$ 84,396	\$ 81,482	\$ 78,886
Adjustment to recognize contractual operating lease billings on a straight-line basis	5,344	5,090	5,021	5,372	4,942
Net write-offs of accrued rental income	—	—	(1,326)	—	—
Variable rental amounts earned	309	291	186	433	130
Earned income from direct financing leases	719	721	723	725	726
Interest income from sales-type leases	14	15	14	15	14
Operating expenses billed to tenants	5,061	4,263	4,735	4,464	4,414
Other income from real estate transactions	874	134	42	1	33,515
Adjustment to revenue recognized for uncollectible rental amounts billed, net	(5)	(6)	50	150	150
Total Lease revenues, net	<u>\$ 103,524</u>	<u>\$ 98,013</u>	<u>\$ 93,841</u>	<u>\$ 92,642</u>	<u>\$ 122,777</u>

Capital Structure

(unaudited, in thousands, except per share data)



EQUITY

Shares of Common Stock	173,115
OP Units	10,205
Common Stock & OP Units	183,320
Price Per Share / Unit at September 30, 2022	\$ 15.53
IMPLIED EQUITY MARKET CAPITALIZATION	\$ 2,846,960
<i>% of Total Capitalization</i>	<i>58.0%</i>

DEBT

Unsecured Revolving Credit Facility - 2026	\$ 219,537
Unsecured Term Loans	900,000
Unsecured Term Loan - 2026	400,000
Unsecured Term Loan - 2027	200,000
Unsecured Term Loan - 2029	300,000
Senior Unsecured Notes	850,000
Senior Unsecured Notes - 2027	150,000
Senior Unsecured Notes - 2028	225,000
Senior Unsecured Notes - 2030	100,000
Senior Unsecured Public Notes - 2031	375,000
Mortgage Debt - Various	94,996
TOTAL DEBT	\$ 2,064,533
<i>% of Total Capitalization</i>	<i>42.0%</i>
<i>% of Total Debt / Floating Rate Debt</i>	<i>7.5%</i>
<i>% of Total Debt / Fixed Rate Debt</i>	<i>92.5%</i>
<i>% of Total Debt / Secured Debt</i>	<i>4.6%</i>
<i>% of Total Debt / Unsecured Debt</i>	<i>95.4%</i>

Total Capitalization	\$ 4,911,493
Less: Cash and Cash Equivalents	(75,912)
Enterprise Value	\$ 4,835,581

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 common shares	(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 ¹	13	—	13
Grants of restricted stock awards	32	—	32
Retirement of common shares	—	—	—
Forfeiture of restricted stock awards	(8)	—	(8)
Balance, June 30, 2022	172,023	10,323	182,346
ATM offerings	962	—	962
OP Unit conversions	118	(118)	—
Board of directors fees ¹	7	—	7
Grants of restricted stock awards	6	—	6
Retirement of common shares	—	—	—
Forfeiture of restricted stock awards	(1)	—	(1)
Balance, September 30, 2022	173,115	10,205	183,320
Percentage ownership of OP at September 30, 2022	94.4%	5.6%	100%

¹ 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
	September 30, 2022	December 31, 2021		
Unsecured revolving credit facility	\$ 219,537	\$ 102,000	Applicable reference rate + 0.85% ¹	Mar. 2026
Unsecured term loans:				
2022 Unsecured Term Loan	—	60,000	one-month LIBOR + 1.00%	Feb. 2022
2024 Unsecured Term Loan	—	190,000	one-month LIBOR + 1.00%	Jun. 2024
2026 Unsecured Term Loan	400,000	400,000	one-month LIBOR + 1.00%	Feb. 2026
2027 Unsecured Term Loan	200,000	—	one-month adjusted SOFR + 0.95%	Aug. 2027
2029 Unsecured Term Loan	300,000	—	one-month adjusted SOFR + 1.25%	Aug. 2029
Total unsecured term loans	900,000	650,000		
Unamortized debt issuance costs, net	(5,622)	(3,329)		
Total unsecured term loans, net	894,378	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	(5,633)	(6,199)		
Total senior unsecured notes, net	844,367	843,801		
Total unsecured debt, net	\$ 1,958,282	\$ 1,592,472		

¹ At September 30, 2022, a balance of \$146.5 million was subject to the one-month SOFR. The remaining balance includes \$100 million CAD borrowings remeasured to \$73.0 million USD, which was subject to the one-month Canadian Dollar Offered Rate.

Lender	Origination Date (Month/Year)	Maturity Date (Month/Year)	Interest Rate	September 30, 2022	December 31, 2021
Wilmington Trust National Association	Apr-19	Feb-28	4.92%	\$ 45,834	\$ 46,760
Wilmington Trust National Association	Jun-18	Aug-25	4.36%	19,254	19,557
PNC Bank	Oct-16	Nov-26	3.62%	16,782	17,094
T2 Durham I, LLC ¹	Jul - 21	Jul - 24	Greater of Prime + 1.25% or 5.00%	7,500	7,500
Aegon	Apr-12	Oct-23	6.38%	5,626	6,249
Total mortgages				94,996	97,160
Debt issuance costs, net				(243)	(314)
Mortgages, net				\$ 94,753	\$ 96,846

¹ Mortgage was paid in full on October 6, 2022.

Year of Maturity	Revolving Credit Facility	Term Loans	Senior Notes	Mortgages	Total
2022	\$ —	\$ —	\$ —	\$ 743	\$ 743
2023	—	—	—	7,582	7,582
2024	—	—	—	9,760	9,760
2025	—	—	—	20,195	20,195
2026	219,537	400,000	—	16,843	636,380
Thereafter	—	500,000	850,000	39,873	1,389,873
Total	\$ 219,537	\$ 900,000	\$ 850,000	\$ 94,996	\$ 2,064,533

Net Debt Metrics

(unaudited, in thousands)

	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
Debt					
Unsecured revolving credit facility	\$ 219,537	\$ 320,657	\$ 266,118	\$ 102,000	\$ —
Unsecured term loans, net	894,378	587,098	586,884	646,671	646,458
Senior unsecured notes, net	844,367	844,178	843,990	843,801	843,665
Mortgages, net	94,753	95,453	96,141	96,846	97,530
Debt issuance costs	11,498	8,991	9,419	9,842	10,215
Gross Debt	2,064,533	1,856,377	1,802,552	1,699,160	1,597,868
Cash and cash equivalents	(75,912)	(16,813)	(54,103)	(21,669)	(16,182)
Restricted cash	(6,449)	(12,163)	(11,444)	(6,100)	(3,895)
Net Debt	\$ 1,982,172	\$ 1,827,401	\$ 1,737,005	\$ 1,671,391	\$ 1,577,791
Anticipated proceeds from forward equity agreement	(270,732)	—	—	—	—
Pro Forma Net Debt	\$ 1,711,440	\$ 1,827,401	\$ 1,737,005	\$ 1,671,391	\$ 1,577,791
Net Debt to Annualized EBITDAre	5.3x	5.3x	5.5x	5.3x	3.7x
Net Debt to Annualized Adjusted EBITDAre	5.5x	5.3x	5.1x	5.1x	5.1x
Pro Forma Net Debt to Annualized Adjusted EBITDAre	4.8x	5.3x	5.1x	5.1x	5.1x

Covenants

(unaudited)

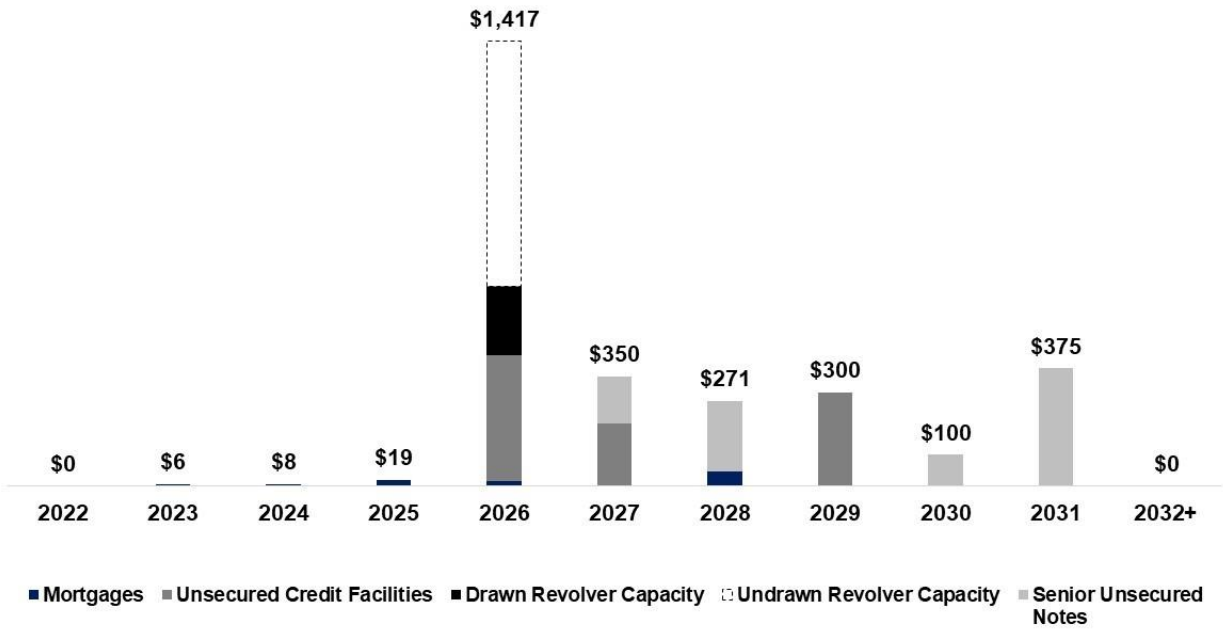
The following is a summary of key financial covenants for the Company's revolving credit facility and unsecured term loans and senior unsecured notes. The covenants associated with the Revolving Credit Facility, Unsecured Term Loans with commercial banks, and the Series A-C Senior Unsecured Notes, are 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 September 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	0.36	0.37	Not Applicable
Secured indebtedness ratio	≤ 0.40 to 1.00	0.02	0.02	Not Applicable
Unencumbered coverage ratio	≥ 1.75 to 1.00	4.91	Not Applicable	Not Applicable
Fixed charge coverage ratio	≥ 1.50 to 1.00	3.89	3.89	Not Applicable
Total unsecured indebtedness to total unencumbered eligible property value	≤ 0.60 to 1.00	0.38	0.40	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	0.39
Consolidated income available for debt to annual debt service charge	≥ 1.50 to 1.00	Not Applicable	Not Applicable	4.91
Total unencumbered assets to total unsecured debt	≥ 1.50 to 1.00	Not Applicable	Not Applicable	2.57
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

Investment Activity

(square feet and dollars in thousands)

The following tables summarize the Company's investment activity during 2022.

	Q1 2022	Q2 2022	Q3 2022	YTD 2022
Acquisitions:				
Number of transactions	6	11	8	25
Number of properties	27	15	27	69
Square feet	619	1,514	2,427	4,560
Acquisition price	\$ 209,973	\$ 164,995	\$ 203,926	\$ 578,894
Initial cash cap rate	5.7%	6.5%	6.5%	6.2%
Initial GAAP cap rate	6.4%	8.2%	7.9%	7.4%
Weighted avg. lease term (years)	19.3	20.0	20.9	20.1
Weighted average annual rent increase	1.5%	2.2%	2.0%	1.9%
Revenue generating capital expenditures:				
Number of properties ¹	-	1	1	2
Investments ²	- \$	17,387 \$	600 \$	17,987 \$
Initial cash cap rate	-	5.8%	8.1%	5.9%
Weighted avg. lease term (years)	-	19.3	14.0	19.0
Weighted average annual rent increase	-	1.8%	3.5%	1.8%
Total investments	\$ 209,973	\$ 182,382	\$ 204,526	\$ 596,881
Total initial cash cap rate	5.7%	6.4%	6.5%	6.2%
Total weighted average lease term (years)	19.3	19.9	20.8	20.1
Total weighted average annual rent increase	1.5%	2.1%	2.0%	1.9%

¹ Number of properties includes revenue generating capital expenditures on existing properties.

² Total unfunded investment commitments at September 30, 2022 were \$8.3 million

QTD Q3 Acquisitions:

Property Type	Number of Properties	Square Feet	Weighted Average Lease Term (years)	Weighted Average Annual Rent Increase	Acquisition Price
Industrial	19	2,354	21.7	2.1%	\$ 175,250
Restaurant	3	16	20.0	1.2%	12,823
Healthcare	1	15	14.6	2.0%	9,219
Retail	4	42	7.1	0.0%	6,634
Total Properties	27	2,427	20.9	2.0%	\$ 203,926

YTD 2022 Acquisitions:

Property Type	Number of Properties	Square Feet	Weighted Average Lease Term (years)	Weighted Average Annual Rent Increase	Acquisition Price
Industrial	29	3,921	21.8	2.2%	\$ 334,433
Restaurant	19	148	19.6	1.1%	112,410
Retail	19	435	16.6	1.6%	110,365
Healthcare	2	56	11.9	2.6%	21,686
Total Properties	69	4,560	20.1	1.9%	\$ 578,894

Dispositions

(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
Total Properties	1	8	\$ 3,891	\$ 5,212	\$ 3,824
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
Total Properties	3	13	\$ 7,792	\$ 11,889	\$ 7,311
Weighted average cash cap rate					5.1%

QTD Q3 2022

Property Type	Number of Properties	Square Feet	Acquisition Price	Disposition Price	Net Book Value
Retail	1	34	\$ 6,901	\$ 1,650	\$ 1,557
Total Properties	1	34	\$ 6,901	\$ 1,650	\$ 1,557
Weighted average cash cap rate					N/A ¹

¹ Property was vacant at the time of disposition.

YTD 2022

Property Type	Number of Properties	Square Feet	Acquisition Price	Disposition Price	Net Book Value
Restaurant	4	21	\$ 11,683	\$ 17,101	\$ 11,135
Retail	1	34	\$ 6,901	\$ 1,650	\$ 1,557
Total Properties	5	55	\$ 18,584	\$ 18,751	\$ 12,692
Weighted average cash cap rate					5.3%

Portfolio at a Glance: Key Metrics

	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
Properties	790	764	752	726	696
U.S. States	44	44	43	42	42
Canadian Provinces	4	4	4	1	1
Total Annualized Base Rent	\$371.9M	\$360.0M	\$347.7M	\$334.1M	\$324.6M
Total Rentable Sq. Footage	36.8M	34.4M	32.8M	32.2M	31.4M
Tenants	218	213	210	204	197
Brands	208	203	198	189	184
Industries	56	57	56	56	56
Occupancy (based on SF)	99.3%	99.8%	99.8%	99.8%	99.8%
Top Ten Tenant Concentration	17.1%	16.5%	17.1%	17.5%	17.6%
Top Twenty Tenant Concentration	29.8%	29.4%	30.0%	30.3%	30.3%
Investment Grade (tenant/guarantor)	16.0%	16.4%	15.3%	15.7%	15.3%
Financial Reporting Coverage ¹	94.1%	94.0%	94.2%	94.0%	93.9%
Rent Coverage Ratio ²	3.1x	3.3x	3.2x	3.2x	3.5x
Weighted Average Annual Rent Increases	2.0%	2.0%	2.0%	2.0%	2.0%
Weighted Average Remaining Lease Term	10.7 years	10.6 years	10.5 years	10.5 years	10.6 years
Master Leases (based on ABR)					
Total Portfolio	37.7%	36.1%	34.5%	32.7%	32.9%
Retail Portfolio	41.7%	42.5%	43.8%	37.9%	42.2%
Restaurant Portfolio	75.2%	76.4%	76.7%	73.7%	73.3%

¹ Includes 8.8%, 9.0%, 9.1%, 9.4%, and 8.8% related to tenants not required to provide financial information under the terms of our lease, but whose financial statements are available publicly at September 30, 2022, June 30, 2022, March 31, 2022, December 31, 2021, and September 30, 2021.

² Represents rent coverage ratio for Restaurant property type only.

Diversification: Tenants & Brands

Top 20 Tenants

Tenant	Property Type	# Properties	ABR (\$'000s)	ABR as a % of Total Portfolio	Square Feet ('000s)	SF as a % of Total Portfolio
AHF, LLC	Distribution & Warehouse/ Manufacturing	9	\$ 8,994	2.4%	2,014	5.5%
Jack's Family Restaurants LP	Quick Service Restaurants	43	7,166	1.9%	147	0.4%
Joseph T. Ryerson & Son, Inc	Distribution & Warehouse	11	6,491	1.8%	1,537	4.2%
Red Lobster Hospitality & Red Lobster Restaurants LLC	Casual Dining	20	6,489	1.7%	166	0.5%
J. Alexander's, LLC	Casual Dining	16	6,025	1.6%	132	0.4%
Axcelis Technologies, Inc.	Flex and R&D	1	5,991	1.6%	417	1.0%
Dollar General Corporation	General Merchandise	60	5,953	1.6%	562	1.5%
Hensley & Company	Distribution & Warehouse	3	5,871	1.6%	577	1.6%
BluePearl Holdings, LLC	Animal Health Services	13	5,452	1.5%	165	0.4%
Tractor Supply Company	General Merchandise	21	5,328	1.4%	417	1.1%
Total Top 10 Tenants		197	\$ 63,760	17.1%	6,134	16.6%
Outback Steakhouse of Florida LLC	Casual Dining	22	\$ 5,278	1.4%	140	0.4%
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	3.5%
Siemens Medical Solutions USA, Inc. & Siemens Corporation	Manufacturing/Flex and R&D	2	4,936	1.3%	545	1.5%
Santa Cruz Valley Hospital ¹	Healthcare Facilities	1	4,590	1.2%	148	0.4%
Carvana, LLC	Industrial Services	2	4,510	1.2%	230	0.6%
Klosterman Bakery	Food Processing	11	4,500	1.2%	549	1.5%
Nestle' Dreyer's Ice Cream Company ²	Cold Storage	1	4,476	1.2%	309	0.8%
Arkansas Surgical Hospital	Surgical	1	4,367	1.2%	129	0.4%
American Signature, Inc.	Home Furnishings	6	4,309	1.2%	474	1.3%
Total Top 20 Tenants		287	\$ 110,717	29.8%	10,116	27.4%

¹ Tenant's ABR in effect at September 30, 2022. Effective October 3, 2022, we signed a new lease with a new tenant, which will be reflected in our December 31, 2022 ABR figures.

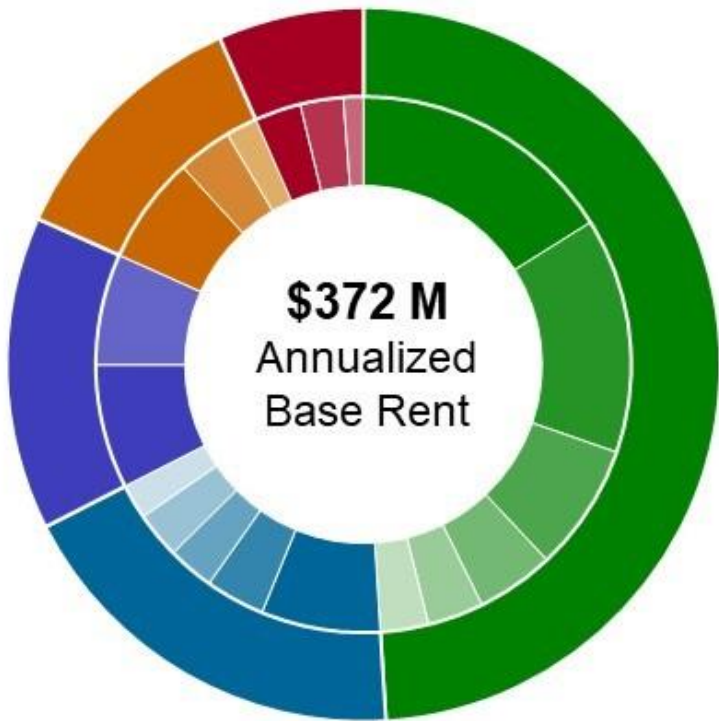
² Nestle's ABR excludes \$1.6 million of rent paid under a sub-lease for an additional property, which will convert to a prime lease no later than August, 2024

Top 20 Brands

Brand	Property Type	# Properties	ABR (\$'000s)	ABR as a % of Total Portfolio	Square Feet ('000s)	SF as a % of Total Portfolio
AHF Products	Distribution & Warehouse/ Manufacturing	9	8,994	2.4%	2,014	5.5%
Jack's Family Restaurants	Quick Service Restaurants	43	7,166	1.9%	147	0.4%
Ryerson	Distribution & Warehouse	11	6,491	1.7%	1,537	4.2%
Red Lobster	Casual Dining	20	6,488	1.7%	166	0.5%
Axcelis	Flex and R&D	1	5,991	1.6%	417	1.1%
Dollar General	General Merchandise	60	5,953	1.6%	562	1.5%
Hensley	Distribution & Warehouse	3	5,871	1.6%	577	1.6%
BluePearl Veterinary Partners	Animal Health Services	13	5,452	1.5%	165	0.4%
Bob Evans Farms	Casual Dining/Food Processing	21	5,352	1.4%	281	0.8%
Tractor Supply Co.	General Merchandise	21	5,328	1.4%	417	1.1%
Total Top 10 Brands		202	\$ 63,086	16.8%	6,283	17.1%
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	1.3%	1,302	3.5%
Siemens	Manufacturing/Flex and R&D	2	4,936	1.3%	545	1.5%
Santa Cruz Valley Hospital	Healthcare Facilities	1	4,590	1.2%	148	0.4%
Outback Steakhouse	Casual Dining	20	4,566	1.2%	126	0.3%
Carvana	Industrial Services	2	4,510	1.2%	230	0.6%
Klosterman Baking Company	Food Processing	11	4,500	1.2%	549	1.5%
Nestle	Cold Storage	1	4,476	1.2%	309	0.8%
Arkansas Surgical Hospital	Surgical	1	4,366	1.2%	129	0.4%
Wendy's	Quick Service Restaurants	29	4,319	1.2%	84	0.2%
Total Top 20 Brands		313	\$ 109,340	29.2%	9,861	26.7%

Diversification: Property Type

(rent percentages based on ABR)



Industrial	49%
▪ Manufacturing	16%
▪ Distribution & Warehouse	14%
▪ Food Processing	8%
▪ Flex and R&D	5%
▪ Cold Storage	3%
▪ Industrial Services	3%
Healthcare	18%
▪ Clinical	7%
▪ Healthcare Services	3%
▪ 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	3%
▪ Call Center	1%

Diversification: Property Type (continued)

Property Type	# Properties	ABR (\$'000s)	ABR as a % of Total Portfolio	Square Feet ('000s)	SF as a % of Total Portfolio
Industrial					
Manufacturing	75	\$ 59,786	16.1%	11,481	31.2%
Distribution & Warehouse	48	52,878	14.2%	9,772	26.6%
Food Processing	28	28,784	7.7%	3,279	8.9%
Flex and R&D	7	17,389	4.7%	1,457	4.0%
Cold Storage	4	12,744	3.4%	933	2.5%
Industrial Services	22	10,776	2.9%	587	1.6%
Untenanted	1	—	0.0%	122	0.3%
Industrial Total	185	182,357	49.0%	27,631	75.1%
Healthcare					
Clinical	52	26,952	7.2%	1,090	3.0%
Healthcare Services	29	13,237	3.6%	478	1.3%
Animal Health Services	27	10,445	2.8%	405	1.1%
Surgical	12	10,294	2.8%	329	0.9%
Life Science	9	7,867	2.1%	549	1.5%
Untenanted	1	—	—	18	0.0%
Healthcare Total	130	68,795	18.5%	2,869	7.8%
Restaurant					
Casual Dining	104	27,748	7.5%	692	1.9%
Quick Service Restaurants	146	24,807	6.7%	499	1.4%
Restaurant Total	250	52,555	14.2%	1,191	3.3%
Retail					
General Merchandise	130	24,129	6.5%	1,844	5.0%
Automotive	66	12,222	3.3%	770	2.1%
Home Furnishings	13	7,115	1.9%	797	2.2%
Retail Total	209	43,466	11.7%	3,411	9.3%
Office					
Corporate Headquarters	7	10,484	2.8%	679	1.8%
Strategic Operations	5	9,806	2.6%	615	1.7%
Call Center	3	4,443	1.2%	346	0.9%
Untenanted	1	—	—	46	0.1%
Office Total	16	24,733	6.6%	1,686	4.5%
Total	790	\$ 371,906	100.0%	36,788	100.0%

Key Statistics by Property Type

Industrial

Number of properties	185
Square feet (000s)	27,631
Weighted average lease term (years)	11.2
Weighted average annual rent escalation	2.0%

Healthcare

Number of properties	130
Square feet (000s)	2,869
Weighted average lease term (years)	8.2
Weighted average annual rent escalation	2.2%

Restaurant

Number of properties	250
Square feet (000s)	1,191
Weighted average lease term (years)	14.8
Weighted average annual rent escalation	1.8%

Retail

Number of properties	209
Square feet (000s)	3,411
Weighted average lease term (years)	10.5
Weighted average annual rent escalation	1.6%

Office

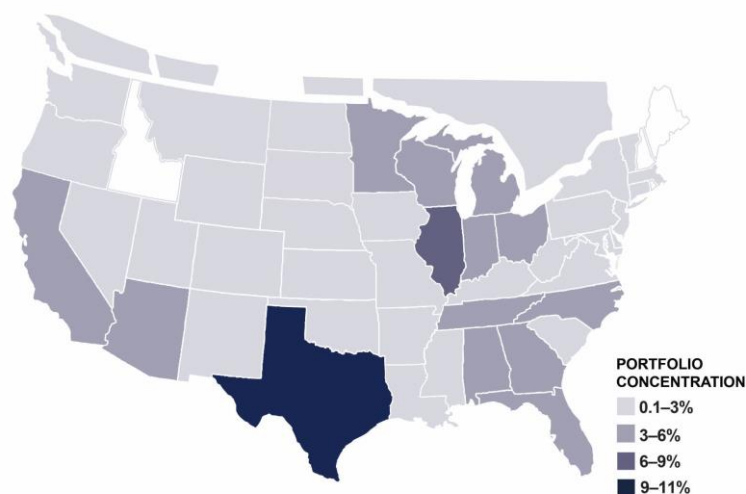
Number of properties	16
Square feet (000s)	1,686
Weighted average lease term (years)	6.1
Weighted average annual rent escalation	2.5%

Diversification: Tenant Industry

Industry	# Properties	ABR (\$'000s)	ABR as a % of Total Portfolio	Square Feet ('000s)	SF as a % of Total Portfolio
Healthcare Facilities	103	\$ 54,541	14.7%	2,044	5.6%
Restaurant	253	53,326	14.3%	1,233	3.4%
Packaged Foods & Meats	22	22,220	6.0%	2,463	6.7%
Distributors	27	15,823	4.3%	2,695	7.3%
Food Distributors	8	14,699	4.0%	1,786	4.9%
Specialty Stores	31	13,731	3.7%	1,338	3.6%
Auto Parts & Equipment	39	12,763	3.4%	2,398	6.5%
Home Furnishings Retail	18	12,560	3.4%	1,858	5.1%
Specialized Consumer Services	47	12,293	3.3%	722	2.0%
Metal & Glass Containers	8	10,010	2.7%	2,206	6.0%
General Merchandise Stores	94	9,416	2.5%	859	2.3%
Industrial Machinery	20	9,213	2.5%	515	1.4%
Healthcare Services	18	9,211	2.5%	1,949	5.3%
Forest Products	9	8,994	2.4%	2,014	5.5%
Aerospace & Defense	6	7,330	2.0%	746	2.0%
Other (41 industries)	84	105,776	28.3%	11,713	31.7%
Untenanted properties	3	—	—	249	0.7%
Total	790	\$ 371,906	100.0%	36,788	100.0%

Diversification: Geography

(rent percentages based on ABR)

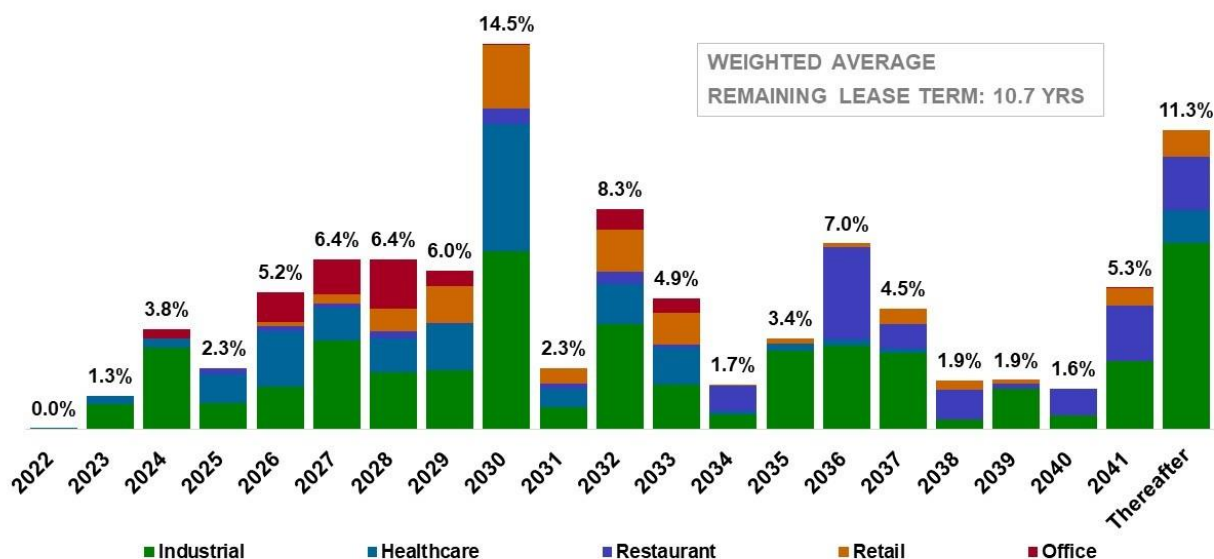


TOTAL PROPERTIES: 790 TOTAL STATES/PROVINCES: 44 U.S. states & 4 Canadian provinces

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	72	\$39,262	10.6%	3,924	10.7%	LA	4	3,400	0.9%	194	0.5%
IL	32	23,981	6.4%	2,424	6.6%	NE	6	3,173	0.9%	509	1.3%
WI	35	20,838	5.6%	2,163	5.9%	NM	10	3,043	0.8%	115	0.3%
OH	45	18,018	4.8%	1,715	4.7%	MD	4	2,987	0.8%	293	0.8%
MI	48	17,234	4.6%	1,599	4.3%	MS	8	2,822	0.8%	334	0.9%
FL	42	16,141	4.3%	844	2.3%	IA	4	2,754	0.7%	622	1.7%
CA	10	15,753	4.2%	1,493	4.1%	SC	13	2,499	0.7%	308	0.8%
IN	32	15,535	4.2%	1,906	5.2%	WV	16	2,486	0.7%	109	0.3%
MN	22	15,485	4.2%	2,505	6.8%	CO	4	2,481	0.7%	126	0.3%
TN	50	15,076	4.1%	1,103	3.0%	UT	3	2,397	0.6%	280	0.7%
NC	37	13,910	3.7%	1,435	3.9%	CT	2	1,758	0.5%	55	0.1%
AZ	9	13,343	3.6%	909	2.5%	MT	7	1,563	0.4%	43	0.1%
AL	53	11,955	3.2%	873	2.4%	NV	2	1,357	0.4%	81	0.2%
GA	33	11,398	3.1%	1,576	4.3%	DE	4	1,167	0.3%	133	0.3%
MA	5	10,456	2.8%	1,026	2.8%	ND	2	943	0.3%	28	0.1%
KY	26	9,374	2.5%	1,148	3.1%	VT	2	420	0.1%	24	0.1%
NY	26	9,265	2.5%	680	1.8%	WY	1	307	0.1%	21	0.1%
PA	21	8,832	2.4%	1,715	4.7%	OR	1	136	0.0%	9	0.0%
AR	12	8,773	2.4%	544	1.5%	SD	1	81	0.0%	9	0.0%
OK	21	7,625	2.1%	977	2.7%	Total US	783	\$364,354	98.0%	36,358	98.8%
MO	12	6,118	1.6%	1,138	3.1%	BC	2	\$ 4,347	1.2%	253	0.7%
KS	11	5,583	1.5%	648	1.8%	ON	3	1,957	0.5%	101	0.3%
VA	17	5,457	1.5%	204	0.6%	AB	1	920	0.2%	51	0.1%
NJ	3	4,904	1.3%	366	1.0%	MB	1	328	0.1%	25	0.1%
WA	15	4,264	1.1%	150	0.4%	Total Canada	7	\$ 7,552	2.0%	430	1.2%
						Grand Total	790	\$371,906	100.0%	36,788	100.0%

Lease Expirations

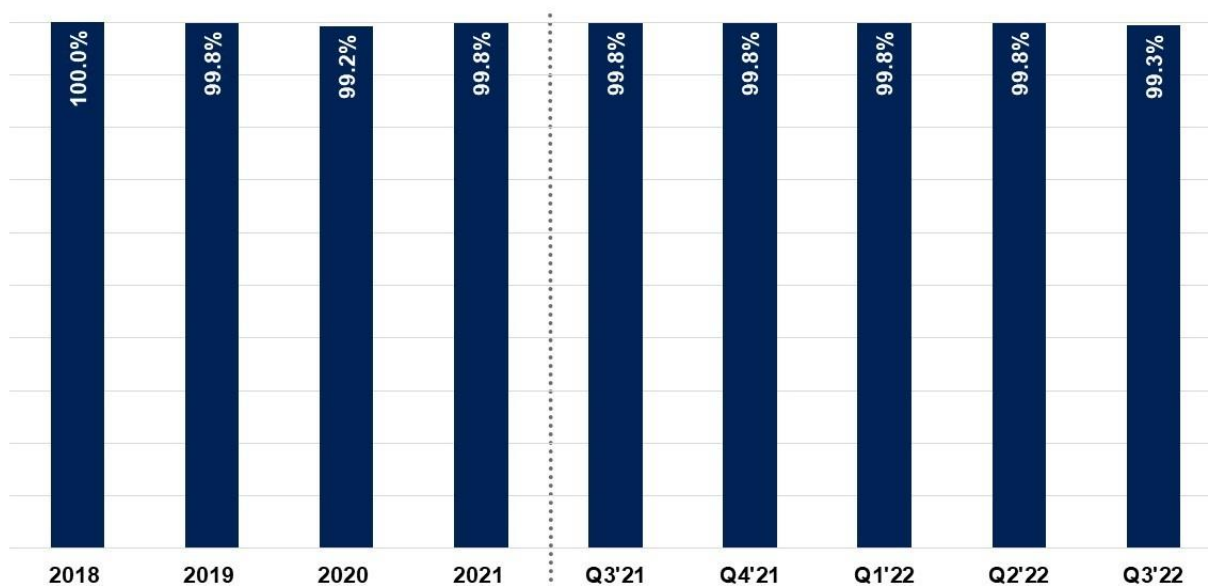
(rent percentages based on ABR)



Expiration Year	# Properties	# Leases	ABR (\$'000s)	ABR as a % of Total Portfolio	Square Feet ('000s)	SF as a % of Total Portfolio
2022	1	1	\$ 66	0.0%	11	0.0%
2023	6	7	4,704	1.3%	517	1.4%
2024	11	11	14,083	3.8%	1,689	4.6%
2025	20	23	8,545	2.3%	698	1.9%
2026	35	32	19,265	5.2%	1,413	3.8%
2027	30	30	23,838	6.4%	2,079	5.7%
2028	35	34	23,847	6.4%	2,253	6.1%
2029	71	40	22,258	6.0%	2,724	7.4%
2030	101	57	54,029	14.5%	5,110	13.9%
2031	33	28	8,606	2.3%	805	2.2%
2032	60	45	30,928	8.3%	3,448	9.4%
2033	49	23	18,377	4.9%	1,575	4.3%
2034	33	22	6,274	1.7%	409	1.1%
2035	17	13	12,713	3.4%	1,927	5.2%
2036	87	22	26,068	7.0%	2,931	8.0%
2037	23	9	16,892	4.5%	1,124	3.1%
2038	33	29	6,876	1.9%	306	0.8%
2039	11	6	6,925	1.9%	803	2.2%
2040	31	8	5,744	1.6%	312	0.8%
2041	40	8	19,861	5.3%	1,731	4.7%
Thereafter	60	14	42,007	11.3%	4,674	12.7%
Untenanted properties	3	—	—	—	249	0.7%
Total	790	462	\$ 371,906	100.0%	36,788	100.0%

Occupancy at September 30, 2022

Occupancy by Rentable Square Footage



Change in Occupancy

	Number of properties
Vacant properties at January 1, 2022	2
Lease expirations ¹	1
Leasing activities	(1)
Vacant dispositions	—
Vacant properties at March 31, 2022	2
Lease expirations ¹	2
Leasing activities	(2)
Vacant dispositions	—
Vacant properties at June 30, 2022	2
Lease expirations ¹	4
Leasing activities	(2)
Vacant dispositions	(1)
Vacant properties at September 30, 2022	3

¹ Includes scheduled and unscheduled expirations (including leases rejected in bankruptcy), as well as future expirations resolved in the periods indicated above.

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 short-term rent deferrals, abatements, free rent, or discounted rent periods, and adjusted to remove rent from properties sold during the month and to include a full month of contractual cash rent for investments made during the month.

Cash Cap Rate: Cash Cap Rate represents the estimated first year cash yield to be generated on a real estate investment, 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 excluding capitalized acquisitions costs.

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 at 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 or 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, 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.