

---

**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): November 01, 2023**

---

**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.)

**207 High Point Drive  
Suite 300  
Victor, New York**  
(Address of Principal Executive Offices)

**14564**  
(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 November 1, 2023, Broadstone Net Lease, Inc. (the "Company") issued a press release announcing its financial results for the quarter ended

September 30, 2023. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference. Additionally, on November 1, 2023, 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 September 30, 2023. 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 November 1, 2023</a>
99.2	<a href="#">Quarterly Supplemental Information for the Quarter Ended September 30, 2023</a>
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

#### **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: November 1, 2023

By: /s/ John D. Callan

Name: John D. Callan

Title: Senior Vice President, General Counsel and Secretary

---

**For Immediate Release**  
**November 1, 2023**

**Company Contact:**

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



**Broadstone Net Lease Announces Third Quarter 2023 Results**

**VICTOR, N.Y.** – Broadstone Net Lease, Inc. (NYSE: BNL) (“BNL,” the “Company,” “we,” “our,” or “us”), today announced its operating results for the quarter ended September 30, 2023.

**THIRD QUARTER 2023 HIGHLIGHTS**

<b>INVESTMENT ACTIVITY</b>	<ul style="list-style-type: none"> <li>During the third quarter, we invested \$16.5 million in four industrial properties and one retail property, including \$4.8 million in revenue generating capital expenditures and \$11.7 million in both new and existing development fundings. Revenue generating capital expenditures had a weighted average initial cash capitalization rate of 6.7%, a weighted average initial term of 14.1 years, and minimum annual rent increases of 2.0%. Year-to-date, we have completed investments totaling \$101.5 million, including \$25.6 million in new property acquisitions, \$26.6 million in revenue generating capital expenditures, and \$49.3 million in development fundings. The new property acquisitions and revenue generating capital expenditures had a weighted average initial cash capitalization rate of 7.1%.</li> <li>Subsequent to quarter-end, we invested an additional \$9.9 million in development fundings and \$15.9 million in revenue generating capital expenditures. As of the date of this release, we have \$76.1 million of acquisitions under control, \$147.4 million of commitments to fund developments, and \$12.0 million of commitments to fund revenue generating capital expenditures with existing tenants.</li> <li>During the third quarter we sold two properties for gross proceeds of \$62.3 million at a weighted average cash capitalization rate of 6.2%. Year-to-date and through the date of this release, we have sold 11 properties for gross proceeds of \$189.1 million at a weighted average cash capitalization rate of 6.0% on tenanted properties.</li> </ul>
<b>OPERATING RESULTS</b>	<ul style="list-style-type: none"> <li>Collected 99.9% of base rents due for the third quarter for all properties subject to a lease.</li> <li>Portfolio was 99.4% leased based on rentable square footage, with only two of our 800 properties vacant and not subject to a lease at quarter end.</li> <li>Incurred \$10.1 million of general and administrative expenses, inclusive of \$1.5 million of stock-based compensation.</li> <li>Generated net income of \$52.1 million, or \$0.26 per share.</li> <li>Generated adjusted funds from operations (“AFFO”) of \$70.0 million, or \$0.36 per share.</li> </ul>
<b>CAPITAL MARKETS ACTIVITY</b>	<ul style="list-style-type: none"> <li>Ended the quarter with total outstanding debt of \$1.9 billion, Net Debt of \$1.9 billion, and a Net Debt to Annualized Adjusted EBITDA ratio of 4.9x.</li> <li>At September 30, 2023, had \$925.9 million of capacity on our Revolving Credit Facility</li> <li>Declared an increase in our quarterly dividend from \$0.28 to \$0.285, or a 1.8% increase over the prior period.</li> </ul>

## MANAGEMENT COMMENTARY

*“We remained highly selective this quarter in light of the current economic environment and rapid increase in interest rates, deploying capital only into previously identified development projects and revenue generating capital expenditures with existing tenants,” said John Moragne, BNL’s Chief Executive Officer. “The pace of cap rate expansion on new deals continued to lag the pace of interest rate increases, eroding risk adjusted returns. Our existing portfolio remains healthy, with 99.9% rent collections on leased properties and minimal vacancies, and we continued to opportunistically dispose of assets with either elevated credit risk or lease rollover risk, recognizing accretive cap rates relative to our cost of debt and new investment opportunities. We continue to be opportunistic in sourcing investment opportunities presented by this distressed lending environment and believe our prudence in capital allocation will preserve and enhance investor value as the economic environment evolves.”*

## SUMMARIZED FINANCIAL RESULTS

(in thousands, except per share data)	For the Three Months Ended			For the Nine Months Ended	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Revenues	\$ 109,543	\$ 109,353	\$ 103,524	\$ 337,887	\$ 295,378
Net income, including non-controlling interests	\$ 52,145	\$ 62,996	\$ 28,709	\$ 156,515	\$ 92,702
Net earnings per share - diluted	\$ 0.26	\$ 0.32	\$ 0.16	\$ 0.80	\$ 0.52
FFO	\$ 75,478	\$ 72,524	\$ 72,169	\$ 229,179	\$ 202,013
FFO per share	\$ 0.39	\$ 0.37	\$ 0.39	\$ 1.17	\$ 1.13
Core FFO	\$ 74,754	\$ 74,381	\$ 66,677	\$ 223,608	\$ 196,739
Core FFO per share	\$ 0.38	\$ 0.38	\$ 0.36	\$ 1.14	\$ 1.10
AFFO	\$ 69,958	\$ 69,004	\$ 63,386	\$ 206,446	\$ 186,590
AFFO per share	\$ 0.36	\$ 0.35	\$ 0.35	\$ 1.05	\$ 1.04
Diluted Weighted Average Shares Outstanding	196,372	196,228	182,971	196,282	179,132

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 September 30, 2023, we owned a diversified portfolio of 800 individual net leased commercial properties with 793 properties located in 44 U.S. states and seven properties located in four Canadian provinces, comprising approximately 38.2 million rentable square feet of operational space. As of September 30, 2023, all but two of our properties were subject to a lease, and our properties were occupied by 220 different commercial tenants, with no single tenant accounting for more than 4.0% of ABR. Properties subject to a lease represent 99.4% of our portfolio’s rentable square footage. The ABR weighted average lease term and ABR weighted average annual minimum rent increase, pursuant to leases on properties in the portfolio as of September 30, 2023, was 10.5 years and 2.0%, respectively.

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

As of September 30, 2023, we had total outstanding debt of \$1.9 billion, Net Debt of \$1.9 billion, and a Net Debt to Annualized Adjusted EBITDA ratio of 4.9x. We had \$925.9 million of available capacity on our revolving credit facility as of quarter end, and have no material debt maturities until 2026.

We did not raise any equity during the quarter and have approximately \$145.4 million of capacity remaining on our ATM Program as of September 30, 2023.

## **DISTRIBUTIONS**

At its October 26, 2023, meeting, our board of directors declared an increase in our quarterly dividend from \$0.28 to \$0.285 distribution per common share and OP Unit to stockholders and OP unitholders. This increase represents a 1.8% increase over the prior period and is effective for our shareholders of record as of December 29, 2023, payable on or before January 12, 2024.

## **2023 GUIDANCE**

The Company has affirmed its per share guidance range for the 2023 full year and currently expects to report AFFO of between \$1.40 and \$1.42 per diluted share.

The guidance range is based on the following key assumptions:

- (i) investments in real estate properties up to \$250 million, revised down from between \$300 million and \$500 million;
- (ii) dispositions of real estate properties of approximately \$200 million, in-line with the top end of our previous range of \$150 million and \$200 million; and
- (iii) total cash general and administrative expenses between \$31 million and \$33 million, revised down from between \$32 million and \$34 million.

Our per share results are sensitive to both the timing and amount of real estate investments, property dispositions, and capital markets activities that occur throughout 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 third quarter earnings conference call and audio webcast on Thursday, November 2, 2023, 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/492451212>. If you prefer to listen via phone, U.S. participants may dial: 1-833-470-1428 (toll free) or 1-646-904-5544 (local), access code 001761. International access numbers are viewable here: <https://www.netroadshow.com/events/global-numbers?confId=56723>.

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, U.S. participants may dial: 1-866-813-9403 (toll free) or 1-929-458-6194 (local), access code 528080. The replay will be available via dial-in until Thursday, November 16, 2023. 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 an industrial-focused, diversified net lease 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. Utilizing an investment strategy underpinned by strong fundamental credit analysis and prudent real estate underwriting, as of September 30, 2023, BNL's diversified portfolio consisted of 800 individual net leased commercial properties with 793 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 2023 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 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 investments and acquisitions, and the timing and uncertainty of completing these property investments and 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, 2022, which BNL filed with the SEC on February 23, 2023, 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)

	September 30, 2023	December 31, 2022
<b>Assets</b>		
Accounted for using the operating method:		
Land	\$ 752,708	\$ 768,667
Land improvements	330,214	340,385
Buildings and improvements	3,819,745	3,888,756
Equipment	9,608	10,422
Total accounted for using the operating method	4,912,275	5,008,230
Less accumulated depreciation	(601,895 )	(533,965 )
Accounted for using the operating method, net	4,310,380	4,474,265
Accounted for using the direct financing method	26,751	27,045
Accounted for using the sales-type method	572	571
Property under development	49,819	—
Investment in rental property, net	4,387,522	4,501,881
Cash and cash equivalents	35,061	21,789
Accrued rental income	152,268	135,666
Tenant and other receivables, net	1,372	1,349
Prepaid expenses and other assets	42,309	64,180
Interest rate swap, assets	79,086	63,390
Goodwill	339,769	339,769
Intangible lease assets, net	297,656	329,585
<b>Total assets</b>	<b>\$ 5,335,043</b>	<b>\$ 5,457,609</b>
<b>Liabilities and equity</b>		
Unsecured revolving credit facility	\$ 74,060	\$ 197,322
Mortgages, net	79,613	86,602
Unsecured term loans, net	895,633	894,692
Senior unsecured notes, net	845,121	844,555
Accounts payable and other liabilities	44,886	47,547
Dividends payable	55,770	54,460
Accrued interest payable	9,186	7,071
Intangible lease liabilities, net	55,301	62,855
<b>Total liabilities</b>	<b>2,059,570</b>	<b>2,195,104</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, 187,272 and 186,114 shares issued and outstanding at September 30, 2023 and December 31, 2022, respectively	47	47
Additional paid-in capital	3,430,725	3,419,395
Cumulative distributions in excess of retained earnings	(393,571 )	(386,049 )
Accumulated other comprehensive income	83,575	59,525
Total Broadstone Net Lease, Inc. stockholders' equity	3,120,776	3,092,918
Non-controlling interests	154,697	169,587
<b>Total equity</b>	<b>3,275,473</b>	<b>3,262,505</b>
<b>Total liabilities and equity</b>	<b>\$ 5,335,043</b>	<b>\$ 5,457,609</b>



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

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2023	June 30, 2023	September 30, 2023	September 30, 2022
<b>Revenues</b>				
Lease revenues, net	\$ 109,543	\$ 109,353	\$ 337,887	\$ 295,378
<b>Operating expenses</b>				
Depreciation and amortization	38,533	39,031	119,348	109,201
Property and operating expense	5,707	4,988	16,580	15,376
General and administrative	10,143	9,483	30,043	28,058
Provision for impairment of investment in rental properties	-	—	1,473	5,535
<b>Total operating expenses</b>	<b>54,383</b>	<b>53,502</b>	<b>167,444</b>	<b>158,170</b>
<b>Other income (expenses)</b>				
Interest income	127	82	370	4
Interest expense	(19,665)	(20,277)	(61,081)	(54,879)
Gain on sale of real estate	15,163	29,462	48,040	5,328
Income taxes	(104)	(448)	(1,030)	(1,169)
Other income (expenses)	1,464	(1,674)	(227)	6,210
<b>Net income</b>	<b>52,145</b>	<b>62,996</b>	<b>156,515</b>	<b>92,702</b>
Net income attributable to non-controlling interests	(2,463)	(2,982)	(7,515)	(5,319)
<b>Net income attributable to Broadstone Net Lease, Inc.</b>	<b>\$ 49,682</b>	<b>\$ 60,014</b>	<b>\$ 149,000</b>	<b>\$ 87,383</b>
<b>Weighted average number of common shares outstanding</b>				
Basic	186,766	186,733	186,545	168,680
Diluted	196,372	196,228	196,282	179,132
<b>Net earnings per common share</b>				
Basic	\$ 0.27	\$ 0.32	\$ 0.80	\$ 0.52
Diluted	\$ 0.26	\$ 0.32	\$ 0.80	\$ 0.52
<b>Comprehensive income</b>				
Net income	\$ 52,145	\$ 62,996	\$ 156,515	\$ 92,702
<b>Other comprehensive income</b>				
Change in fair value of interest rate swaps	13,943	19,652	15,696	93,772
Realized loss (gain) on interest rate swaps	522	522	1,566	1,993
Comprehensive income	66,610	83,170	173,777	188,467
Comprehensive income attributable to non-controlling interests	(3,147)	(3,937)	(8,285)	(10,809)
<b>Comprehensive income attributable to Broadstone Net Lease, Inc.</b>	<b>\$ 63,463</b>	<b>\$ 79,233</b>	<b>\$ 165,492</b>	<b>\$ 177,658</b>

## Reconciliation of Non-GAAP Measures

The following is a reconciliation of net income to FFO, Core FFO, and AFFO for the three months ended September 30, 2023 and June 30, 2023 and for the nine months ended September 30, 2023 and 2022. Also presented is the weighted average number of shares of our common stock and OP Units used for the diluted per share computation:

(in thousands, except per share data)	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2023	June 30, 2023	September 30, 2023	September 30, 2022
Net income	\$ 52,145	\$ 62,996	\$ 156,515	\$ 92,702
Real property depreciation and amortization	38,496	38,990	119,231	109,104
Gain on sale of real estate	(15,163)	(29,462)	(48,040)	(5,328)
Provision for impairment on investment in rental properties	—	—	1,473	5,535
<b>FFO</b>	<b>\$ 75,478</b>	<b>\$ 72,524</b>	<b>\$ 229,179</b>	<b>\$ 202,013</b>
Net write-offs of accrued rental income	—	—	297	1,326
Lease termination fees	—	—	(7,500)	(791)
Cost of debt extinguishment	—	3	3	231
Severance and executive transition costs <sup>(1)</sup>	740	183	1,404	401
Other (income) expenses <sup>(2)</sup>	(1,464)	1,671	225	(6,441)
<b>Core FFO</b>	<b>\$ 74,754</b>	<b>\$ 74,381</b>	<b>\$ 223,608</b>	<b>\$ 196,739</b>
Straight-line rent adjustment	(6,785)	(7,276)	(21,332)	(15,075)
Adjustment to provision for credit losses	—	(10)	(10)	(5)
Amortization of debt issuance costs	983	986	2,955	2,704
Amortization of net mortgage premiums	—	(52)	(78)	(78)
Loss on interest rate swaps and other non-cash interest expense	522	521	1,565	1,993
Amortization of lease intangibles	(1,056)	(1,085)	(4,832)	(3,501)
Stock-based compensation	1,540	1,539	4,570	3,813
<b>AFFO</b>	<b>\$ 69,958</b>	<b>\$ 69,004</b>	<b>\$ 206,446</b>	<b>\$ 186,590</b>
Diluted WASO <sup>(3)</sup>	196,372	182,971	196,282	179,132
Net earnings per diluted share <sup>(4)</sup>	\$ 0.26	\$ 0.16	\$ 0.80	\$ 0.52
FFO per diluted share <sup>(4)</sup>	0.39	0.37	1.17	1.13
Core FFO per diluted share <sup>(4)</sup>	0.38	0.38	1.14	1.10
AFFO per diluted share <sup>(4)</sup>	0.36	0.35	1.05	1.04

<sup>1</sup> Amount includes \$0.7 million and \$0.2 million of employee severance costs and executive transition costs during the three months ended September 30, 2023, and June 30, 2023, respectively. Amount includes \$1.4 million of employee severance costs and executive transition costs and \$0.4 million of employee severance costs during the nine months ended September 30, 2023 and 2022, respectively.

<sup>2</sup> Amount includes \$(1.4) million and \$1.7 million of unrealized foreign exchange (gain) loss for the three months ended September 30, 2023 and June 30, 2023, respectively, and \$0.3 million and \$(6.4) million of unrealized foreign exchange loss (gain) for the nine months ended September 30, 2023 and 2022, respectively, primarily associated with our Canadian dollar denominated revolving borrowings.

<sup>3</sup> Excludes 506,172, and 504,161 weighted average shares of unvested restricted common stock for the three months ended September 30, 2023 and June 30, 2023, respectively. Excludes 480,849, and 381,220 weighted average shares of unvested restricted common stock for the nine months ended September 30, 2023 and 2022, respectively.

<sup>4</sup> Excludes \$0.1 million from the numerator for the three months ended September 30, 2023 and June 30, 2023. Excludes \$0.4 million and \$0.3 million from the numerator for the nine months ended September 30, 2023 and 2022, 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, gain on insurance recoveries, cost of debt extinguishments, unrealized and realized gains or losses on foreign currency transactions, severance and executive transition costs, 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.

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 EBITDA, EBITDAre, and Adjusted EBITDAre, debt to Net Debt and Net Debt to Annualized Adjusted EBITDAre as of and for the three months ended September 30, 2023, June 30, 2023, and September 30, 2022:

(in thousands)	For the Three Months Ended		
	September 30, 2023	June 30, 2023	September 30, 2022
<b>Net income</b>	\$ 52,145	\$ 62,996	\$ 28,709
Depreciation and amortization	38,533	39,031	39,400
Interest expense	19,665	20,277	20,095
Income taxes	104	448	356
<b>EBITDA</b>	\$ 110,447	\$ 122,752	\$ 88,560
Provision for impairment of investment in rental properties	—	—	4,155
Gain on sale of real estate	(15,163)	(29,462)	(61)
<b>EBITDAre</b>	\$ 95,284	\$ 93,290	\$ 92,654
Adjustment for current quarter investment activity <sup>(1)</sup>	26	342	2,358
Adjustment for current quarter disposition activity <sup>(2)</sup>	(400)	(444)	—
Adjustment to exclude non-recurring and other expenses <sup>(3)</sup>	740	183	—
Adjustment to exclude realized / unrealized foreign exchange (gain) loss	(1,433)	1,681	(4,934)
Adjustment to exclude cost of debt extinguishments	—	3	231
Adjustment to exclude lease termination fees	—	—	(791)
<b>Adjusted EBITDAre</b>	\$ 94,217	\$ 95,055	\$ 89,518
<b>Annualized EBITDAre</b>	\$ 381,136	\$ 373,160	\$ 370,616
<b>Annualized Adjusted EBITDAre</b>	\$ 376,868	\$ 380,220	\$ 358,072

<sup>1</sup> Reflects an adjustment to give effect to all investments during the quarter as if they had been made 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.

<sup>3</sup> Amount includes \$0.7 million and \$0.2 million of employee severance and executive transition costs during the three months ended September 30, 2023 and June 30, 2023, respectively.

(in thousands)	September 30, 2023	June 30, 2023	September 30, 2022
<b>Debt</b>			
Unsecured revolving credit facility	\$ 74,060	\$ 122,912	\$ 219,537
Unsecured term loans, net	895,633	895,319	894,378
Senior unsecured notes, net	845,121	844,932	844,367
Mortgages, net	79,613	80,141	94,753
Debt issuance costs	9,360	9,872	11,498
<b>Gross Debt</b>	1,903,787	1,953,176	2,064,533
Cash and cash equivalents	(35,061)	(20,763)	(75,912)
Restricted cash	(15,436)	(15,502)	(6,449)
<b>Net Debt</b>	\$ 1,853,290	\$ 1,916,911	\$ 1,982,172
Anticipated proceeds from forward equity agreement	4.9x	—	(270,732)
<b>Pro Forma Net Debt</b>	\$ 1,853,290	\$ 1,916,911	\$ 1,711,440
<b>Net Debt to Annualized EBITDAre</b>	4.9x	5.1x	5.3x
<b>Net Debt to Annualized Adjusted EBITDAre</b>	4.9x	5.0x	5.5x
<b>Pro Forma Net Debt to Annualized Adjusted EBITDAre</b>	4.9x	5.0x	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 investment 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 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 investments using our unsecured revolving credit facility, our leverage profile and Net Debt will be immediately impacted by current quarter investments. However, the full benefit of EBITDAre from new investments 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 investments 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 investments 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, realized or unrealized gains and losses on foreign currency transactions, or gains on insurance recoveries, 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. While investments in property developments have an immediate impact to Net Debt, we do not make an adjustment to EBITDAre until the quarter in which the lease commences. 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.



## Q3 2023 QUARTERLY SUPPLEMENTAL INFORMATION

Broadstone Net Lease, Inc. (NYSE: BNL) is an industrial-focused, diversified 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)



## Table of Contents

Section	Page
About the Data	3
Company Overview	4
Quarterly Financial Summary	5
Balance Sheet	6
Income Statement Summary	7
Funds From Operations (FFO), Core Funds From Operations (Core FFO), and Adjusted Funds From Operations (AFFO)	8
EBITDA, EBITDAre, and Other Non-GAAP Operating Measures	9
Lease Revenues Detail	10
Capital Structure	11
Equity Rollforward	12
Debt Outstanding	13
Net Debt Metrics	14
Covenants	15
Debt Maturities	16
Investment Activity	17
Dispositions	18
Portfolio at a Glance: Key Metrics	19
Diversification: Tenants and Brands	20-23
Diversification: Property Type	24-25
Key Statistics by Property Type	26
Diversification: Tenant Industry	27
Diversification: Geography	28
Lease Expirations	29
Portfolio Occupancy	30
Definitions and Explanations	31-32



## About the Data

This data and other information described herein are as of and for the three months ended September 30, 2023 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 Annual Report on Form 10-K for the year ended December 31, 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 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 investments and 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 an industrial-focused, diversified net lease 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

**John D. Moragne**

Chief Executive Officer and Member, Board of Directors

**Ryan M. Albano**

President and Chief Operating Officer

**Kevin M. Fennell**

Executive Vice President and Chief Financial Officer

**John D. Callan, Jr.**

Senior Vice President, General Counsel, and Secretary

**Michael B. Caruso**

Senior Vice President, Corporate Strategy & Investor Relations

**Timothy D. Dieffenbacher**

Senior Vice President, Chief Accounting Officer, and Treasurer

**Jennie L. O'Brien**

Senior Vice President, Accounting, and Controller

**Roderick A. Pickney**

Senior Vice President, Acquisitions

**Molly Kelly Wiegel**

Senior Vice President, Human Resources & Administration

**Andrea T. Wright**

Senior Vice President, Property Management

### Board of Directors

**Laurie A. Hawkes**

Chairman of the Board

**John D. Moragne**

Chief Executive Officer

**Denise Brooks-Williams****Michael A. Coke****Jessica Duran****Laura Felice****David M. Jacobstein****Shekar Narasimhan****James H. Watters**

### Company Contact Information

Michael Caruso

SVP, Corporate Strategy & Investor Relations

michael.caruso@broadstone.com

585-402-7842

### Transfer Agent

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

150 Royall Street

Canton, Massachusetts 02021

800-736-3001

## Quarterly Financial Summary

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

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
<b>Financial Summary</b>					
Investment in rental property	\$ 4,939,598	\$ 4,981,430	\$ 5,002,330	\$ 5,035,846	\$ 4,775,460
Less accumulated depreciation	(601,895)	(578,616)	(558,410)	(533,965)	(505,456)
Property under development	49,819	37,449	—	—	—
Investment in rental property, net	4,387,522	4,440,263	4,443,920	4,501,881	4,270,004
Cash and cash equivalents	35,061	20,763	15,412	21,789	75,912
Restricted cash	15,436	15,502	3,898	38,251	6,449
Total assets	5,335,043	5,368,150	5,335,868	5,457,609	5,239,192
Unsecured revolving credit facility	74,060	122,912	108,330	197,322	219,537
Mortgages, net	79,613	80,141	85,853	86,602	94,753
Unsecured term loans, net	895,633	895,319	895,006	894,692	894,378
Senior unsecured notes, net	845,121	844,932	844,744	844,555	844,367
Total liabilities	2,059,570	2,106,553	2,103,551	2,195,104	2,231,045
Total Broadstone Net Lease, Inc. stockholders' equity	3,120,776	3,107,536	3,079,207	3,092,918	2,840,692
Total equity (book value)	3,275,473	3,261,597	3,232,317	3,262,505	3,008,147
Revenues	109,543	109,353	118,992	112,135	103,524
General and administrative - other	8,603	7,944	8,924	7,814	8,439
Stock based compensation	1,540	1,539	1,492	1,503	1,503
General and administrative	10,143	9,483	10,416	9,317	9,942
Total operating expenses	54,383	53,502	59,559	61,320	59,133
Interest expense	19,665	20,277	21,139	23,773	20,095
Net income	52,145	62,996	41,374	36,773	28,709
Net earnings per common share, diluted	\$ 0.26	\$ 0.32	\$ 0.21	\$ 0.20	\$ 0.16
FFO	75,478	72,524	81,177	71,718	72,169
FFO per share, diluted	\$ 0.39	\$ 0.37	\$ 0.41	\$ 0.39	\$ 0.39
Core FFO	74,754	74,381	74,473	70,527	66,677
Core FFO per share, diluted	\$ 0.38	\$ 0.38	\$ 0.38	\$ 0.38	\$ 0.36
AFFO	69,958	69,004	67,485	65,584	63,386
AFFO per share, diluted	\$ 0.36	\$ 0.35	\$ 0.34	\$ 0.36	\$ 0.35
Net cash provided by operating activities	73,888	62,228	74,376	60,440	77,515
Net cash used in investing activities	42,528	1,713	29,633	(274,485)	(205,187)
Net cash provided by financing activities	(102,184)	(46,986)	(144,739)	191,724	181,057
Distributions declared	54,274	55,419	54,887	45,824	46,242
Distributions declared per diluted share	\$ 0.280	\$ 0.280	\$ 0.275	\$ 0.275	\$ 0.270

# Balance Sheet

(unaudited, in thousands)

	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
<b>Assets</b>					
Accounted for using the operating method:					
Land	\$ 752,708	\$ 754,402	\$ 760,142	\$ 768,667	\$ 755,206
Land improvements	330,214	332,757	337,296	340,385	331,858
Buildings and improvements	3,819,745	3,857,236	3,866,952	3,888,756	3,650,275
Equipment	9,608	9,608	10,422	10,422	10,422
Total accounted for using the operating method	4,912,275	4,954,003	4,974,812	5,008,230	4,747,761
Less accumulated depreciation	(601,895 )	(578,616 )	(558,410 )	(533,965 )	(505,456 )
Accounted for using the operating method, net	4,310,380	4,375,387	4,416,402	4,474,265	4,242,305
Accounted for using the direct financing method	26,751	26,855	26,947	27,045	27,128
Accounted for using the sales-type method	572	572	571	571	571
Property under development	49,819	37,449	—	—	—
Investment in rental property, net	4,387,522	4,440,263	4,443,920	4,501,881	4,270,004
Cash and cash equivalents	35,061	20,763	15,412	21,789	75,912
Accrued rental income	152,268	148,697	142,031	135,666	129,579
Tenant and other receivables, net	1,372	1,895	2,004	1,349	791
Prepaid expenses and other assets	42,309	42,322	29,764	64,180	34,221
Interest rate swap, assets	79,086	65,143	45,490	63,390	66,602
Goodwill	339,769	339,769	339,769	339,769	339,769
Intangible lease assets, net	297,656	309,298	317,478	329,585	322,314
<b>Total assets</b>	<b>\$ 5,335,043</b>	<b>\$ 5,368,150</b>	<b>\$ 5,335,868</b>	<b>\$ 5,457,609</b>	<b>\$ 5,239,192</b>
<b>Liabilities and equity</b>					
Unsecured revolving credit facility	\$ 74,060	\$ 122,912	\$ 108,330	\$ 197,322	\$ 219,537
Mortgages, net	79,613	80,141	85,853	86,602	94,753
Unsecured term loans, net	895,633	895,319	895,006	894,692	894,378
Senior unsecured notes, net	845,121	844,932	844,744	844,555	844,367
Accounts payable and other liabilities	44,886	44,147	46,090	47,547	52,594
Dividends payable	55,770	55,640	54,515	54,460	49,886
Accrued interest payable	9,186	5,889	9,654	7,071	10,559
Intangible lease liabilities, net	55,301	57,573	59,359	62,855	64,971
<b>Total liabilities</b>	<b>2,059,570</b>	<b>2,106,553</b>	<b>2,103,551</b>	<b>2,195,104</b>	<b>2,231,045</b>
<b>Equity</b>					
Broadstone Net Lease, Inc. stockholders' equity:					
Preferred stock, \$0.001 par value	—	—	—	—	—
Common stock, \$0.00025 par value	47	47	47	47	43
Additional paid-in capital	3,430,725	3,430,692	3,434,534	3,419,395	3,148,075
Cumulative distributions in excess of retained earnings	(393,571 )	(391,631 )	(398,890 )	(386,049 )	(369,260 )
Accumulated other comprehensive income	83,575	68,428	43,516	59,525	61,834
Total Broadstone Net Lease, Inc. stockholders' equity	3,120,776	3,107,536	3,079,207	3,092,918	2,840,692
Non-controlling interests	154,697	154,061	153,110	169,587	167,455
<b>Total equity</b>	<b>3,275,473</b>	<b>3,261,597</b>	<b>3,232,317</b>	<b>3,262,505</b>	<b>3,008,147</b>
<b>Total liabilities and equity</b>	<b>\$ 5,335,043</b>	<b>\$ 5,368,150</b>	<b>\$ 5,335,868</b>	<b>\$ 5,457,609</b>	<b>\$ 5,239,192</b>

## Income Statement Summary

(unaudited, in thousands, except per share data)

	Three Months Ended				
	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
<b>Revenues</b>					
Lease revenues, net	\$ 109,543	\$ 109,353	\$ 118,992	\$ 112,135	\$ 103,524
<b>Operating expenses</b>					
Depreciation and amortization	38,533	39,031	41,784	45,606	39,400
Property and operating expense	5,707	4,988	5,886	6,397	5,636
General and administrative	10,143	9,483	10,416	9,317	9,942
Provision for impairment of investment in rental properties	—	—	1,473	—	4,155
<b>Total operating expenses</b>	<b>54,383</b>	<b>53,502</b>	<b>59,559</b>	<b>61,320</b>	<b>59,133</b>
<b>Other income (expenses)</b>					
Interest income	127	82	162	40	4
Interest expense	(19,665)	(20,277)	(21,139)	(23,773)	(20,095)
Gain on sale of real estate	15,163	29,462	3,415	10,625	61
Income taxes	(104)	(448)	(479)	(106)	(356)
Other (expenses) income	1,464	(1,674)	(18)	(828)	4,704
<b>Net income</b>	<b>52,145</b>	<b>62,996</b>	<b>41,374</b>	<b>36,773</b>	<b>28,709</b>
Net income attributable to non-controlling interests	(2,463)	(2,982)	(2,070)	(2,041)	(1,600)
<b>Net income attributable to Broadstone Net Lease, Inc.</b>	<b>\$ 49,682</b>	<b>\$ 60,014</b>	<b>\$ 39,304</b>	<b>\$ 34,732</b>	<b>\$ 27,109</b>
<b>Weighted average number of common shares outstanding</b>					
Basic <sup>1</sup>	186,766	186,733	186,130	173,283	172,578
Diluted <sup>1</sup>	196,372	196,228	196,176	183,592	182,971
<b>Net earnings per common share<sup>2</sup></b>					
Basic	\$ 0.27	\$ 0.32	\$ 0.21	\$ 0.20	\$ 0.16
Diluted	\$ 0.26	\$ 0.32	\$ 0.21	\$ 0.20	\$ 0.16

<sup>1</sup> Excludes 506,172, 504,161, 431,392, 396,924, and 395,441, weighted average shares of unvested restricted common stock for the three months ended September 30, 2023, June 30, 2023, March 31, 2023, December 31, 2022, and September 30, 2022, respectively.

<sup>2</sup> Excludes \$0.1 million from the numerator for the three months ended September 30, 2023, and June 30, 2023, March 31, 2023, December 31, 2022, and September 30, 2022, related to dividends declared on shares of unvested restricted 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, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
<b>Net income</b>	\$ 52,145	\$ 62,996	\$ 41,374	\$ 36,773	\$ 28,709
Real property depreciation and amortization	38,496	38,990	41,745	45,570	39,366
Gain on sale of real estate	(15,163)	(29,462)	(3,415)	(10,625)	(61)
Provision for impairment of investment in rental properties	—	—	1,473	—	4,155
<b>FFO</b>	<b>\$ 75,478</b>	<b>\$ 72,524</b>	<b>\$ 81,177</b>	<b>\$ 71,718</b>	<b>\$ 72,169</b>
Net write-offs of accrued rental income	—	—	297	—	—
Lease termination fees	—	—	(7,500)	(1,678)	(791)
Cost of debt extinguishment	—	3	—	77	231
Gain on insurance recoveries	—	—	—	(341)	—
Severance and executive transition costs <sup>1</sup>	740	183	481	—	3
Other (income) expenses <sup>2</sup>	(1,464)	1,671	18	751	(4,935)
<b>Core FFO</b>	<b>\$ 74,754</b>	<b>\$ 74,381</b>	<b>\$ 74,473</b>	<b>\$ 70,527</b>	<b>\$ 66,677</b>
Straight-line rent adjustment	(6,785)	(7,276)	(7,271)	(6,826)	(5,175)
Adjustment to provision for credit losses	—	(10)	—	—	(4)
Amortization of debt issuance costs	983	986	986	988	948
Amortization of net mortgage premiums	—	(52)	(26)	(26)	(26)
Loss on interest rate swaps and other non-cash interest expense	522	521	522	522	639
Amortization of lease intangibles	(1,056)	(1,085)	(2,691)	(1,308)	(1,176)
Stock-based compensation	1,540	1,539	1,492	1,503	1,503
Deferred taxes	—	—	—	204	—
<b>AFFO</b>	<b>\$ 69,958</b>	<b>\$ 69,004</b>	<b>\$ 67,485</b>	<b>\$ 65,584</b>	<b>\$ 63,386</b>
Diluted weighted average shares outstanding <sup>3</sup>	196,372	196,228	196,176	183,592	182,971
Net earnings per diluted share <sup>4</sup>	\$ 0.26	\$ 0.32	\$ 0.21	\$ 0.20	\$ 0.16
FFO per diluted share <sup>4</sup>	0.39	0.37	0.41	0.39	0.39
Core FFO per diluted share <sup>4</sup>	0.38	0.38	0.38	0.38	0.36
AFFO per diluted share <sup>4</sup>	0.36	0.35	0.34	0.36	0.35

<sup>1</sup> Amount includes \$0.7 million and \$ 0.2 million of employee severance costs and executive transition costs during the three months ended September 30, 2023 and the three months ended June 30, 2023. Amounts include a combined \$0.5 million of executive transition costs and accelerated amortization of stock-based compensation for the three months ended March 31, 2023, related to the departure of our previous chief executive officer.

<sup>2</sup> Amount includes \$(1.4) million, \$1.7 million, \$18 thousand, \$0.8 million, and \$(4.9) million of unrealized and realized foreign exchange (gain) loss for the three months ended September 30, 2023, June 30, 2023, March 31, 2023, December 31, 2022 and September 30, 2022, respectively, primarily associated with our Canadian dollar denominated revolver borrowings.

<sup>3</sup> Excludes 506,172, 504,161, 431,392, 396,924, and 395,441, weighted average shares of unvested restricted common stock for the three months ended September 30, 2023, June 30, 2023, March 31, 2023, December 31, 2022, and September 30, 2022, respectively.

<sup>4</sup> Excludes \$0.1 million from the numerator for the three months ended September 30, 2023, and June 30, 2023, March 31, 2023, December 31, 2022, and September 30, 2022, related to dividends declared on shares of unvested restricted stock.

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

(unaudited, in thousands)

	Three Months Ended				
	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
<b>Net income</b>	<b>\$ 52,145</b>	<b>\$ 62,996</b>	<b>\$ 41,374</b>	<b>\$ 36,773</b>	<b>\$ 28,709</b>
Depreciation and amortization	38,533	39,031	41,784	45,606	39,400
Interest expense	19,665	20,277	21,139	23,773	20,095
Income taxes	104	448	479	105	356
<b>EBITDA</b>	<b>\$ 110,447</b>	<b>\$ 122,752</b>	<b>\$ 104,776</b>	<b>\$ 106,257</b>	<b>\$ 88,560</b>
Provision for impairment of investment in rental properties	—	—	1,473	—	4,155
Gain on sale of real estate	(15,163)	(29,462)	(3,415)	(10,625)	(61)
<b>EBITDAre</b>	<b>\$ 95,284</b>	<b>\$ 93,290</b>	<b>\$ 102,834</b>	<b>\$ 95,632</b>	<b>\$ 92,654</b>
Adjustment for current quarter investment activity <sup>1</sup>	26	342	406	1,283	2,358
Adjustment for current quarter disposition activity <sup>2</sup>	(400)	(444)	(365)	(440)	—
Adjustment to exclude non-recurring and other expenses <sup>3</sup>	740	183	(1,023)	—	—
Adjustment to exclude gain on insurance recoveries	—	—	—	(341)	—
Adjustment to exclude net write-offs of accrued rental income	—	—	297	—	—
Adjustment to exclude realized / unrealized foreign exchange (gain) loss	(1,433)	1,681	18	796	(4,934)
Adjustment to exclude cost of debt extinguishments	—	3	—	77	231
Adjustment to exclude lease termination fees	—	—	(7,500)	(1,678)	(791)
<b>Adjusted EBITDAre</b>	<b>\$ 94,217</b>	<b>\$ 95,055</b>	<b>\$ 94,667</b>	<b>\$ 95,329</b>	<b>\$ 89,518</b>
General and administrative	9,404	9,300	9,935	9,318	9,942
<b>Adjusted Net Operating Income ("NOI")</b>	<b>\$ 103,621</b>	<b>\$ 104,355</b>	<b>\$ 104,602</b>	<b>\$ 104,647</b>	<b>\$ 99,460</b>
Straight-line rental revenue, net	(6,744)	(7,277)	(7,425)	(7,315)	(5,750)
Other amortization and non-cash charges	(1,087)	(1,095)	(1,668)	(1,353)	(1,177)
<b>Adjusted Cash NOI</b>	<b>\$ 95,789</b>	<b>\$ 95,983</b>	<b>\$ 95,509</b>	<b>\$ 95,979</b>	<b>\$ 92,533</b>
Annualized EBITDAre	\$ 381,136	\$ 373,160	\$ 411,336	\$ 382,528	\$ 370,616
Annualized Adjusted EBITDAre	376,868	380,220	378,668	381,315	358,072
Annualized Adjusted NOI	414,483	417,420	418,411	418,585	397,834
Annualized Adjusted Cash NOI	383,157	383,932	382,043	383,914	370,128

<sup>1</sup> Reflects an adjustment to give effect to all investments during the quarter as if they had been made 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.

<sup>3</sup> Amount includes \$0.7 million and \$ 0.2 million of employee severance costs and executive transition costs during the three months ended September 30, 2023 and the three months ended June 30, 2023. Amounts include a combined \$0.5 million of executive transition costs and accelerated amortization of stock-based compensation for the three months ended March 31, 2023, related to the departure of our previous chief executive officer. Additionally amount includes \$(1.5) million of accelerated amortization of lease intangibles during the three months ended March 31, 2023.

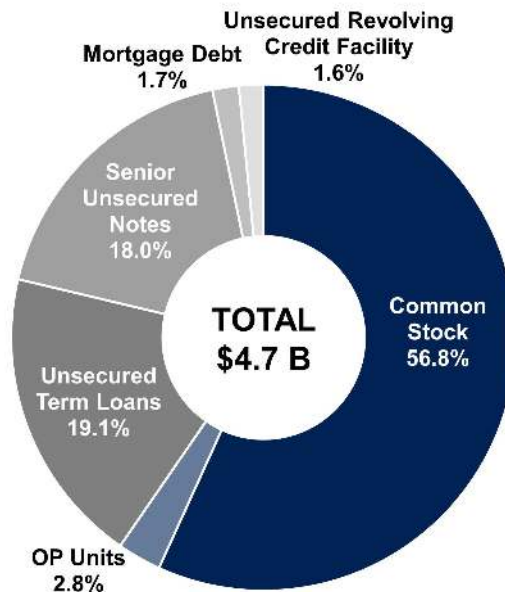
## Lease Revenues Detail

(unaudited, in thousands)

	Three Months Ended				
	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
Contractual rental amounts billed for operating leases	\$96,333	\$96,456	\$98,102	\$96,208	\$91,208
Adjustment to recognize contractual operating lease billings on a straight-line basis	6,891	7,380	7,370	6,898	5,344
Net write-offs of accrued rental income	—	—	(105)	—	—
Variable rental amounts earned	513	452	341	721	309
Earned income from direct financing leases	687	689	691	693	719
Interest income from sales-type leases	14	15	14	15	14
Operating expenses billed to tenants	5,181	4,594	5,075	5,720	5,061
Other income from real estate transactions	19	3	7,392	2,019	874
Adjustment to revenue recognized for uncollectible rental amounts billed, net	(95)	(236)	112	(139)	(5)
<b>Total Lease revenues, net</b>	<b>\$109,543</b>	<b>\$109,353</b>	<b>\$118,992</b>	<b>\$112,135</b>	<b>\$103,524</b>

## Capital Structure

(in thousands, except per share data)



### EQUITY

Shares of Common Stock	187,272
OP Units	9,283
Common Stock & OP Units	196,555
Price Per Share / Unit at September 30, 2023	\$ 14.30
<b>IMPLIED EQUITY MARKET CAPITALIZATION</b>	<b>\$ 2,810,737</b>
% of Total Capitalization	59.6 %

### DEBT

<b>Unsecured Revolving Credit Facility - 2026</b>	<b>\$ 74,060</b>
<b>Unsecured Term Loans</b>	<b>900,000</b>
Unsecured Term Loan - 2026	400,000
Unsecured Term Loan - 2027	200,000
Unsecured Term Loan - 2029	300,000
<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 Public Notes - 2031	375,000
<b>Mortgage Debt - Various</b>	<b>79,727</b>
<b>TOTAL DEBT</b>	<b>\$ 1,903,787</b>
% of Total Capitalization	40.4 %
Floating Rate Debt %	0.0 %
Fixed Rate Debt %	100.0 %
Secured Debt %	4.2 %
Unsecured Debt %	95.8 %

Total Capitalization	\$ 4,714,524
Less: Cash and Cash Equivalents	(35,061)
<b>Enterprise Value</b>	<b>\$ 4,679,463</b>



## Equity Rollforward

(in thousands)

	Shares of Common Stock	OP Units	Total Diluted Shares
<b>Balance, January 1, 2023</b>	<b>186,114</b>	<b>10,205</b>	<b>196,319</b>
Grants of restricted stock awards - Employees	259	—	259
Retirement of common shares under equity incentive plan	(66)	—	(66)
OP conversion	896	(896)	—
<b>Balance, March 31, 2023</b>	<b>187,203</b>	<b>9,309</b>	<b>196,512</b>
Grants of restricted stock awards - Board of Directors	50	—	50
Grants of restricted stock awards - Employees	1	—	1
Forfeiture of restricted stock awards	(6)	—	(6)
OP conversion	25	(25)	—
<b>Balance, June 30, 2023</b>	<b>187,273</b>	<b>9,284</b>	<b>196,557</b>
Forfeiture of restricted stock awards	(2)	—	(2)
OP conversion	1	(1)	—
<b>Balance, September 30, 2023</b>	<b>187,272</b>	<b>9,283</b>	<b>196,555</b>

## Debt Outstanding

(in thousands)

	Outstanding Balance		Interest Rate	Maturity Date
	September 30, 2023	December 31, 2022		
Unsecured revolving credit facility	\$ 74,060	\$ 197,322	Applicable reference rate + 0.85% <sup>1</sup>	Mar. 2026 <sup>4</sup>
Unsecured term loans:				
2026 Unsecured Term Loan	400,000	400,000	one-month adjusted SOFR + 1.00% <sup>2 3</sup>	Feb. 2026
2027 Unsecured Term Loan	200,000	200,000	one-month adjusted SOFR + 0.95% <sup>3</sup>	Aug. 2027
2029 Unsecured Term Loan	300,000	300,000	one-month adjusted SOFR + 1.25% <sup>3</sup>	Aug. 2029
Total unsecured term loans	900,000	900,000		
Unamortized debt issuance costs, net	(4,367)	(5,308)		
Total unsecured term loans, net	895,633	894,692		
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	(4,879)	(5,445)		
Total senior unsecured notes, net	845,121	844,555		
<b>Total unsecured debt, net</b>	<b>\$ 1,814,814</b>	<b>\$ 1,936,569</b>		

<sup>1</sup> At September 30, 2023 and December 31, 2022, a balance of \$0.0 million and \$123.5 million was subject to the one-month SOFR of 5.32% and 4.36%, respectively. The remaining balance of \$100 million Canadian Dollar ("CAD") borrowings remeasured to \$74.1 million United States Dollar ("USD") and \$73.8 million USD, at September 30, 2023 and December 31, 2022, respectively, and was subject to the one-month CDOR of 5.39% and 4.74%, respectively.

<sup>2</sup> At September 30, 2023, one-month SOFR was 5.32%. At December 31, 2022, the applicable interest rate was 1-month LIBOR of 4.39% plus 1.00%.

<sup>3</sup> At September 30, 2023 and December 31, 2022, one-month SOFR was 5.32% and 4.36%, respectively.

<sup>4</sup> Our Revolving Credit Facility contains two six-month extension options subject to certain conditions, including the payment of an extension fee equal to 0.0625% of the revolving commitments.

Lender	Origination Date (Month/Year)	Maturity Date (Month/Year)	Interest Rate	September 30, 2023	December 31, 2022
Wilmington Trust National Association	Apr-19	Feb-28	4.92%	\$ 44,542	\$ 45,516
Wilmington Trust National Association	Jun-18	Aug-25	4.36%	18,834	19,150
PNC Bank	Oct-16	Nov-26	3.62%	16,351	16,675
Aegon	Apr-12	Oct-23	6.38%	—	5,413
Total mortgages				79,727	86,754
Debt issuance costs, net				(114)	(152)
<b>Mortgages, net</b>				<b>\$ 79,613</b>	<b>\$ 86,602</b>

Year of Maturity	Revolving Credit Facility	Mortgages	Term Loans	Senior Notes	Total
2023	\$ —	\$ 554	\$ —	\$ —	\$ 554
2024	—	2,260	—	—	2,260
2025	—	20,195	—	—	20,195
2026	74,060	16,843	400,000	—	490,903
2027	—	1,597	200,000	150,000	351,597
Thereafter	—	38,277	300,000	700,000	1,038,277
<b>Total</b>	<b>\$ 74,060</b>	<b>\$ 79,726</b>	<b>\$ 900,000</b>	<b>\$ 850,000</b>	<b>\$ 1,903,786</b>

## Net Debt Metrics

(in thousands)

	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
<b>Debt</b>					
Unsecured revolving credit facility	\$74,060	\$122,912	\$108,330	\$197,322	\$219,537
Unsecured term loans, net	895,633	895,319	895,006	894,692	894,378
Senior unsecured notes, net	845,121	844,932	844,744	844,555	844,367
Mortgages, net	79,613	80,141	85,853	86,602	94,753
Debt issuance costs	9,360	9,872	10,390	10,905	11,498
<b>Gross Debt</b>	<b>1,903,787</b>	<b>1,953,176</b>	<b>1,944,323</b>	<b>2,034,076</b>	<b>2,064,533</b>
Cash and cash equivalents	(35,061)	(20,763)	(15,412)	(21,789)	(75,912)
Restricted cash	(15,436)	(15,502)	(3,898)	(38,251)	(6,449)
<b>Net Debt</b>	<b>\$1,853,290</b>	<b>\$1,916,911</b>	<b>\$1,925,013</b>	<b>\$1,974,036</b>	<b>\$1,982,172</b>
Anticipated proceeds from forward equity agreement	—	—	—	—	(270,732)
<b>Pro Forma Net Debt</b>	<b>\$1,853,290</b>	<b>\$1,916,911</b>	<b>\$1,925,013</b>	<b>\$1,974,036</b>	<b>\$1,711,440</b>
Net Debt to Annualized EBITDAre	4.9x	5.1x	4.7x	5.2x	5.3x
Net Debt to Annualized Adjusted EBITDAre	4.9x	5.0x	5.1x	5.2x	5.5x
Pro Forma Net Debt to Annualized Adjusted EBITDAre	4.9x	5.0x	5.1x	5.2x	4.8x

## Covenants

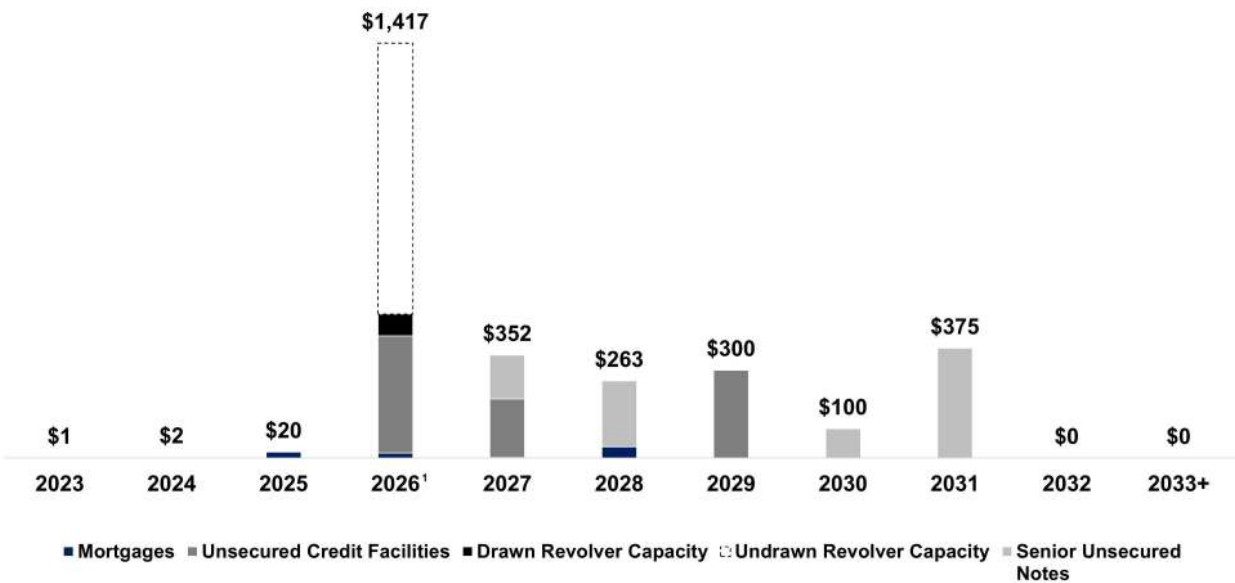
The following is a summary of key financial covenants for the Company's unsecured debt instruments. The covenants associated with the Revolving Credit Facility, Unsecured Term Loans with commercial banks, and the Series A-C Senior Unsecured Notes, are reported to the respective lenders via quarterly 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, 2023, 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	0.32	0.33	Not Applicable
Secured indebtedness ratio	≤ 0.40 to 1.00	0.01	0.01	Not Applicable
Unencumbered coverage ratio	≥ 1.75 to 1.00	3.77	Not Applicable	Not Applicable
Fixed charge coverage ratio	≥ 1.50 to 1.00	4.26	4.26	Not Applicable
Total unsecured indebtedness to total unencumbered eligible property value	≤ 0.60 to 1.00	0.34	0.35	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	0.35
Consolidated income available for debt to annual debt service charge	≥ 1.50 to 1.00	Not Applicable	Not Applicable	4.71
Total unencumbered assets to total unsecured debt	≥ 1.50 to 1.00	Not Applicable	Not Applicable	2.90
Secured debt ratio	≤ 0.40 to 1.00	Not Applicable	Not Applicable	0.01

# Debt Maturities

(dollars in millions)

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



<sup>1</sup> Our Revolving Credit Facility contains two six-month extension options subject to certain conditions, including the payment of an extension fee equal to 0.0625% of the revolving commitments.

## Investment Activity

(square feet and dollars in thousands)

The following tables summarize the Company's investment activity during 2023.

	Q1 2023 <sup>1</sup>	Q2 2023	Q3 2023	YTD 2023
<b>Acquisitions:</b>				
Number of transactions	1	2	—	3
Number of properties	1	3	—	4
Square feet	10	144	—	154
Acquisition price	\$5,221	\$20,384	—	\$25,605
Industrial	—	20,384	—	20,384
Retail	5,221	—	—	5,221
Restaurant	—	—	—	—
Healthcare	—	—	—	—
Initial cash capitalization rate	6.8%	7.4%	—	7.3%
GAAP capitalization rate	8.0%	8.6%	—	8.5%
Weighted avg. lease term (years)	20.1	14.2	—	15.3
Weighted average annual rent increase	1.8%	2.0%	—	2.0%
<b>Revenue generating capital expenditures:</b>				
Number of existing properties	2	1	3	6
Investments <sup>2</sup>	\$14,825	\$7,000	\$4,755	\$26,580
Industrial	14,825	7,000	4,755	26,580
Retail	—	—	—	—
Restaurant	—	—	—	—
Healthcare	—	—	—	—
Initial cash capitalization rate	7.0%	7.0%	6.7%	6.9%
Weighted avg. lease term (years)	18.2	18.4	14.1	17.6
Weighted average annual rent increase	1.8%	1.8%	2.0%	1.8%
<b>Development funding opportunities:</b>				
Number of new properties	—	1	1	2
Investments on new developments <sup>2</sup>	—	\$37,549	\$739	\$38,288
Investments on existing developments <sup>2</sup>	—	—	11,007	11,007
Total development funding opportunities	—	—	11,746	49,295
<b>Total investments</b>	<b>\$20,046</b>	<b>\$64,933</b>	<b>\$16,501</b>	<b>\$101,480</b>
<b>Total initial cash capitalization rate<sup>3</sup></b>	<b>7.0%</b>	<b>7.3%</b>	<b>6.7%</b>	<b>7.1%</b>
<b>Total weighted average lease term (years)<sup>3</sup></b>	<b>18.7</b>	<b>15.2</b>	<b>14.1</b>	<b>16.4</b>
<b>Total weighted average annual rent increase<sup>3</sup></b>	<b>1.8%</b>	<b>1.9%</b>	<b>2.0%</b>	<b>1.9%</b>

<sup>1</sup> During the first quarter, we entered into an agreement under the terms of an existing lease to substitute two properties with a tenant in exchange for one new property of equal value. Property substitutions are not included in the acquisition/disposition activity, however will affect the total number of properties reported as of September 30, 2023.

<sup>2</sup> Total unfunded investment commitments at September 30, 2023, include up to \$157.2 million in development fundings and \$11.0 million in revenue generating capital expenditures.

<sup>3</sup> Due to the nature of development funding opportunities not generating revenue during construction, these developments are excluded from the calculation of total capitalization rates, weighted average lease terms, and rent increases.

## Developments<sup>4</sup>

(square feet and dollars in thousands)

The following table summarizes the Company's current developments as of September 30, 2023:

Property	Property Type	Projected Rentable Square Feet	Start Date <sup>4</sup>	Target Completion Date <sup>4</sup>	Initial Purchase Price <sup>4</sup>	Estimated Project Development Costs <sup>4</sup>	Estimated Total Project Investment <sup>4</sup>	QTD Q3 2023 Investment	Cumulative Investment at 9/30/23	Estimated Stabilized Yield <sup>4</sup>	Estimated GAAP Capitalization Rate
<b>Under Construction:</b>											
UNFI (8380 21st Street)	Industrial	1,016	5/2023	10/2024	\$17,300	\$187,500	\$204,800	\$11,007	\$48,556	7.2%	8.3%
7 Brew (4845 S. Memorial Drive)	Restaurant	1	7/2023	10/2023	460	1,242	1,702	739	739	7.0%	7.8%
<b>Total</b>		<b>1,017</b>			<b>\$17,760</b>	<b>\$188,742</b>	<b>\$206,502</b>	<b>\$11,746</b>	<b>\$49,295</b>	<b>7.2%</b>	<b>8.3%</b>

<sup>4</sup> Refer to definitions and explanations appearing at the end of this supplemental document.

## Dispositions<sup>1</sup>

(square feet and dollars in thousands)

The following table summarizes the Company's property disposition activity during 2023.

### Q1 2023<sup>1</sup>

Property Type	Number of Properties	Square Feet	Acquisition Price	Disposition Price	Net Book Value
Office <sup>2</sup>	1	282	\$33,050	32,000	\$30,881
Industrial	1	74	16,240	18,550	15,015
Restaurant	1	5	1,186	1,324	1,099
<b>Total Properties</b>	<b>3</b>	<b>361</b>	<b>\$50,476</b>	<b>\$51,874</b>	<b>\$46,995</b>
Weighted average cash cap rate <sup>2</sup>					6.0%

### Q2 2023

Property Type	Number of Properties	Square Feet	Acquisition Price	Disposition Price	Net Book Value
Office	1	58	\$5,925	\$3,000	\$2,701
Industrial	2	601	\$43,000	\$61,950	\$32,961
Retail	1	4	\$3,454	\$4,440	\$2,719
<b>Total Properties</b>	<b>4</b>	<b>663</b>	<b>\$52,379</b>	<b>\$69,390</b>	<b>\$38,381</b>
Weighted average cash cap rate					5.6%

### Q3 2023

Property Type	Number of Properties	Square Feet	Acquisition Price	Disposition Price	Net Book Value
Industrial	2	298	\$51,054	\$62,300	\$45,770
<b>Total Properties</b>	<b>2</b>	<b>298</b>	<b>\$51,054</b>	<b>\$62,300</b>	<b>\$45,770</b>
Weighted average cash cap rate					6.2%

### 2023 Dispositions

Property Type	Number of Properties	Square Feet	Acquisition Price	Disposition Price	Net Book Value
Office <sup>2</sup>	2	340	\$38,975	\$35,000	\$33,582
Industrial	5	973	\$110,294	\$142,800	\$93,746
Retail	1	4	\$3,454	\$4,440	\$2,719
Restaurant	1	5	1,186	1,324	1,099
<b>Total Properties</b>	<b>9</b>	<b>1,322</b>	<b>\$153,909</b>	<b>\$183,564</b>	<b>\$131,146</b>
Weighted average cash cap rate <sup>2</sup>					5.9%

<sup>1</sup> During the first quarter, we entered into an agreement under the terms of an existing lease to substitute two properties with a tenant in exchange for one new property of equal value. Property substitutions are not included in the acquisition/disposition activity, however will affect the total number of properties reported as of September 30, 2023.

<sup>2</sup> Sale of office asset executed simultaneously with a \$7.5 million lease buyout for total proceeds of \$39.5 million, representing an all-in cash capitalization rate of 6.1%. Amounts have been excluded from the weighted average cash capitalization rate due to the nature of the separate transactions.

## Portfolio at a Glance: Key Metrics

	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
Properties <sup>1</sup>	800	801	801	804	790
U.S. States	44	44	44	44	44
Canadian Provinces	4	4	4	4	4
Total Annualized Base Rent	\$390.0M	\$391.0M	\$389.5M	\$389.1M	\$371.9M
Total Rentable Sq. Footage	38.2M	38.5M	39.1M	39.1M	36.8M
Tenants	220	221	221	221	218
Brands	208	209	209	211	208
Industries	54	54	54	55	56
Occupancy (based on SF)	99.4%	99.4%	99.4%	99.4%	99.3%
Rent Collection	99.9%	99.9%	100.0%	99.9%	100.0%
Top 10 Tenant Concentration	19.4%	19.4%	19.2%	19.0%	17.1%
Top 20 Tenant Concentration	32.1%	32.1%	31.4%	31.4%	29.8%
Investment Grade (tenant/guarantor)	15.3%	15.3%	15.6%	15.4%	16.0%
Financial Reporting Coverage <sup>2</sup>	93.7%	94.2%	94.3%	94.3%	94.1%
Rent Coverage Ratio (Restaurants Only)	3.4x	3.3x	3.2x	3.2x	3.1x
Weighted Average Annual Rent Increases	2.0%	2.0%	2.0%	2.0%	2.0%
Weighted Average Remaining Lease Term	10.5 years	10.7 years	10.8 years	10.9 years	10.7 years
Master Leases (based on ABR)					
Total Portfolio	41.6%	41.5%	41.2%	40.8%	37.7%
Multi-site tenants	69.3%	69.3%	69.3%	67.7%	65.4%

<sup>1</sup> During the first quarter, we entered into an agreement under the terms of an existing lease to substitute two properties with a tenant in exchange for one new property of equal value. Property substitutions are not included in the acquisition/disposition activity, however will affect the total number of properties reported as of September 30, 2023.

<sup>2</sup> Includes 7.5%, 7.9%, 7.9%, 8.5%, 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, 2023, June 30, 2023, March 31, 2023, December 31, 2022, and September 30, 2022.



## 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
Roskam Baking Company, LLC*	Food Processing	7	\$ 15,605	4.0 %	2,250	5.9 %
AHF, LLC*	Distribution & Warehouse/Manufacturing	8	9,378	2.4 %	2,284	6.0 %
Jack's Family Restaurants LP*	Quick Service Restaurants	43	7,309	1.9 %	147	0.4 %
Joseph T. Ryerson & Son, Inc	Distribution & Warehouse	11	6,588	1.7 %	1,537	4.0 %
Red Lobster Hospitality & Red Lobster Restaurants LLC*	Casual Dining	19	6,302	1.6 %	157	0.4 %
Axcelis Technologies, Inc.	Flex and R&D	1	6,126	1.6 %	417	1.1 %
J. Alexander's, LLC*	Casual Dining	16	6,116	1.6 %	131	0.3 %
Salm Partners, LLC*	Food Processing	2	6,062	1.5 %	368	0.9 %
Hensley & Company*	Distribution & Warehouse	3	5,989	1.5 %	577	1.5 %
Dollar General Corporation	General Merchandise	60	5,968	1.5 %	562	1.5 %
<b>Total Top 10 Tenants</b>		<b>170</b>	<b>\$ 75,443</b>	<b>19.3 %</b>	<b>8,430</b>	<b>22.0 %</b>
BluePearl Holdings, LLC**	Animal Health Services	13	\$ 5,597	1.4 %	166	0.5 %
Krispy Kreme Doughnut Corporation	Quick Service Restaurants/ Food Processing	27	5,538	1.4 %	156	0.4 %
Outback Steakhouse of Florida LLC*	Casual Dining	22	5,365	1.4 %	140	0.4 %
Tractor Supply Company	General Merchandise	21	5,360	1.4 %	417	1.1 %
Big Tex Trailer Manufacturing Inc.*	Automotive/Distribution & Warehouse/Manufacturing/ Corporate Headquarters	17	5,056	1.3 %	1,302	3.4 %
Carvana, LLC*	Industrial Services	2	4,590	1.2 %	230	0.6 %
Klosterman Bakery*	Food Processing	11	4,568	1.2 %	549	1.4 %
Nestle' Dreyer's Ice Cream Company <sup>2</sup>	Cold Storage	1	4,543	1.2 %	309	0.8 %
Arkansas Surgical Hospital	Surgical	1	4,476	1.1 %	129	0.3 %
Chiquita Holdings Limited	Food Processing	1	4,420	1.1 %	335	0.9 %
<b>Total Top 20 Tenants</b>		<b>286</b>	<b>\$ 124,956</b>	<b>32.0 %</b>	<b>12,163</b>	<b>31.8 %</b>

<sup>1</sup> 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

\* Subject to a master lease.

\*\* Includes properties leased by multiple tenants, some, not all, of which are subject to master leases.

## Top 20 Tenant Descriptions<sup>1</sup>

 <b>Roskam Baking Company</b> (Roskam Baking Company, LLC)	<p>Founded in 1923 and headquartered in Grand Rapids, Michigan, Roskam Baking Company is a food manufacturer with over 2 million square feet of manufacturing space and over 30 manufacturing and packaging lines. Roskam manufactures a diverse product line such as organic, gluten free, non-GMO, and specialty allergen free products. Roskam has been owned by private equity firm Entrepreneurial Equity Partners since 2022.</p>
 <b>AHF Products</b> (AHF, LLC)	<p>With more than a century of operating history, AHF Products' brands have been recognized as leaders in the hardwood flooring for residential customers industry. Headquartered in Mountville, Pennsylvania, AHF Products operates 8 manufacturing facilities across the United States and 1 in Cambodia with over 2,000 employees.</p>
 <b>Jack's Family Restaurants</b> (Jack's Family Restaurants LP)	<p>Founded in 1960, Jack's Family Restaurants is a regional quick service restaurant chain that offers southern-inspired food. Jack's Family Restaurant operates approximately 200 locations across Alabama, Georgia, Mississippi, and Tennessee. Jack's Family Restaurant has been owned by private equity firm AEA Investors LP since 2019.</p>
 <b>Ryerson</b> (Joseph T Ryerson & Son, Inc)	<p>Founded in 1842, Ryerson (NYSE: RYI) produces over 70,000 specifically tailored metal products made from steel, stainless steel, aluminum, and alloys. As of June 30, 2023, Ryerson employs around 4,300 employees and operates approximately 100 facilities across North America and China.</p>
 <b>Red Lobster</b> (Red Lobster Restaurants LLC)	<p>Red Lobster is a leading global seafood casual dining brand, with over 700 locations around the world. The brand is currently owned by Thai Union, a leading supplier of seafood globally.</p>
 <b>Axcelis Technologies</b> (Axcelis Technologies, Inc)	<p>Incorporated in 1995 and headquartered in Beverly, Massachusetts, Axcelis designs, manufactures, and services ion implantation and other processing equipment used in the fabrication of semiconductor chips globally. In 2022, Axcelis was named the 54th fastest growing company in Fortunes' 2022 100 Fastest Growing Companies List.</p>
 <b>J. Alexander's</b> (J. Alexander's, LLC)	<p>J. Alexander's is a contemporary American restaurant, known for its high-quality dining experience and wood-fired cuisine. J. Alexander's operates 37 locations spanning 15 states. In 2021, SPB Hospitality acquired J. Alexander's Holdings, Inc (formerly NYSE: JAX). SPB Hospitality is a premier operator with over 200 locations spanning 39 states and the District of Columbia.</p>
 <b>Salm Partners</b> (Salm Partners, LLC)	<p>Salm Partners is the nation's largest co-manufacturer of fully cooked sausages and hotdogs. Founded in 2004 in Denmark, Wisconsin, Salm Partners' 2 large-scale production facilities now provide for 20% of the North American retail fully cooked sausage market. Salm Partners serves both foodservice providers and food distributors.</p>
 <b>Hensley</b> (Hensley & Company)	<p>Founded in 1955, Hensley is now one of the largest family owned and operated beverage distributors in the nation. With a fleet of over 800 vehicles and 1,100 employees, Hensley distributes 2,500 different beers, craft brews, fine wines, premium spirits, and non-alcoholic beverages including water, soft drinks, teas, coffees, and juices to more than 9,000 retailers across Arizona.</p>
 <b>Dollar General</b> (Dollar General Corporation)	<p>Founded in 1939, Dollar General (NYSE: DG) is the largest discount retailer in the United States by store count. As of June 30, 2023, Dollar General operates 19,488 stores spanning 47 states and Mexico.</p>

## Top 20 Tenant Descriptions<sup>1</sup> (continued)

 <b>BluePearl</b> (BluePearl Holdings, LLC)	BluePearl was founded in 1996 in Tampa, Florida, and now operates more than 100 specialty and veterinary hospitals nationwide. BluePearl's veterinarians provide services including 24/7 emergency and numerous specialty procedures. BluePearl is a part of the Mars Veterinary Health family of veterinary practices and labs.
 <b>Krispy Kreme</b> (Krispy Kreme Corporation)	Krispy Kreme is a global retailer of premium-quality doughnuts, coffee, treats, and packaged sweets. As of June 30, 2023, Krispy Kreme products are available in 12,800 locations spanning 35 countries. Of these locations, over 2,000 are Krispy Kreme branded retail donut shops.
 <b>Outback Steakhouse</b> (Outback Steakhouse of Florida LLC)	Outback Steakhouse is a globally recognized, Australian-inspired casual dining steakhouse. Outback Steakhouse is part of the Bloomin' Brands family of restaurants, which also includes Carabba's Italian Grill, Bonefish Grill, and Fleming's Prime Steakhouse & Wine Bar. As of June 30, 2023, Bloomin Brands operates over 1,450 restaurants in 47 states, Guam, and 13 other countries.
 <b>Tractor Supply Co.</b> (Tractor Supply Company)	For 85 years, Tractor Supply Company (NASDAQ: TSCO) has operated hardware store locations, selling lawn care supplies, power tools, fencing, irrigation system parts, and more. As of June 30, 2023, Tractor Supply Company operates 2,181 stores across 49 states.
 <b>Big Tex Trailers</b> (Big Tex Trailer Manufacturing Inc.)	Founded in 1982 and headquartered in Mt. Pleasant, Texas, Big Tex Trailers manufactures and distributes a range of professional-grade trailers. Its product line ranges from small trailers for ATV's and landscape equipment to heavy-duty equipment. Big Tex products are sold at over 400 dealers across all 50 states, Canada, and select international locations. Big Tex is owned by Brian Capital Private Equity.
 <b>Nestle</b> (Nestle Dreyer's Ice Cream Company)	Nestle produces and markets over 2,000 brands, with a presence in 188 countries and is one of the largest ice cream manufacturers in the United States. Nestle's product offering includes snacks, cereals, drinks, ice cream, plant-based meats, and more. Nestle USA, headquartered in Virginia, has operations in 28 states, which includes 119 offices and facilities employing over 30,000 people.
 <b>Carvana</b> (Carvana, LLC)	Founded in 2013 in Atlanta, Georgia, Carvana (NYSE: CVNA) is the leading e-commerce platform for buying and selling used vehicles. As of June 30, 2023, Carvana operates in 316 markets, including 37 car vending machines and 17 inspection and reconditioning centers.
 <b>Klosterman Bakery</b> (Klosterman Bakery)	Klosterman Bakery, headquartered in Cincinnati, Ohio, is a privately-owned baking company with 130 years of specialization in baking breads and buns. Klosterman Bakery has 8 fresh bread facilities providing fresh deliveries across Indiana, Kentucky, and Ohio. Klosterman also delivers its breads and buns frozen nationwide.
 <b>Arkansas Surgical Hospital</b> (Arkansas Surgical Hospital)	With 3 locations in Arkansas, Arkansas Surgical Hospital is a physician-owned hospital featuring 41 private patient suites and 13 state-of-the-art operating rooms. Procedures offered include both orthopedic and spinal treatments and surgeries.
 <b>Chiquita Holdings Limited</b> (Chiquita Holdings Limited)	Chiquita, founded 1870, is a leading global banana distribution company. Chiquita also sells other fruits, like pineapples, and fresh salad mixes under the brand name Fresh Express. These products are sold at grocery stores and retailers across the US and globally. As of June 30, 2023, Chiquita employs approximately 20,000 people across 25 countries, allowing them to sell in over 70 markets.

<sup>1</sup>This document contains references to copyrights, trademarks, trade names, and service marks that belong to other companies. Broadstone Net Lease is not affiliated or associated with, and is not endorsed by and does not endorse, such companies or their products or services.



## Top 20 Brands

Brand	Property Type	# Properties	ABR (\$'000s)	ABR as a % of Total Portfolio	Square Feet ('000s)	SF as a % of Total Portfolio
Roskam Baking Company, LLC*	Food Processing	7	\$ 15,605	4.0 %	2,250	5.9 %
AHF Products*	Distribution & Warehouse/Manufacturing	8	9,378	2.4 %	2,284	6.0 %
Jack's Family Restaurants*	Quick Service Restaurants	43	7,309	1.9 %	147	0.4 %
Ryerson	Distribution & Warehouse	11	6,588	1.7 %	1,537	4.0 %
Red Lobster*	Casual Dining	19	6,302	1.6 %	157	0.4 %
Axcelis	Flex and R&D	1	6,126	1.6 %	417	1.0 %
Salm Partners, LLC*	Food Processing	2	6,062	1.6 %	368	1.0 %
Hensley*	Distribution & Warehouse	3	5,989	1.5 %	577	1.5 %
Dollar General	General Merchandise	60	5,968	1.5 %	562	1.5 %
BluePearl Veterinary Partners**	Animal Health Services	13	5,599	1.4 %	165	0.4 %
<b>Total Top 10 Brands</b>		<b>167</b>	<b>\$ 74,926</b>	<b>19.2 %</b>	<b>8,464</b>	<b>22.1 %</b>
Krispy Kreme	Quick Service Restaurants/ Food Processing	27	\$ 5,537	1.4 %	158	0.6 %
Bob Evans Farms*	Casual Dining/Food Processing	21	5,459	1.4 %	281	0.7 %
Tractor Supply Company	General Merchandise	21	5,360	1.4 %	417	1.1 %
Big Tex Trailers*	Automotive/Distribution & Warehouse/Manufacturing/ Corporate Headquarters	17	5,056	1.3 %	1,302	3.4 %
Outback Steakhouse*	Casual Dining	20	4,641	1.2 %	126	0.3 %
Carvana*	Industrial Services	2	4,590	1.2 %	230	0.6 %
Klosterman Bakery*	Food Processing	11	4,568	1.2 %	549	1.4 %
Nestle <sup>1</sup>	Cold Storage	1	4,543	1.2 %	309	0.8 %
Arkansas Surgical Hospital	Surgical	1	4,476	1.1 %	129	0.3 %
Chiquita Holdings Limited	Food Processing	1	4,420	1.1 %	335	0.9 %
<b>Total Top 20 Brands</b>		<b>289</b>	<b>\$ 123,576</b>	<b>31.7 %</b>	<b>12,300</b>	<b>32.2 %</b>

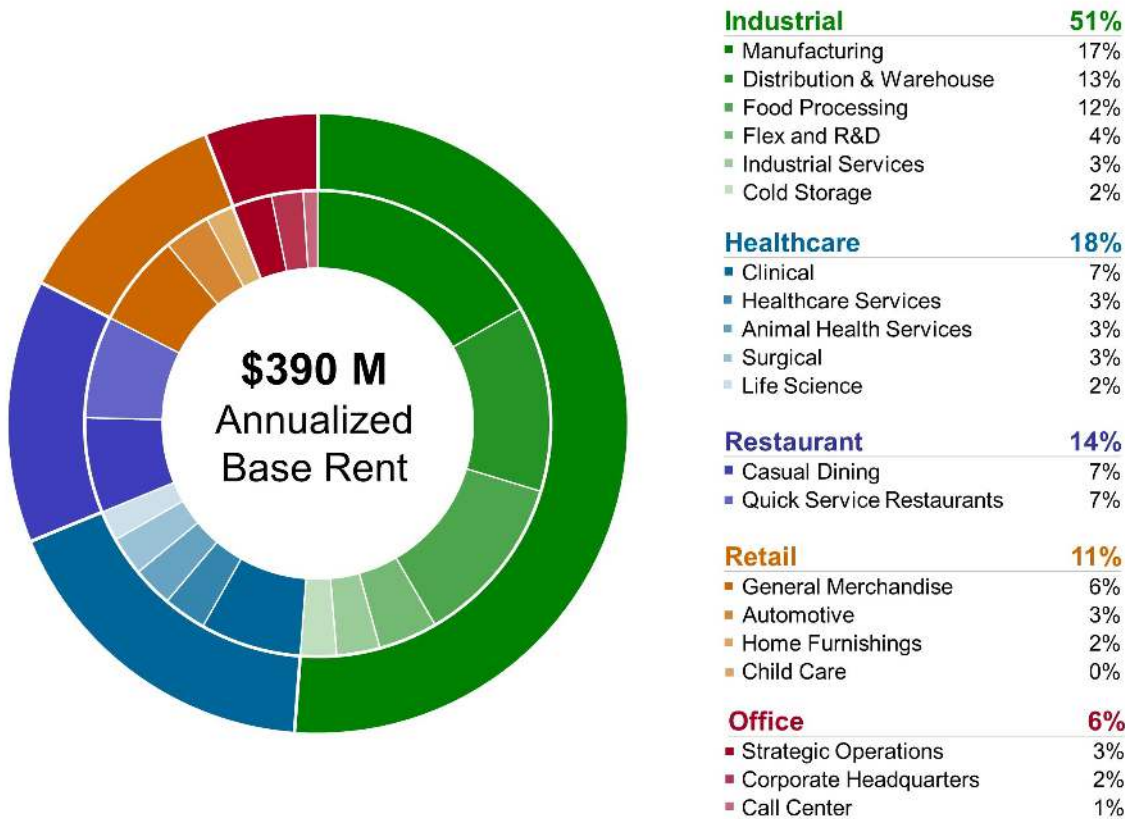
<sup>1</sup> Nestle's ABR excludes \$1.6 million of rent paid under a sub-lease for an additional property, which will convert to a prime lease no later than August, 2024

\* Subject to a master lease.

\*\* Includes properties leased by multiple tenants, some, not all, of which are subject to master leases.

# Diversification: Property Type

(rent percentages based on ABR)



## Diversification: Property Type (continued)

Property Type	# Properties	ABR (\$'000s)	ABR as a % of Total Portfolio	Square Feet ('000s)	SF as a % of Total Portfolio
<b>Industrial</b>					
Manufacturing	80	\$ 65,375	16.8 %	12,178	31.8 %
Distribution & Warehouse	46	50,482	12.9 %	9,158	23.9 %
Food Processing	33	46,223	11.9 %	5,442	14.2 %
Flex and R&D	6	16,073	4.1 %	1,157	3.0 %
Industrial Services	23	11,805	3.0 %	607	1.6 %
Cold Storage	4	9,909	2.5 %	723	1.9 %
Untenanted	1	-	0.0 %	122	0.3 %
<b>Industrial Total</b>	<b>193</b>	<b>199,867</b>	<b>51.2 %</b>	<b>29,387</b>	<b>76.7 %</b>
<b>Healthcare</b>					
Clinical	52	27,489	7.0 %	1,090	2.9 %
Healthcare Services	29	11,810	3.0 %	478	1.2 %
Animal Health Services	27	10,947	2.8 %	405	1.1 %
Surgical	12	10,502	2.7 %	329	0.9 %
Life Science	9	8,010	2.1 %	549	1.4 %
<b>Healthcare Total</b>	<b>129</b>	<b>68,758</b>	<b>17.6 %</b>	<b>2,851</b>	<b>7.5 %</b>
<b>Restaurant</b>					
Casual Dining	101	27,586	7.1 %	673	1.8 %
Quick Service Restaurants	147	25,547	6.6 %	499	1.3 %
<b>Restaurant Total</b>	<b>248</b>	<b>53,133</b>	<b>13.7 %</b>	<b>1,172</b>	<b>3.1 %</b>
<b>Retail</b>					
General Merchandise	132	24,934	6.4 %	1,865	4.9 %
Automotive	67	12,525	3.2 %	773	2.0 %
Home Furnishings	13	7,233	1.9 %	797	2.1 %
Child Care	2	731	0.1 %	20	0.1 %
<b>Retail Total</b>	<b>214</b>	<b>45,423</b>	<b>11.6 %</b>	<b>3,455</b>	<b>9.1 %</b>
<b>Office</b>					
Strategic Operations	6	10,381	2.7 %	632	1.7 %
Corporate Headquarters	7	8,446	2.2 %	409	1.1 %
Call Center	2	4,013	1.0 %	288	0.7 %
Untenanted	1	—	—	46	0.1 %
<b>Office Total</b>	<b>16</b>	<b>22,840</b>	<b>5.9 %</b>	<b>1,375</b>	<b>3.6 %</b>
<b>Total</b>	<b>800</b>	<b>\$ 390,021</b>	<b>100.0 %</b>	<b>38,240</b>	<b>100.0 %</b>

## Key Statistics by Property Type

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
<b>Industrial</b>					
Number of properties	193	195	193	195	185
Square feet (000s)	29,387	29,686	30,142	29,947	27,631
Weighted average lease term (years)	11.5	11.8	11.9	11.2	11.2
Weighted average annual rent escalation	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
Percentage of total ABR	51.2 %	51.6 %	51.8 %	51.5 %	49.0 %
<b>Healthcare</b>					
Number of properties	129	129	130	130	130
Square feet (000s)	2,851	2,852	2,870	2,870	2,869
Weighted average lease term (years)	6.8	6.8	7.0	8.2	8.2
Weighted average annual rent escalation	2.4 %	2.3 %	2.3 %	2.2 %	2.2 %
Percentage of total ABR	17.6 %	17.5 %	17.4 %	17.1 %	18.5 %
<b>Restaurant</b>					
Number of properties	248	247	247	248	250
Square feet (000s)	1,172	1,172	1,172	1,177	1,191
Weighted average lease term (years)	13.9	14.1	14.3	14.8	14.8
Weighted average annual rent escalation	1.8 %	1.8 %	1.8 %	1.8 %	1.8 %
Percentage of total ABR	13.7 %	13.5 %	13.4 %	13.5 %	14.1 %
<b>Retail</b>					
Number of properties	214	214	215	214	209
Square feet (000s)	3,455	3,455	3,459	3,448	3,411
Weighted average lease term (years)	9.7	10.0	10.2	10.5	10.5
Weighted average annual rent escalation	1.6 %	1.6 %	1.6 %	1.6 %	1.6 %
Percentage of total ABR	11.6 %	11.6 %	11.6 %	11.5 %	11.7 %
<b>Office</b>					
Number of properties	16	16	16	17	16
Square feet (000s)	1,375	1,374	1,415	1,697	1,686
Weighted average lease term (years)	5.6	5.9	6.0	6.1	6.1
Weighted average annual rent escalation	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %
Percentage of total ABR	5.9 %	5.8 %	5.8 %	6.4 %	6.7 %

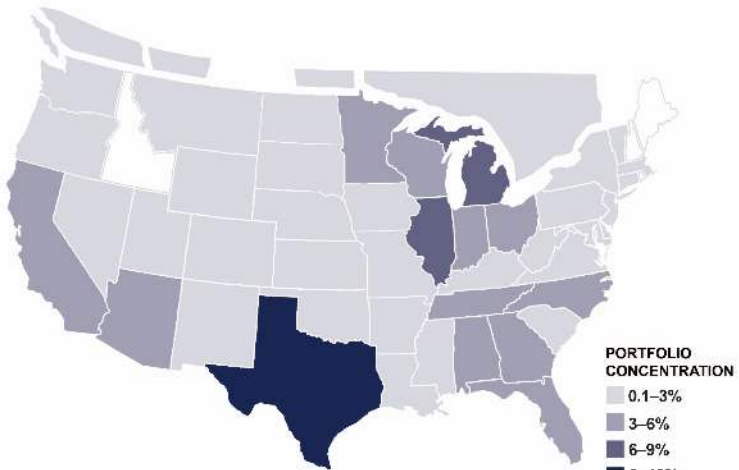
## Diversification: Tenant Industry

Industry	# Properties	ABR (\$'000s)	ABR as a % of Total Portfolio	Square Feet ('000s)	SF as a % of Total Portfolio
Health Care Facilities	104	\$ 54,597	14.0 %	2,062	5.4 %
Restaurants	251	53,973	13.8 %	1,214	3.2 %
Packaged Foods & Meats	29	40,627	10.4 %	4,713	12.3 %
Distributors	27	16,185	4.1 %	2,695	7.0 %
Auto Parts & Equipment	44	15,535	4.0 %	2,710	7.1 %
Specialty Stores	31	14,362	3.7 %	1,338	3.5 %
Food Distributors	8	14,206	3.6 %	1,712	4.5 %
Home Furnishing Retail	18	12,787	3.3 %	1,858	4.9 %
Specialized Consumer Services	48	12,577	3.2 %	724	1.9 %
Metal & Glass Containers	8	10,229	2.6 %	2,206	5.8 %
General Merchandise Stores	96	9,647	2.5 %	880	2.3 %
Industrial Machinery	20	9,594	2.5 %	1,949	5.1 %
Forest Products	8	9,378	2.4 %	2,284	6.0 %
Health Care Services	18	9,342	2.4 %	515	1.3 %
Internet & Direct Marketing Retail	3	7,057	1.8 %	447	1.2 %
Other (39 industries)	85	99,925	25.7 %	10,709	27.9 %
Untenanted properties	2	—	—	224	0.6 %
<b>Total</b>	<b>800</b>	<b>\$ 390,021</b>	<b>100.0 %</b>	<b>38,240</b>	<b>100.0 %</b>



Diversification: Geography

(rent percentages based on ABR)

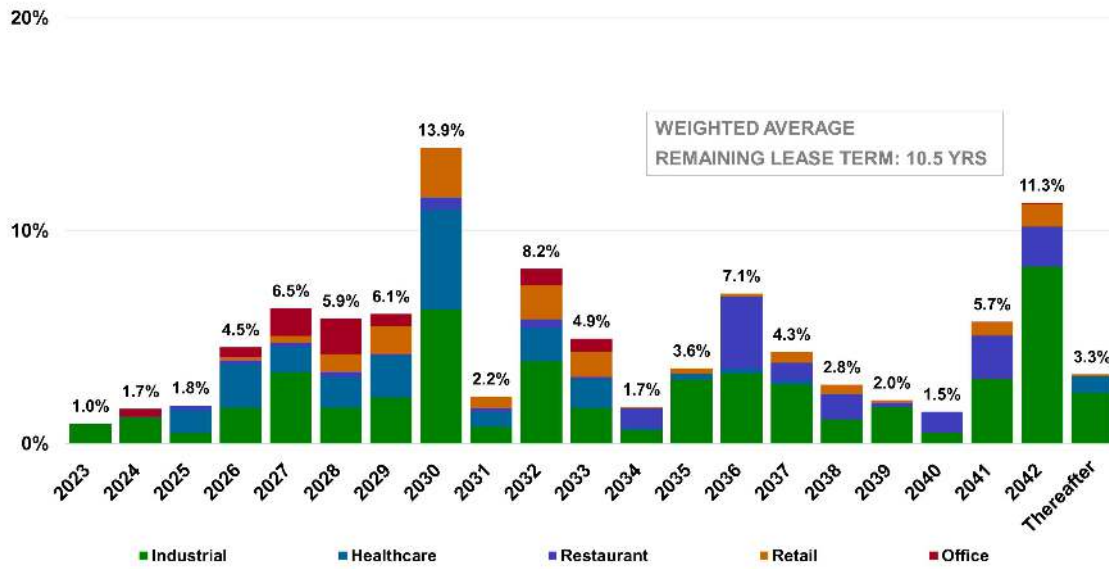


TOTAL PROPERTIES: 800 TOTAL STATES/PROVINCES: 44 U.S. states & 4 Canadian provinces

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	\$38,471	9.9%	3,621	9.5%	WA	15	\$4,362	1.1%	150	0.4%
MI	55	32,678	8.3%	3,811	10.0%	LA	4	3,407	0.9%	194	0.5%
IL	32	24,336	6.1%	2,424	6.3%	MS	11	3,347	0.9%	430	1.1%
WI	35	23,318	5.9%	2,163	5.7%	NE	6	3,286	0.8%	509	1.3%
CA	13	19,411	5.0%	1,718	4.5%	SC	13	2,969	0.8%	308	0.8%
FL	42	16,256	4.2%	840	2.2%	IA	4	2,804	0.7%	622	1.6%
OH	47	16,253	4.2%	1,582	4.1%	NM	9	2,779	0.7%	107	0.3%
IN	32	16,216	4.2%	1,906	5.0%	CO	4	2,524	0.6%	126	0.3%
MN	21	15,566	4.0%	2,500	6.5%	UT	3	2,450	0.6%	280	0.7%
TN	50	15,426	4.0%	1,103	2.9%	MD	3	2,160	0.6%	205	0.5%
NC	36	12,465	3.2%	1,135	3.0%	CT	2	1,828	0.5%	55	0.1%
AL	53	12,203	3.1%	873	2.3%	ND	3	1,715	0.4%	48	0.1%
AZ	9	11,916	3.1%	909	2.4%	MT	7	1,582	0.4%	43	0.1%
GA	33	11,806	3.0%	1,576	4.1%	DE	4	1,180	0.3%	133	0.3%
PA	22	9,742	2.5%	1,836	4.8%	VT	2	426	0.1%	24	0.1%
NY	26	9,462	2.4%	680	1.8%	WY	1	307	0.1%	21	0.1%
KY	24	8,600	2.2%	900	2.4%	NV	1	268	0.1%	6	0.0%
OK	23	8,150	2.1%	987	2.6%	OR	1	136	0.0%	9	0.0%
AR	11	7,734	2.0%	283	0.7%	SD	1	81	0.0%	9	0.0%
MA	3	6,543	1.7%	444	1.2%	Total U.S.	793	\$381,477	97.8%	37,810	98.8%
MO	12	6,231	1.6%	1,138	3.0%	BC	2	\$4,993	1.2%	253	0.7%
KS	11	5,660	1.5%	648	1.7%	ON	3	2,168	0.6%	101	0.3%
VA	17	5,521	1.4%	204	0.5%	AB	1	1,019	0.3%	51	0.1%
WV	17	4,993	1.3%	884	2.3%	MB	1	364	0.1%	25	0.1%
NJ	3	4,909	1.3%	366	1.0%	Total Canada	7	\$8,544	2.2%	430	1.2%
						Grand Total	800	\$390,021	100.0%	38,240	100.0%

## Lease Expirations

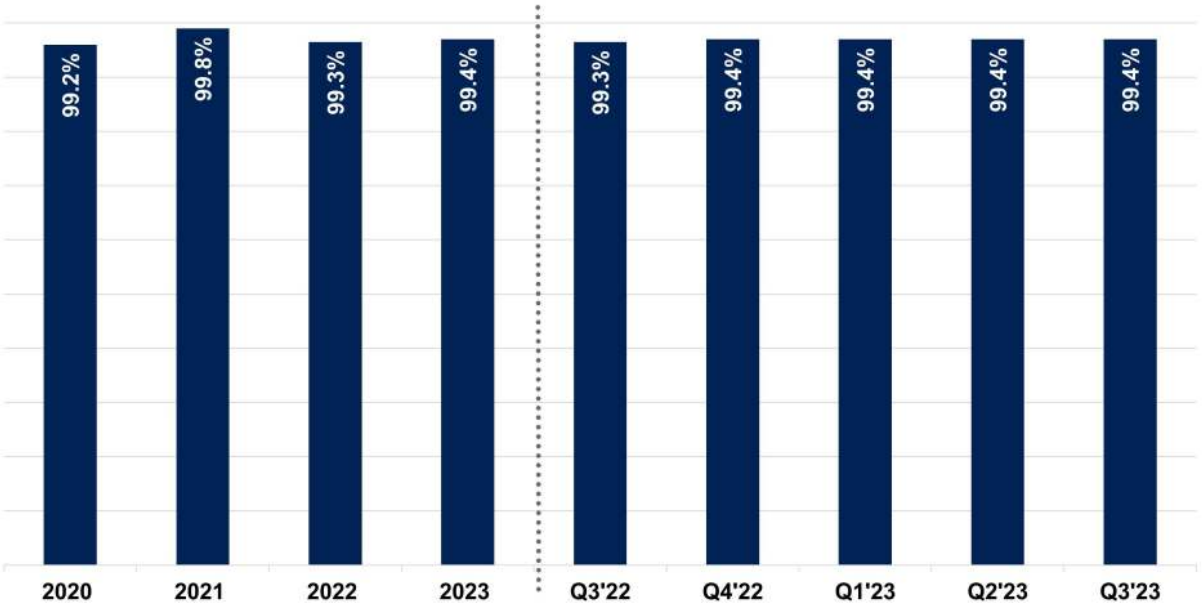
(rent percentages based on ABR)



Expiration Year	# Properties	# Leases	ABR (\$'000s)	ABR as a % of Total Portfolio	Square Feet ('000s)	SF as a % of Total Portfolio
2023	3	4	\$ 3,730	1.0 %	467	1.2 %
2024	5	5	6,438	1.7 %	741	1.9 %
2025	19	21	7,070	1.8 %	394	1.0 %
2026	34	35	17,728	4.5 %	1,150	3.0 %
2027	29	30	24,835	6.5 %	2,079	5.5 %
2028	36	37	22,984	5.9 %	1,930	5.0 %
2029	73	74	23,794	6.1 %	2,754	7.2 %
2030	100	100	54,288	13.9 %	5,022	13.1 %
2031	33	33	8,707	2.2 %	805	2.1 %
2032	62	63	32,100	8.2 %	3,469	9.1 %
2033	50	50	19,293	4.9 %	1,593	4.2 %
2034	34	34	6,766	1.7 %	446	1.2 %
2035	19	19	13,857	3.6 %	2,021	5.3 %
2036	88	88	27,549	7.1 %	2,952	7.7 %
2037	22	22	16,848	4.3 %	1,120	3.0 %
2038	38	38	10,854	2.8 %	848	2.2 %
2039	11	11	7,988	2.0 %	928	2.4 %
2040	31	31	5,877	1.5 %	312	0.8 %
2041	40	40	22,393	5.7 %	1,731	4.5 %
2042	59	59	44,189	11.3 %	4,813	12.6 %
Thereafter	12	12	12,733	3.3 %	2,441	6.4 %
Untenanted properties	2	—	—	—	224	0.6 %
<b>Total</b>	<b>800</b>	<b>806</b>	<b>\$ 390,021</b>	<b>100.0 %</b>	<b>38,240</b>	<b>100.0 %</b>

# Occupancy

## Occupancy by Rentable Square Footage



### Change in Occupancy

	Number of properties
<b>Vacant properties at January 1, 2023</b>	<b>3</b>
Lease expirations <sup>1</sup>	2
Leasing activities	(3)
Vacant dispositions	—
<b>Vacant properties at March 31, 2023</b>	<b>2</b>
Lease expirations <sup>1</sup>	3
Leasing activities	(3)
Vacant dispositions	—
<b>Vacant properties at June 30, 2023</b>	<b>2</b>
Lease expirations <sup>1</sup>	3
Leasing activities	(3)
Vacant dispositions	—
<b>Vacant properties at September 30, 2023</b>	<b>2</b>

<sup>1</sup> 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.

**Adjusted Secured Overnight Financing Rate (SOFR):** We define Adjusted SOFR as the current one month term SOFR plus an adjustment of 0.10% per the terms of our credit facilities.

**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, or free rent, 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 Capitalization Rate:** Cash Capitalization Rate represents either (1) for acquisitions and new developments, 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, or (2) for disposition properties, the estimated first year cash yield to be generated subsequent to disposition based on contractually specified cash base rent divided by the disposition price.

**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 investments and dispositions for the quarter as if such investments 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 gains on insurance recoveries, 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. While investments in developments have an immediate impact to Net Debt, we do not make an adjustment to EBITDAre until the quarter in which the lease commences. 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 gain on insurance recoveries, cost of debt extinguishments, unrealized and realized gains or losses on foreign currency transactions, severance and executive transition costs, 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 Capitalization Rate:** GAAP Capitalization 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 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.

### Definitions Related to Development Properties:

- **Initial Purchase Price:** Initial Purchase Price represents the initial contractual price of the property, typically representing purchase of undeveloped land or properties, including closing costs.
- **Estimated Project Development Costs:** Represents the estimated costs to be incurred to complete development of each project. We expect to update our estimates upon completion of the project, or sooner if there are any significant changes to expected costs from quarter to quarter. Excludes capitalized costs consisting of capitalized interest and other acquisition costs.
- **Estimated Total Project Investment:** Represents the sum of the Initial Purchase Price and the Estimated Project Development Costs.
- **Estimated Stabilized Yield:** Calculated by dividing the estimated first year cash yield to be generated on a real estate investment by the Estimated Total Project Investment for the property.
- **Start Date:** The Start Date represents the period in which we have begun physical construction on a property.
- **Target Completion Date:** The Target Completion Date is our current estimate of the period in which we will have substantially completed a project and the project is made available for occupancy. We expect to update our timing estimates on a quarterly basis.