

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): October 30, 2024

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

N/A
(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:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
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 October 30, 2024, Broadstone Net Lease, Inc. (the “Company”) issued a press release announcing its financial results for the quarter ended September 30, 2024. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference. Additionally, on October 30, 2024, 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, 2024. 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

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated October 30, 2024
99.2	Quarterly Supplemental Information for the Quarter Ended September 30, 2024
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: October 30, 2024

By: /s/ John D. Callan

Name: John D. Callan

Title: Senior Vice President, General Counsel and Secretary

For Immediate Release

October 30, 2024

Company Contact:

Brent Maedl
 Director, Corporate Finance & Investor Relations
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 585.382.8507



Broadstone Net Lease Announces Third Quarter 2024 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, 2024.

MANAGEMENT COMMENTARY

“We came into 2024 with two primary objectives: execute on our healthcare portfolio simplification strategy and build a strong pipeline focused on our differentiated core building blocks of growth. With the successful sale of the latest tranche of our clinical assets bringing our total healthcare exposure to less than 10% of our ABR and with more than \$400 million of high-quality build-to-suit developments under control, I am incredibly proud of our team for accomplishing both,” said John Moragne, BNL’s Chief Executive Officer. *“We will continue to execute on our strategic objectives throughout the remainder of 2024 and 2025, building a solid foundation to generate attractive and sustainable growth for our shareholders.”*

THIRD QUARTER 2024 HIGHLIGHTS

INVESTMENT ACTIVITY	<ul style="list-style-type: none"> During the third quarter, we invested \$93.9 million, including \$69.3 million in new property acquisitions and \$24.6 million in development fundings. The new property acquisitions had a weighted average initial cash capitalization rate of 7.2%, a weighted average lease term of 9.4 years, and weighted average annual rent increases of 2.8%. Total investments consist of \$83.6 million in industrial properties and \$10.3 million in retail properties. Through the third quarter, we have invested \$381.9 million, including \$234.3 million in new property acquisitions, \$92.4 million in development fundings, \$52.2 million in transitional capital, and \$3.0 million in revenue generating capital expenditures. The completed acquisitions and revenue generating capital expenditures had a weighted average initial cash capitalization rate of 7.3%, weighted average lease term of 10.8 years, and weighted average annual rent increase of 2.4%. Total investments consist of \$254.8 million in industrial properties, \$124.1 million in retail and restaurant properties, and \$3.0 million in animal health services properties. Subsequent to quarter end, we invested \$5.6 million in development fundings, including obtaining control of the land and initial funding for two previously announced build-to-suit developments. As of the date of this release, we have a total of \$418.8 million remaining estimated build-to-suit development commitments to be funded through the second quarter of 2026. Committed developments comprise \$412.6 million of industrial properties and \$6.2 million of restaurant properties. We anticipate delivery and corresponding rent commencement by the end of 2025 for approximately one-third of these developments, with the remaining two-thirds occurring in the first half of 2026. As of the date of this release, we have an additional \$9.9 million of acquisitions under control and \$8.0 million of commitments to fund revenue generating capital expenditures with existing tenants. During the third quarter, we sold six properties for gross proceeds of \$31.8 million at a weighted average cash capitalization rate of 8.0%. Subsequent to quarter end, we sold 10 properties for gross proceeds of \$49.5 million at a weighted average cash capitalization rate of 7.9%. Year-to-date and through the date of this release, we sold 56 properties for gross proceeds of \$357.4 million at a weighted average cash capitalization rate of 7.8% on tenanted properties.
OPERATING RESULTS	<ul style="list-style-type: none"> Commenced contractually scheduled rent with our build-to-suit tenant, United Natural Foods, Inc. (“UNFI”), based on the substantial completion of construction in early September 2024 pursuant to a 15-year lease with multiple renewal options and 2.50% annual rent escalations. As of the date of this release, we have funded a total of \$190.2 million in project costs, with anticipated additional fundings of \$14.6 million through November 2024 corresponding with the close-out of the development. The capitalization rate upon rent commencement was 7.2%, and, together with rent escalations, represents a straight-line yield of 8.6%. Generated net income of \$37.3 million, or \$0.19 per share. Generated adjusted funds from operations (“AFFO”) of \$70.2 million, or \$0.35 per share.

	<ul style="list-style-type: none"> Incurred \$8.7 million of general and administrative expenses, inclusive of \$1.8 million of stock-based compensation. Portfolio was 99.0% leased based on rentable square footage, with only three of our 773 properties vacant and not subject to a lease at quarter end. As a result of vacancies, including properties that have been re-leased, we incurred \$1.4 million of property and operating expenses during the third quarter, of which \$0.7 million related to real estate taxes. Collected 99.1% of base rents due for the third quarter for all properties under lease.
CAPITAL MARKETS ACTIVITY	<ul style="list-style-type: none"> In conjunction with our growing development funding pipeline, we sold, on a forward basis, 2.2 million shares of our common stock for estimated net proceeds of approximately \$39.0 million under our at-the-market common equity offering ("ATM Program"), none of which has settled. These sales may be settled, at our discretion, at any time prior to September 2025. Ended the quarter with total outstanding debt of \$2.0 billion, Net Debt of \$1.9 billion, a Net Debt to Annualized Adjusted EBITDA ratio of 5.0x, and a Pro Forma Net Debt to Annualized Adjusted EBITDA ratio of 4.9x. At September 30, 2024, had \$874.5 million of capacity on our unsecured revolving credit facility. Declared a quarterly dividend of \$0.29.

SUMMARIZED FINANCIAL RESULTS

	For the Three Months Ended			For the Nine Months Ended	
	September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
<i>(in thousands, except per share data)</i>					
Revenues	\$ 108,397	\$ 105,907	\$ 109,543	\$ 319,670	\$ 337,887
Net income, including non-controlling interests	\$ 37,268	\$ 35,937	\$ 52,145	\$ 141,382	\$ 156,515
Net earnings per share – diluted	\$ 0.19	\$ 0.19	\$ 0.26	\$ 0.72	\$ 0.80
FFO	\$ 73,818	\$ 73,725	\$ 75,478	\$ 220,679	\$ 229,179
FFO per share	\$ 0.37	\$ 0.37	\$ 0.39	\$ 1.12	\$ 1.17
Core FFO	\$ 73,971	\$ 73,001	\$ 74,754	\$ 221,045	\$ 223,608
Core FFO per share	\$ 0.37	\$ 0.37	\$ 0.38	\$ 1.12	\$ 1.14
AFFO	\$ 70,185	\$ 70,401	\$ 69,958	\$ 211,460	\$ 206,446
AFFO per share	\$ 0.35	\$ 0.36	\$ 0.36	\$ 1.08	\$ 1.05
Diluted Weighted Average Shares Outstanding	196,932	196,470	196,372	196,799	196,282

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, 2024, we owned a diversified portfolio of 773 individual net leased commercial properties with 766 properties located in 44 U.S. states and seven properties located in four Canadian provinces, comprising approximately 39.7 million rentable square feet of operational space. As of September 30, 2024, all but three of our properties were subject to a lease, and our properties were occupied by 203 different commercial tenants, with no single tenant accounting for more than 4.0% of our annualized base rent ("ABR"). Properties subject to a lease represent 99.0% 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, 2024, was 10.3 years and 2.0%, respectively.

In connection with our previously announced portfolio sale of 15 clinically-oriented healthcare properties, we completed the second of two tranches for \$49.5 million in October 2024. In total, the portfolio sale generated \$80.3 million of gross proceeds.

Following the closing of the second tranche of the portfolio sale, our healthcare dispositions total \$339.0 million year-to-date at a weighted average capitalization rate of 7.9%, which have been fully redeployed based on actual investments. With these sales and successful redeployment efforts completed to-date, we anticipate a reduction in our healthcare exposure from 17.6% of our ABR at the end of 2023 to less than 10% at December 2024.

DEVELOPMENT FUNDING COMMITMENTS

As of the date of this release, we have secured the land and started construction on two build-to-suit development opportunities for Sierra Nevada Corporation. These build-to-suit developments represent \$114.1 million of our total \$418.8 million remaining estimated build-to-suit commitments to be funded through the second quarter of 2026. Additionally, the \$418.8 million of remaining estimated build-to-suit commitments, includes the remaining estimated funding amount of \$14.6 million for our UNFI build-to-suit which was substantially completed in September 2024.

(unaudited, in thousands)

Property	Property Type	Projected Rentable Square Feet	Start Date	Target Completion Date	Estimated Total Project Investment	Cumulative Investment at 10/30/2024	Estimated Cash Capitalization Rate	Estimated Straight-line Yield ¹
Sierra Nevada (Dayton - OH)	Industrial	122	10/2024	12/2025	\$ 58,563	\$ 649	7.6 %	9.5 %
Sierra Nevada (Dayton - OH)	Industrial	122	10/2024	5/2026	55,525	628	7.7 %	9.7 %
UNFI (Sarasota - FL)	Industrial	1,016	05/2023	Substantially Completed	204,833	190,239	7.2 %	8.6 %
Total		1,260			\$ 318,921	\$ 191,516		

¹ Represents the estimated first year yield to be generated on a real estate investment, which was computed at the time of investment based on the estimated annual straight-line rental income computed in accordance with GAAP, divided by the estimated total project investment.

BALANCE SHEET AND CAPITAL MARKETS ACTIVITIES

As of September 30, 2024, we had total outstanding debt of \$2.0 billion, Net Debt of \$1.9 billion, a Net Debt to Annualized Adjusted EBITDA ratio of 5.0x, and a Pro Forma Net Debt to Annualized Adjusted EBITDA ratio of 4.9x. We had \$874.5 million of available capacity on our unsecured revolving credit facility as of quarter end, and have no material debt maturities until 2026.

In conjunction with our growing development funding pipeline, we sold, on a forward basis, 2.2 million shares of our common stock for estimated net proceeds of approximately \$39.0 million under our at-the-market common equity offering ("ATM Program"), none of which has settled. These sales may be settled, at our discretion, at any time prior to September 2025. We had \$360.0 million of capacity remaining on our ATM Program as of September 30, 2024.

DISTRIBUTIONS

At its October 24, 2024, meeting, our board of directors declared a quarterly dividend of \$0.29 per common share and OP Unit to holders of record as of December 31, 2024, payable on or before January 15, 2025.

2024 GUIDANCE

For 2024, BNL expects to report AFFO of between \$1.41 and \$1.43 per diluted share, which remains unchanged.

The guidance is based on the following key assumptions:

- (i) investments in real estate properties between \$400 million and \$600 million, revised down from between \$400 million and \$700 million;
- (ii) dispositions of real estate properties between \$350 million and \$450 million, which remains unchanged; and
- (iii) total cash general and administrative expenses between \$31 million and \$33 million, revised down from between \$31.5 million and \$33.5 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 second quarter earnings conference call and audio webcast on Thursday, October 31, 2024, 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/940770546>. If you prefer to listen via phone, U.S. participants may dial: 1-833-470-1428 (toll free) or 1-404-975-4839 (local), access code 340652. International access numbers are viewable here: <https://www.netroadshow.com/events/global-numbers?confId=71859>.

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 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 invests in 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, 2024, BNL's diversified portfolio consisted of 773 individual net leased commercial properties with 766 properties located in 44 U.S. states and seven properties located in four Canadian provinces across the industrial, restaurant, retail, healthcare, 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 "outlook," "potential," "may," "will," "should," "could," "seeks," "approximately," "projects," "predicts," "expect," "intends," "anticipates," "estimates," "plans," "would be," "believes," "continues," or the negative version of these words or other comparable words. Forward-looking statements, including our 2024 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, 2023, which was filed with the SEC on February 22, 2024, which you are encouraged to read, and will be available on the SEC's website at 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, 2024	December 31, 2023
Assets		
Accounted for using the operating method:		
Land	\$ 784,545	\$ 748,529
Land improvements	357,090	328,746
Buildings and improvements	3,834,310	3,803,156
Equipment	15,824	8,265
Total accounted for using the operating method	4,991,769	4,888,696
Less accumulated depreciation	(644,214)	(626,597)
Accounted for using the operating method, net	4,347,555	4,262,099
Accounted for using the direct financing method	26,285	26,643
Accounted for using the sales-type method	572	572
Property under development	—	94,964
Investment in rental property, net	4,374,412	4,384,278
Investment in rental property and intangible lease assets held for sale, net	38,779	—
Cash and cash equivalents	8,999	19,494
Accrued rental income	158,350	152,724
Tenant and other receivables, net	2,124	1,487
Prepaid expenses and other assets	36,230	36,661
Interest rate swap, assets	27,812	46,096
Goodwill	339,769	339,769
Intangible lease assets, net	276,811	288,226
Total assets	\$ 5,263,286	\$ 5,268,735
Liabilities and equity		
Unsecured revolving credit facility	\$ 125,482	\$ 90,434
Mortgages, net	77,416	79,068
Unsecured term loans, net	896,887	895,947
Senior unsecured notes, net	845,875	845,309
Interest rate swap, liabilities	13,050	—
Accounts payable and other liabilities	47,651	47,534
Dividends payable	58,163	56,869
Accrued interest payable	9,642	5,702
Intangible lease liabilities, net	50,761	53,531
Total liabilities	2,124,927	2,074,394
Commitments and contingencies		
Equity		
Broadstone Net Lease, Inc. 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, 188,507 and 187,614 shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively	47	47
Additional paid-in capital	3,450,116	3,440,639
Cumulative distributions in excess of retained earnings	(467,922)	(440,731)
Accumulated other comprehensive income	16,833	49,286
Total Broadstone Net Lease, Inc. equity	2,999,074	3,049,241
Non-controlling interests	139,285	145,100
Total equity	3,138,359	3,194,341
Total liabilities and equity	\$ 5,263,286	\$ 5,268,735

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, 2024	June 30, 2024	September 30, 2024	September 30, 2023
Revenues				
Lease revenues, net	\$ 108,397	\$ 105,907	\$ 319,670	\$ 337,887
Operating expenses				
Depreciation and amortization	38,016	37,404	113,192	119,348
Property and operating expense	7,014	5,303	17,976	16,580
General and administrative	8,722	9,904	28,058	30,043
Provision for impairment of investment in rental properties	1,059	3,852	31,311	1,473
Total operating expenses	54,811	56,463	190,537	167,444
Other income (expenses)				
Interest income	70	649	952	370
Interest expense	(18,178)	(17,757)	(54,512)	(61,081)
Gain on sale of real estate	2,441	3,384	64,956	48,040
Income taxes	291	(531)	(649)	(1,030)
Other income (expenses)	(942)	748	1,502	(227)
Net income	37,268	35,937	141,382	156,515
Net income attributable to non-controlling interests	(1,660)	(608)	(5,331)	(7,515)
Net income attributable to Broadstone Net Lease, Inc.	\$ 35,608	\$ 35,329	\$ 136,051	\$ 149,000
Weighted average number of common shares outstanding				
Basic	187,496	187,436	187,408	186,545
Diluted	196,932	196,470	196,799	196,282
Net earnings per common share				
Basic	\$ 0.19	\$ 0.19	\$ 0.72	\$ 0.80
Diluted	\$ 0.19	\$ 0.19	\$ 0.72	\$ 0.80
Comprehensive income (loss)				
Net income	\$ 37,268	\$ 35,937	\$ 141,382	\$ 156,515
Other comprehensive income (loss)				
Change in fair value of interest rate swaps	(41,682)	(1,456)	(31,334)	15,696
Realized loss (gain) on interest rate swaps	(5)	62	216	1,566
Comprehensive (loss) income	(4,419)	34,543	110,264	173,777
Comprehensive loss (income) attributable to non-controlling interests	196	(546)	(3,950)	(8,285)
Comprehensive (loss) income attributable to Broadstone Net Lease, Inc.	\$ (4,223)	\$ 33,997	\$ 106,314	\$ 165,492

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, 2024 and June 30, 2024 and for the nine months ended September 30, 2024 and 2023. 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, 2024	June 30, 2024	September 30, 2024	September 30, 2023
Net income	\$ 37,268	\$ 35,937	\$ 141,382	\$ 156,515
Real property depreciation and amortization	37,932	37,320	112,942	119,231
Gain on sale of real estate	(2,441)	(3,384)	(64,956)	(48,040)
Provision for impairment on investment in rental properties	1,059	3,852	31,311	1,473
FFO	\$ 73,818	\$ 73,725	\$ 220,679	\$ 229,179
Net write-offs of accrued rental income	—	—	2,556	297
Other non-core income from real estate transactions ¹	(887)	—	(887)	(7,500)
Cost of debt extinguishment	—	—	—	3
Severance and employee transition costs	98	24	199	1,404
Other (income) expenses ²	942	(748)	(1,502)	225
Core FFO	\$ 73,971	\$ 73,001	\$ 221,045	\$ 223,608
Straight-line rent adjustment	(5,309)	(5,051)	(15,341)	(21,332)
Adjustment to provision for credit losses	—	(17)	(17)	(10)
Amortization of debt issuance costs	983	983	2,949	2,955
Amortization of net mortgage premiums	—	—	—	(78)
Non-capitalized transaction costs	25	445	653	—
Loss on interest rate swaps and other non-cash interest expense	(5)	62	216	1,565
Amortization of lease intangibles	(1,309)	(1,095)	(3,422)	(4,832)
Stock-based compensation	1,829	2,073	5,377	4,570
AFFO	\$ 70,185	\$ 70,401	\$ 211,460	\$ 206,446
Diluted WASO ³	196,932	196,470	196,799	196,282
Net earnings per diluted share ⁴	\$ 0.19	\$ 0.19	\$ 0.72	\$ 0.80
FFO per diluted share ⁴	0.37	0.37	1.12	1.17
Core FFO per diluted share ⁴	0.37	0.37	1.12	1.14
AFFO per diluted share ⁴	0.35	0.36	1.08	1.05

¹ Amount includes income for the settlement of a permanent land easement for an insignificant portion of two of our properties during the three and nine months ended September 30, 2024.

² Amount includes \$0.9 million and \$(0.7) million of unrealized foreign exchange loss (gain) for the three months ended September 30, 2024 and June 30, 2024, respectively, and \$(1.5) million and \$0.3 million of unrealized foreign exchange (gain) loss for the nine months ended September 30, 2024 and 2023, respectively, primarily associated with our Canadian dollar denominated revolving borrowings.

³ Excludes 1,024,429, and 1,033,418 weighted average shares of unvested restricted common stock for the three months ended September 30, 2024 and June 30, 2024, respectively. Excludes 907,443, and 480,849 weighted average shares of unvested restricted common stock for the nine months ended September 30, 2024 and 2023, respectively.

⁴ Excludes \$0.3 million from the numerator for the three months ended September 30, 2024 and June 30, 2024, respectively. Excludes \$0.9 million and \$0.4 million from the numerator for the nine months ended September 30, 2024 and 2023, 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, 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 Funds From Operations (“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 and other non-core income from real estate transactions, cost of debt extinguishment, unrealized and realized gains or losses on foreign currency transactions, severance and employee 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 Adjusted Funds From Operations (“AFFO”), by adjusting Core FFO for certain revenues and expenses that are non-cash or unique in nature, including straight-line rents, amortization of lease intangibles, amortization of debt issuance costs, amortization of net mortgage premiums, non-capitalized transaction costs such as acquisition costs related to deals that failed to transact, (gain) loss on interest rate swaps and other non-cash interest expense, deferred taxes, 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, 2024, June 30, 2024, and September 30, 2023:

(in thousands)	For the Three Months Ended		
	September 30, 2024	June 30, 2024	September 30, 2023
Net income	\$ 37,268	\$ 35,937	\$ 52,145
Depreciation and amortization	38,016	37,404	38,533
Interest expense	18,178	17,757	19,665
Income taxes	291	531	104
EBITDA	\$ 93,753	\$ 91,629	\$ 110,447
Provision for impairment of investment in rental properties	1,059	3,852	—
Gain on sale of real estate	(2,441)	(3,384)	(15,163)
EBITDAre	\$ 92,371	\$ 92,097	\$ 95,284
Adjustment for current quarter investment activity ¹	4,080	1,241	26
Adjustment for current quarter disposition activity ²	(66)	(87)	(400)
Adjustment to exclude non-recurring and other expenses ³	(201)	26	740
Adjustment to exclude realized / unrealized foreign exchange (gain) loss	942	(748)	(1,433)
Other income from real estate transactions ⁴	(887)	—	—
Adjusted EBITDAre	\$ 96,239	\$ 92,529	\$ 94,217
Estimated revenues from developments ⁵	—	3,458	—
Pro Forma Adjusted EBITDAre	\$ 96,239	\$ 95,987	\$ 94,217
Annualized EBITDAre	369,484	368,388	381,136
Annualized Adjusted EBITDAre	384,956	370,116	376,868
Pro Forma Annualized Adjusted EBITDAre	384,956	383,948	376,868

¹ Reflects an adjustment to give effect to all investments during the quarter, including developments that have reached rent commencement, as if they had been made as of the beginning of the quarter.

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

³ Amount includes \$0.2 million of forfeited stock-based compensation expense for the three months ended September 30, 2024.

⁴ Amount includes income for the settlement of a permanent land easement for an insignificant portion of two of our properties during the three months ended September 30, 2024.

⁵ Represents estimated contractual revenues based on in-process development spend to-date.

(in thousands)	September 30, 2024	June 30, 2024	September 30, 2023
Debt			
Unsecured revolving credit facility	\$ 125,482	\$ 79,096	\$ 74,060
Unsecured term loans, net	896,887	896,574	895,633
Senior unsecured notes, net	845,875	845,687	845,121
Mortgages, net	77,416	77,970	79,613
Debt issuance costs	7,314	7,825	9,360
Gross Debt	1,952,974	1,907,152	1,903,787
Cash and cash equivalents	(8,999)	(18,282)	(35,061)
Restricted cash	(2,219)	(1,614)	(15,436)
Net Debt	\$ 1,941,756	\$ 1,887,256	\$ 1,853,290
Estimated net proceeds from forward equity agreements ¹	(38,983)	—	—
Pro Forma Net Debt	\$ 1,902,773	\$ 1,887,256	\$ 1,853,290
Leverage Ratios:			
Net Debt to Annualized EBITDAre	5.3x	5.1x	4.9x
Net Debt to Annualized Adjusted EBITDAre	5.0x	5.1x	4.9x
Pro Forma Net Debt to Annualized Adjusted EBITDAre	4.9x	4.9x	4.9x

¹ Represents pro forma adjustment for estimated net proceeds from forward sale agreements that have not settled as if they have been physically settled for cash as of the period presented.

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, and Pro Forma Net Debt to Annualized Adjusted EBITDAre, each discussed further below, which we believe is a useful measure of our ability to repay debt and a relative measure of leverage, and is used in communications with our lenders and rating agencies regarding our credit rating. As we fund new 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 define our Pro Forma Adjusted EBITDAre as Adjusted EBITDAre adjusted to show the impact of estimated contractual revenues based on in-process development spend to-date. Our Pro Forma Net Debt is defined as Net Debt adjusted for estimated net proceeds from forward sale agreements that have not settled as if they have been physically settled for cash as of the period presented. We then annualize quarterly Adjusted EBITDAre and Pro Forma Adjusted EBITDAre by multiplying them by four (“Annualized Adjusted EBITDAre” and “Annualized Pro Forma 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 2024 QUARTERLY SUPPLEMENTAL INFORMATION

Broadstone Net Lease, Inc. (NYSE: BNL) is an industrial-focused, diversified real estate investment trust (REIT) that invests in single-tenant commercial real estate properties that are net leased on a long-term basis to a diversified group of tenants.

www.broadstone.com

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About the Data

This data and other information described herein are as of and for the three months ended September 30, 2024 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, 2023, 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," "would be," "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.

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.

IP Disclaimer

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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 invests in 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, restaurant, retail, healthcare, 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, Chief Financial Officer and Treasurer

John D. Callan, Jr.

Senior Vice President, General Counsel, and Secretary

Michael B. Caruso

Senior Vice President, Underwriting & Strategy

Will D. Garner

Senior Vice President, Acquisitions

Jennie L. O’Brien

Senior Vice President and Chief Accounting Officer

Molly Kelly Wiegel

Senior Vice President, Human Resources & Administration

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**

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Quarterly Financial Summary

(unaudited, dollars in thousands except per share data)

	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Financial Summary					
Investment in rental property	\$ 5,018,626	\$ 4,840,961	\$ 4,666,969	\$ 4,915,911	\$ 4,939,598
Less accumulated depreciation	(644,214)	(627,871)	(606,225)	(626,597)	(601,895)
Property under development	—	165,014	133,064	94,964	49,819
Investment in rental property, net	4,374,412	4,378,104	4,193,808	4,384,278	4,387,522
Cash and cash equivalents	8,999	18,282	221,740	19,494	35,061
Restricted cash	2,219	1,614	1,038	1,138	15,436
Total assets	5,263,286	5,264,557	5,269,655	5,268,735	5,335,043
Unsecured revolving credit facility	125,482	79,096	73,820	90,434	74,060
Mortgages, net	77,416	77,970	78,517	79,068	79,613
Unsecured term loans, net	896,887	896,574	896,260	895,947	895,633
Senior unsecured notes, net	845,875	845,687	845,498	845,309	845,121
Total liabilities	2,124,927	2,067,147	2,051,951	2,074,394	2,059,570
Total Broadstone Net Lease, Inc. equity	2,999,074	3,054,802	3,073,622	3,049,241	3,120,776
Total equity (book value)	3,138,359	3,197,410	3,217,704	3,194,341	3,275,473
Revenues					
General and administrative - other	6,893	7,831	7,957	7,982	8,603
Stock based compensation	1,829	2,073	1,475	1,401	1,540
General and administrative	8,722	9,904	9,432	9,383	10,143
Total operating expenses	54,811	56,463	79,264	84,457	54,383
Interest expense	18,178	17,757	18,578	18,972	19,665
Net income	37,268	35,937	68,177	6,797	52,145
Net earnings per common share, diluted	\$ 0.19	\$ 0.19	\$ 0.35	\$ 0.03	\$ 0.26
FFO					
FFO	73,818	73,725	73,135	69,443	75,478
FFO per share, diluted	\$ 0.37	\$ 0.37	\$ 0.37	\$ 0.35	\$ 0.39
Core FFO	73,971	73,001	74,072	75,275	74,754
Core FFO per share, diluted	\$ 0.37	\$ 0.37	\$ 0.38	\$ 0.38	\$ 0.38
AFFO	70,185	70,401	70,873	71,278	69,958
AFFO per share, diluted	\$ 0.35	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36
Net cash provided by operating activities					
Capital expenditures and improvements	1,180	134	132	568	1,106
Capital expenditures and improvements - revenue generating	6,351	38	3,000	16,229	4,755
Net cash provided by (used in) investing activities	(65,618)	(225,708)	204,285	(49,536)	42,528
Net cash provided by (used in) financing activities	(10,363)	(51,346)	(73,006)	(40,911)	(102,184)
Distributions declared	56,354	57,710	57,292	56,433	54,274
Distributions declared per diluted share	\$ 0.290	\$ 0.290	\$ 0.285	\$ 0.285	\$ 0.280

Balance Sheet

(unaudited, in thousands)

	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Assets					
Accounted for using the operating method:					
Land	\$ 784,545	\$ 773,224	\$ 724,199	\$ 748,529	\$ 752,708
Land improvements	357,090	324,138	316,170	328,746	330,214
Buildings and improvements	3,834,310	3,708,366	3,591,260	3,803,156	3,819,745
Equipment	15,824	8,248	8,247	8,265	9,608
Total accounted for using the operating method	4,991,769	4,813,976	4,639,876	4,888,696	4,912,275
Less accumulated depreciation	(644,214)	(627,871)	(606,225)	(626,597)	(601,895)
Accounted for using the operating method, net	4,347,555	4,186,105	4,033,651	4,262,099	4,310,380
Accounted for using the direct financing method	26,285	26,413	26,522	26,643	26,751
Accounted for using the sales-type method	572	572	571	572	572
Property under development	—	165,014	133,064	94,964	49,819
Investment in rental property, net	4,374,412	4,378,104	4,193,808	4,384,278	4,387,522
Investment in rental property and intangible lease assets held for sale, net	38,779	—	—	—	—
Cash and cash equivalents	8,999	18,282	221,740	19,494	35,061
Accrued rental income	158,350	153,551	149,203	152,724	152,268
Tenant and other receivables, net	2,124	2,604	836	1,487	1,372
Prepaid expenses and other assets	36,230	33,255	33,149	36,661	42,309
Interest rate swap, assets	27,812	56,444	57,900	46,096	79,086
Goodwill	339,769	339,769	339,769	339,769	339,769
Intangible lease assets, net	276,811	282,548	273,250	288,226	297,656
Total assets	\$ 5,263,286	\$ 5,264,557	\$ 5,269,655	\$ 5,268,735	\$ 5,335,043
Liabilities and equity					
Unsecured revolving credit facility	\$ 125,482	\$ 79,096	\$ 73,820	\$ 90,434	\$ 74,060
Mortgages, net	77,416	77,970	78,517	79,068	79,613
Unsecured term loans, net	896,887	896,574	896,260	895,947	895,633
Senior unsecured notes, net	845,875	845,687	845,498	845,309	845,121
Interest rate swap, liabilities	13,050	—	—	—	—
Accounts payable and other liabilities	47,651	42,635	40,655	47,534	44,886
Dividends payable	58,163	58,028	56,871	56,869	55,770
Accrued interest payable	9,642	14,033	9,377	5,702	9,186
Intangible lease liabilities, net	50,761	53,124	50,953	53,531	55,301
Total liabilities	2,124,927	2,067,147	2,051,951	2,074,394	2,059,570
Equity					
Broadstone Net Lease, Inc. equity:					
Preferred stock, \$0.001 par value	—	—	—	—	—
Common stock, \$0.00025 par value	47	47	47	47	47
Additional paid-in capital	3,450,116	3,444,265	3,446,910	3,440,639	3,430,725
Cumulative distributions in excess of retained earnings	(467,922)	(449,893)	(430,169)	(440,731)	(393,571)
Accumulated other comprehensive income	16,833	60,383	56,834	49,286	83,575
Total Broadstone Net Lease, Inc. equity	2,999,074	3,054,802	3,073,622	3,049,241	3,120,776
Non-controlling interests	139,285	142,608	144,082	145,100	154,697
Total equity	3,138,359	3,197,410	3,217,704	3,194,341	3,275,473
Total liabilities and equity	\$ 5,263,286	\$ 5,264,557	\$ 5,269,655	\$ 5,268,735	\$ 5,335,043

Income Statement Summary

(unaudited, in thousands except per share data)

	Three Months Ended				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Revenues					
Lease revenues, net	\$ 108,397	\$ 105,907	\$ 105,366	\$ 105,000	\$ 109,543
Operating expenses					
Depreciation and amortization	38,016	37,404	37,772	39,278	38,533
Property and operating expense	7,014	5,303	5,660	5,995	5,707
General and administrative	8,722	9,904	9,432	9,383	10,143
Provision for impairment of investment in rental properties	1,059	3,852	26,400	29,801	—
Total operating expenses	54,811	56,463	79,264	84,457	54,383
Other income (expenses)					
Interest income	70	649	233	141	127
Interest expense	(18,178)	(17,757)	(18,578)	(18,972)	(19,665)
Gain on sale of real estate	2,441	3,384	59,132	6,270	15,163
Income taxes	291	(531)	(408)	268	(104)
Other income (expenses)	(942)	748	1,696	(1,453)	1,464
Net income	37,268	35,937	68,177	6,797	52,145
Net income attributable to non-controlling interests	(1,660)	(608)	(3,063)	(319)	(2,463)
Net income attributable to Broadstone Net Lease, Inc.	\$ 35,608	\$ 35,329	\$ 65,114	\$ 6,478	\$ 49,682
Weighted average number of common shares outstanding					
Basic ¹	187,496	187,436	187,290	186,829	186,766
Diluted ¹	196,932	196,470	196,417	196,373	196,372
Net earnings per common share²					
Basic	\$ 0.19	\$ 0.19	\$ 0.35	\$ 0.03	\$ 0.27
Diluted	\$ 0.19	\$ 0.19	\$ 0.35	\$ 0.03	\$ 0.26

¹ Excludes 1,024,429 weighted average shares of unvested restricted common stock for the three months ended September 30, 2024.

² Excludes \$0.3 million from the numerator for the three months ended September 30, 2024, related to dividends declared on shares of unvested restricted common stock.

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

(unaudited, in thousands except per share data)

	Three Months Ended				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Net income	\$ 37,268	\$ 35,937	\$ 68,177	\$ 6,797	\$ 52,145
Real property depreciation and amortization	37,932	37,320	37,690	39,115	38,496
Gain on sale of real estate	(2,441)	(3,384)	(59,132)	(6,270)	(15,163)
Provision for impairment of investment in rental properties	1,059	3,852	26,400	29,801	—
FFO	\$ 73,818	\$ 73,725	\$ 73,135	\$ 69,443	\$ 75,478
Net write-offs of accrued rental income	—	—	2,556	4,161	—
Other non-core income from real estate transactions ¹	(887)	—	—	—	—
Severance and employee transition costs	98	24	77	218	740
Other (income) expenses ²	942	(748)	(1,696)	1,453	(1,464)
Core FFO	\$ 73,971	\$ 73,001	\$ 74,072	\$ 75,275	\$ 74,754
Straight-line rent adjustment	(5,309)	(5,051)	(4,980)	(5,404)	(6,785)
Adjustment to provision for credit losses	—	(17)	—	—	—
Amortization of debt issuance costs	983	983	983	983	983
Non-capitalized transaction costs ³	25	445	182	—	—
Loss on interest rate swaps and other non-cash interest expense	(5)	62	159	319	522
Amortization of lease intangibles	(1,309)	(1,095)	(1,018)	(1,014)	(1,056)
Stock-based compensation	1,829	2,073	1,475	1,401	1,540
Deferred taxes	—	—	—	(282)	—
AFFO	\$ 70,185	\$ 70,401	\$ 70,873	\$ 71,278	\$ 69,958
Diluted weighted average shares outstanding ⁴	196,932	196,470	196,417	196,373	196,372
Net earnings per diluted share ⁵	\$ 0.19	\$ 0.19	\$ 0.35	\$ 0.03	\$ 0.26
FFO per diluted share ⁵	0.37	0.37	0.37	0.35	0.39
Core FFO per diluted share ⁵	0.37	0.37	0.38	0.38	0.38
AFFO per diluted share ⁵	0.35	0.36	0.36	0.36	0.36

¹ Amount includes income for the settlement of a permanent land easement for an insignificant portion of two of our properties during the three months ended September 30, 2024.

² Amount includes \$0.9 million of unrealized and realized foreign exchange loss for the three months ended September 30, 2024, primarily associated with our Canadian dollar denominated revolver borrowings.

³ Includes \$0.03 million of acquisition costs related to deals that failed to transact for the three months ended September 30, 2024.

⁴ Excludes 1,024,429 weighted average shares of unvested restricted common stock for the three months ended September 30, 2024.

⁵ Excludes \$0.3 million from the numerator for the three months ended September 30, 2024, related to dividends declared on shares of unvested restricted common stock.

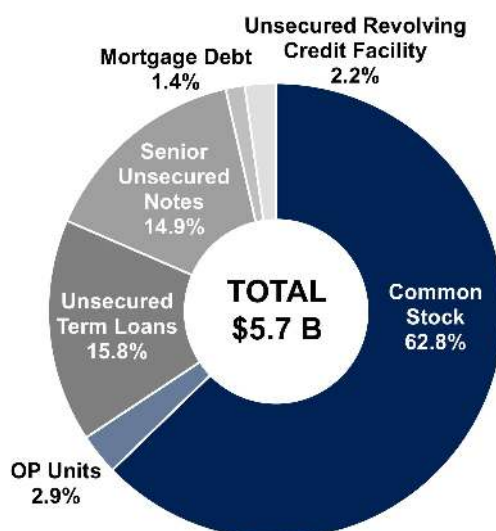
Lease Revenues Detail

(unaudited, in thousands)

	Three Months Ended				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Contractual rental amounts billed for operating leases	\$ 96,596	\$ 95,736	\$ 97,549	\$ 97,182	\$ 96,333
Adjustment to recognize contractual operating lease billings on a straight-line basis	5,438	5,177	5,104	5,513	6,891
Net write-offs of accrued rental income	—	—	(2,556)	(4,161)	—
Variable rental amounts earned	644	659	598	971	513
Earned income from direct financing leases	691	689	682	685	687
Interest income from sales-type leases	14	15	14	15	14
Operating expenses billed to tenants	5,537	4,651	5,105	5,513	5,181
Other income from real estate transactions	907	12	66	—	19
Adjustment to revenue recognized for uncollectible rental amounts billed, net	(1,430)	(1,032)	(1,196)	(718)	(95)
Total Lease revenues, net	<u>\$ 108,397</u>	<u>\$ 105,907</u>	<u>\$ 105,366</u>	<u>\$ 105,000</u>	<u>\$ 109,543</u>

Capital Structure

(in thousands, except per share data)



EQUITY

Shares of Common Stock	188,507
OP Units	8,755
Common Stock & OP Units	197,262
Price Per Share / Unit at September 30, 2024	\$ 18.95
IMPLIED EQUITY MARKET CAPITALIZATION	\$ 3,738,118
<i>% of Total Capitalization</i>	<i>65.7 %</i>

DEBT

Unsecured Revolving Credit Facility - 2026	\$ 125,482
Unsecured Term Loans	900,000
Unsecured Term Loan - 2026	400,000
Unsecured Term Loan - 2027	200,000
Unsecured Term Loan - 2029	300,000
Senior Unsecured Notes	850,000
Senior Unsecured Notes - 2027	150,000
Senior Unsecured Notes - 2028	225,000
Senior Unsecured Notes - 2030	100,000
Senior Unsecured Public Notes - 2031	375,000
Mortgage Debt - Various	77,492
TOTAL DEBT	\$ 1,952,974
<i>% of Total Capitalization</i>	<i>34.3 %</i>
<i>Floating Rate Debt %</i>	<i>2.6 %</i>
<i>Fixed Rate Debt %</i>	<i>97.4 %</i>
<i>Secured Debt %</i>	<i>4.0 %</i>
<i>Unsecured Debt %</i>	<i>96.0 %</i>

Total Capitalization	\$ 5,691,092
Less: Cash and Cash Equivalents	(8,999)
Enterprise Value	\$ 5,682,093

Equity Rollforward

(in thousands)

	Shares of Common Stock	OP Units	Total Diluted Shares
Balance, January 1, 2024	187,614	8,928	196,542
Grants of restricted stock awards - employees	778	—	778
Vesting of performance-based restricted stock units – employees	44	—	44
Retirement of common shares under equity incentive plan	(71)	—	(71)
Forfeiture of restricted stock awards	(25)	—	(25)
OP unit conversion	95	(95)	—
Balance, March 31, 2024	188,435	8,833	197,268
Grants of restricted stock awards - employees	55	—	55
Forfeiture of restricted stock awards	(5)	—	(5)
OP unit conversion	32	(32)	—
Balance, June 30, 2024	188,517	8,801	197,318
Grants of restricted stock awards - employees	1	—	1
Forfeiture of restricted stock awards	(57)	—	(57)
OP unit conversion	46	(46)	—
Balance, September 30, 2024	188,507	8,755	197,262

Debt Outstanding

(in thousands)

	September 30, 2024	December 31, 2023	Interest Rate	Maturity Date
Unsecured revolving credit facility	\$ 125,482	\$ 90,434	Applicable reference rate + 0.85% ¹	Mar. 2026 ⁴
Unsecured term loans:				
2026 Unsecured Term Loan	400,000	400,000	one-month adjusted SOFR + 1.00% ²	Feb. 2026
2027 Unsecured Term Loan	200,000	200,000	daily simple adjusted SOFR + 0.95% ³	Aug. 2027
2029 Unsecured Term Loan	300,000	300,000	daily simple adjusted SOFR + 1.25% ³	Aug. 2029
Total unsecured term loans	900,000	900,000		
Unamortized debt issuance costs, net	(3,113)	(4,053)		
Total unsecured term loans, net	896,887	895,947		
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	(4,125)	(4,691)		
Total senior unsecured notes, net	845,875	845,309		
Total unsecured debt, net	\$ 1,868,244	\$ 1,831,690		

¹ At September 30, 2024 a balance of \$51.5 million was subject to daily simple SOFR, and at December 31, 2023 a balance of \$15.0 million was subject to one-month SOFR. The remaining balances include \$100 million CAD borrowings remeasured to \$74.0 million and \$75.4 million USD, respectively, which were subject to the daily simple CORRA of 4.30% at September 30, 2024 and the one-month Canadian Dollar Offered Rate of 5.36% at December 31, 2023.

² At September 30, 2024 and December 31, 2023, one-month SOFR was 4.85% and 5.35%, respectively.

³ At September 30, 2024 and December 31, 2023, borrowings were subject to overnight SOFR of 4.96% and one-month SOFR of 5.35%, respectively.

⁴ Our unsecured 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	Maturity Date	Interest Rate	September 30, 2024	December 31, 2023
Wilmington Trust National Association	Apr. 2019	Feb. 2028	4.92%	\$ 43,189	\$ 44,207
Wilmington Trust National Association	Jun. 2018	Aug. 2025	4.36%	18,396	18,725
PNC Bank	Oct. 2016	Nov. 2026	3.62%	15,907	16,241
Total mortgages				77,492	79,173
Debt issuance costs, net				(76)	(105)
Mortgages, net				\$ 77,416	\$ 79,068

Year of Maturity	Revolving Credit Facility	Mortgages	Term Loans	Senior Notes	Total
2024	\$ —	\$ 580	\$ —	\$ —	\$ 580
2025	—	20,195	—	—	20,195
2026	125,482	16,843	400,000	—	542,325
2027	—	1,596	200,000	150,000	351,596
2028	—	38,278	—	225,000	263,278
Thereafter	—	—	300,000	475,000	775,000
Total	\$ 125,482	\$ 77,492	\$ 900,000	\$ 850,000	\$ 1,952,974

Interest Rate Swaps

(dollars in thousands)

Counterparty	Maturity Date ¹	Fixed Rate ²	Variable Rate Index	September 30, 2024	
				Notional Amount	Fair Value
Effective Swaps:					
Wells Fargo Bank, N.A.	October 2024	2.72 %	daily compounded SOFR	\$ 15,000	\$ —
Capital One, National Association	December 2024	1.58 %	daily compounded SOFR	15,000	85
Bank of Montreal	January 2025	1.91 %	daily compounded SOFR	25,000	183
Truist Financial Corporation	April 2025	2.20 %	daily compounded SOFR	25,000	274
Bank of Montreal	July 2025	2.32 %	daily compounded SOFR	25,000	337
Truist Financial Corporation	July 2025	1.99 %	daily compounded SOFR	25,000	398
Truist Financial Corporation	December 2025	2.30 %	daily compounded SOFR	25,000	451
Bank of Montreal	January 2026	1.92 %	daily compounded SOFR	25,000	570
Bank of Montreal	January 2026	2.05 %	daily compounded SOFR	40,000	848
Capital One, National Association	January 2026	2.08 %	daily compounded SOFR	35,000	730
Truist Financial Corporation	January 2026	1.93 %	daily compounded SOFR	25,000	567
Capital One, National Association	April 2026	2.68 %	daily compounded SOFR	15,000	217
Capital One, National Association	July 2026	1.32 %	daily compounded SOFR	35,000	1,349
Bank of Montreal	December 2026	2.33 %	daily compounded SOFR	10,000	249
Bank of Montreal	December 2026	1.99 %	daily compounded SOFR	25,000	808
Toronto-Dominion Bank	March 2027	2.46 %	daily compounded CORRA	14,796	202
Wells Fargo Bank, N.A.	April 2027	2.72 %	daily compounded SOFR	25,000	435
Bank of Montreal	December 2027	2.37 %	daily compounded SOFR	25,000	780
Capital One, National Association	December 2027	2.37 %	daily compounded SOFR	25,000	776
Wells Fargo Bank, N.A.	January 2028	2.37 %	daily compounded SOFR	75,000	2,333
Bank of Montreal	May 2029	2.09 %	daily compounded SOFR	25,000	1,344
Regions Bank	May 2029	2.11 %	daily compounded SOFR	25,000	1,317
Regions Bank	June 2029	2.03 %	daily compounded SOFR	25,000	1,406
U.S. Bank National Association	June 2029	2.03 %	daily compounded SOFR	25,000	1,407
Regions Bank	August 2029	2.58 %	one-month SOFR	100,000	2,782
Toronto-Dominion Bank	August 2029	2.58 %	one-month SOFR	45,000	1,282
U.S. Bank National Association	August 2029	2.65 %	one-month SOFR	15,000	379
U.S. Bank National Association	August 2029	2.58 %	one-month SOFR	100,000	2,798
U.S. Bank National Association	August 2029	1.35 %	daily compounded SOFR	25,000	2,231
Regions Bank	March 2032	2.69 %	daily compounded CORRA	14,796	295
U.S. Bank National Association	March 2032	2.70 %	daily compounded CORRA	14,796	291
Bank of Montreal	March 2034	2.81 %	daily compounded CORRA	29,593	688
				\$ 973,981	\$ 27,812
Forward Starting Swaps: ⁵					
Bank of Montreal	March 2030	3.80 %	daily simple SOFR	\$ 80,000	\$ (2,535)
JPMorgan Chase Bank, N.A.	March 2030	3.79 %	daily simple SOFR	50,000	(1,545)
U.S. Bank National Association	June 2030	3.73 %	daily simple SOFR	70,000	(2,021)
Truist Financial Corporation	June 2030	3.73 %	daily simple SOFR	55,000	(1,598)
Manufacturers & Traders Trust Company	September 2030	3.71 %	daily simple SOFR	50,000	(1,378)
Regions Bank	September 2030	3.69 %	daily simple SOFR	15,000	(409)
Truist Financial Corporation	September 2030	3.70 %	daily simple SOFR	15,000	(409)
Toronto-Dominion Bank	December 2030	3.66 %	daily simple SOFR	70,000	(1,756)
Regions Bank	December 2030	3.66 %	daily simple SOFR	55,000	(1,399)
				\$ 460,000	\$ (13,050)
Total Swaps				\$ 1,433,981	\$ 14,762

¹ The weighted average maturity date of effective swaps and effective swaps and forward starting swaps combined was 3.4 years and 4.1 years, respectively, at September 30, 2024.

² At September 30, 2024, the weighted average interest rate on all outstanding borrowings was 3.78%, inclusive of a weighted average fixed rate on effective interest rate swaps of 2.28%.

³ The contractual notional amount is \$20.0 million CAD.

⁴ The contractual notional amount is \$40.0 million CAD.

⁵ Forward starting swaps have effective dates that are 5 years prior to each respective maturity date.

EBITDA, EBITDAre, and Other-Non GAAP Operating Measures

(unaudited, in thousands)

	Three Months Ended				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Net income	\$ 37,268	\$ 35,937	\$ 68,177	\$ 6,797	\$ 52,145
Depreciation and amortization	38,016	37,404	37,772	39,278	38,533
Interest expense	18,178	17,757	18,578	18,972	19,665
Income taxes	291	531	408	(268)	104
EBITDA	\$ 93,753	\$ 91,629	\$ 124,935	\$ 64,779	\$ 110,447
Provision for impairment of investment in rental properties	1,059	3,852	26,400	29,801	—
Gain on sale of real estate	(2,441)	(3,384)	(59,132)	(6,270)	(15,163)
EBITDAre	\$ 92,371	\$ 92,097	\$ 92,203	\$ 88,310	\$ 95,284
Adjustment for current quarter investment activity ¹	4,080	1,241	—	153	26
Adjustment for current quarter disposition activity ²	(66)	(87)	(4,712)	(156)	(400)
Adjustment to exclude non-recurring and other expenses ³	(201)	26	(125)	128	740
Adjustment to exclude net write-offs of accrued rental income	—	—	2,556	4,161	—
Adjustment to exclude realized / unrealized foreign exchange (gain) loss	942	(748)	(1,696)	1,453	(1,433)
Other income from real estate transactions ⁴	(887)	—	—	—	—
Adjusted EBITDAre	\$ 96,239	\$ 92,529	\$ 88,226	\$ 94,049	\$ 94,217
Estimated revenues from developments ⁵	—	3,458	2,771	—	—
Pro Forma Adjusted EBITDAre	\$ 96,239	\$ 95,987	\$ 90,997	\$ 94,049	\$ 94,217
Annualized EBITDAre	\$ 369,484	\$ 368,388	\$ 368,812	\$ 353,240	\$ 381,136
Annualized Adjusted EBITDAre	384,956	370,116	352,904	376,196	376,868
Pro Forma Annualized Adjusted EBITDAre	384,956	383,948	363,988	376,196	376,868

¹ Reflects an adjustment to give effect to all investments during the quarter, including developments that have reached rent commencement, as if they had been made as of the beginning of the quarter.

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

³ Amounts include \$0.2 million of forfeited stock-based compensation expense during the three months ended September 30, 2024.

⁴ Amount includes income for the settlement of a permanent land easement for an insignificant portion of two of our properties during the three months ended September 30, 2024.

⁵ Represents estimated contractual revenues based on in-process development spend to-date.

	Three Months Ended				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Adjusted EBITDAre	\$ 96,239	\$ 92,529	\$ 88,226	\$ 94,049	\$ 94,217
General and administrative	8,924	9,878	9,557	9,254	9,404
Adjusted Net Operating Income ("NOI")	\$ 105,163	\$ 102,407	\$ 97,783	\$ 103,303	\$ 103,621
Straight-line rental revenue, net	(6,128)	(5,191)	(4,929)	(5,438)	(6,744)
Other amortization and non-cash charges	(1,309)	(1,095)	(1,018)	(1,014)	(1,087)
Adjusted Cash NOI	\$ 97,726	\$ 96,121	\$ 91,836	\$ 96,851	\$ 95,789
Annualized Adjusted NOI	\$ 420,652	\$ 409,628	\$ 391,132	\$ 413,212	\$ 414,483
Annualized Adjusted Cash NOI	390,904	384,484	367,344	387,404	383,157

Net Debt Metrics

(in thousands)

	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Debt					
Unsecured revolving credit facility	\$ 125,482	\$ 79,096	\$ 73,820	\$ 90,434	\$ 74,060
Unsecured term loans, net	896,887	896,574	896,260	895,947	895,633
Senior unsecured notes, net	845,875	845,687	845,498	845,309	845,121
Mortgages, net	77,416	77,970	78,517	79,068	79,613
Debt issuance costs	7,314	7,825	8,337	8,848	9,360
Gross Debt	1,952,974	1,907,152	1,902,432	1,919,606	1,903,787
Cash and cash equivalents	(8,999)	(18,282)	(221,740)	(19,494)	(35,061)
Restricted cash	(2,219)	(1,614)	(1,038)	(1,138)	(15,436)
Net Debt	\$ 1,941,756	\$ 1,887,256	\$ 1,679,654	\$ 1,898,974	\$ 1,853,290
Estimated net proceeds from forward equity agreements ¹	(38,983)	—	—	—	—
Pro Forma Net Debt	\$ 1,902,773	\$ 1,887,256	\$ 1,679,654	\$ 1,898,974	\$ 1,853,290
Leverage Ratios:					
Net Debt to Annualized EBITDAre	5.3x	5.1x	4.6x	5.4x	4.9x
Net Debt to Annualized Adjusted EBITDAre	5.0x	5.1x	4.8x	5.0x	4.9x
Pro Forma Net Debt to Annualized Adjusted EBITDAre	4.9x	4.9x	4.6x	5.0x	4.9x

¹ Represents pro forma adjustment for estimated net proceeds from forward sale agreements that have not settled as if they have been physically settled for cash as of the period presented.

Covenants

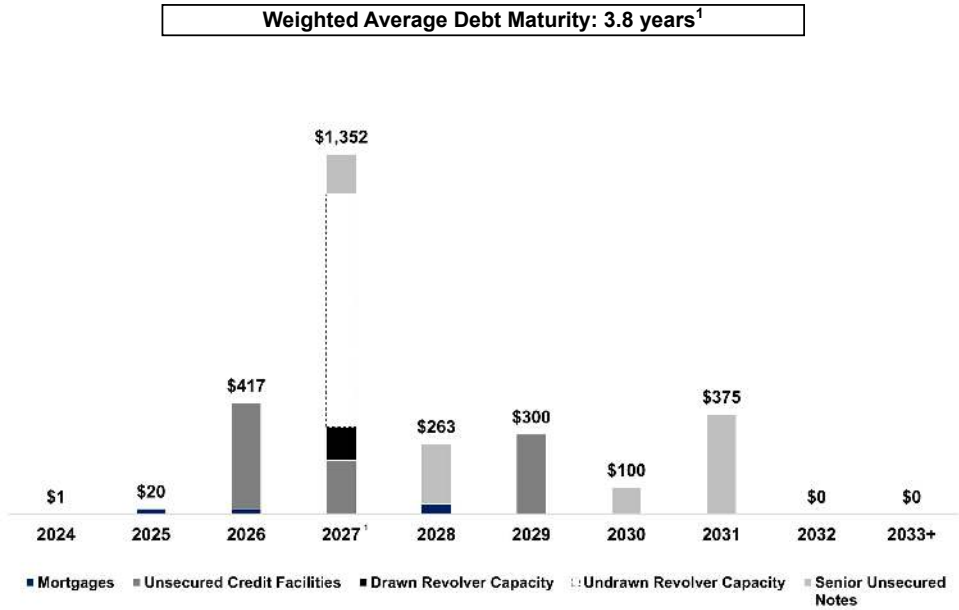
The following is a summary of key financial covenants for the Company's unsecured debt instruments. The covenants associated with the Revolving Credit Facility, Unsecured Term Loans with commercial banks, and the Series A-C Senior Unsecured Notes, are reported to the respective lenders via quarterly 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, 2024, 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	3.69	Not Applicable	Not Applicable
Fixed charge coverage ratio	≥ 1.50 to 1.00	4.55	4.55	Not Applicable
Total unsecured indebtedness to total unencumbered eligible property value	≤ 0.60 to 1.00	0.37	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	0.36
Consolidated income available for debt to annual debt service charge	≥ 1.50 to 1.00	Not Applicable	Not Applicable	5.27
Total unencumbered assets to total unsecured debt	≥ 1.50 to 1.00	Not Applicable	Not Applicable	2.84
Secured debt ratio	≤ 0.40 to 1.00	Not Applicable	Not Applicable	0.01

Debt Maturities

(dollars in millions)

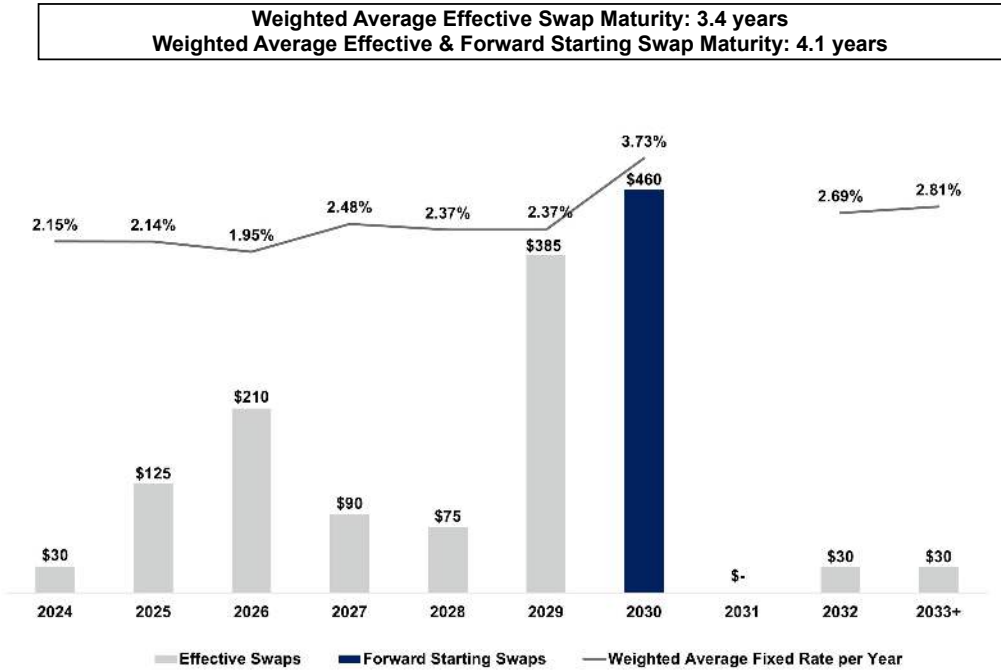
The Company utilizes diversified sources of debt capital including unsecured bank debt, unsecured notes, and secured mortgages (where appropriate).



¹ Our Revolving Credit Facility reflected above assumes exercise of two six-month extension options subject to certain conditions, including the payment of an extension fee equal to 0.0625% of the revolving commitments.

Swap Maturities

(dollars in millions)



Investment Activity

(square feet and dollars in thousands)

The following tables summarize the Company's investment activity during 2024.

	Q3 2024		Q2 2024		Q1 2024		YTD 2024
Acquisitions:							
Number of transactions		2		6		—	8
Number of properties		2		21		—	23
Square feet		357		1,094		—	1,451
Acquisition price	\$	69,250	\$	165,053	\$	—	\$ 234,303
Industrial		59,000		103,735		—	162,735
Retail		10,250		52,359		—	62,609
Restaurant		—		8,959		—	8,959
Initial cash capitalization rate		7.2 %		7.3 %		—	7.3 %
Straight-line yield		8.0 %		8.1 %		—	8.1 %
Weighted avg. lease term (years)		9.4		11.5		—	10.9
Weighted average annual rent increase		2.8 %		2.3 %		—	2.4 %
Development funding opportunities:							
Number of new properties		—		—		—	—
Development funding	\$	24,667	\$	30,583	\$	37,107	\$ 92,357
Revenue generating capital expenditures:							
Number of existing properties		—		—		1	1
Investments	\$	—	\$	—	\$	3,000	\$ 3,000
Healthcare - Animal Health Services		—		—		3,000	3,000
Initial cash capitalization rate		—		—		8.0 %	8.0 %
Weighted avg. lease term (years)		—		—		8.0	8.0
Weighted average annual rent increase		—		—		2.5 %	2.5 %
Transitional capital:							
Number of transactions		—		1		—	1
Investments ¹	\$	—	\$	52,200	\$	—	\$ 52,200
Cash capitalization rate		—		8.0 %		—	8.0 %
Total investments	\$	93,917	\$	247,836	\$	40,107	\$ 381,860
Total initial cash capitalization rate ²		7.2 %		7.3 %		8.0 %	7.3 %
Total weighted average lease term (years) ²		9.4		11.5		8.0	10.8
Total weighted average annual rent increase ²		2.8 %		2.3 %		2.5 %	2.4 %

¹ Refer below for property-level statistics relating to our transitional capital investments.

² Due to the nature of (1) transitional capital representing a contractual yield on invested capital, and (2) development funding opportunities not generating revenue during construction, these are excluded from the calculation of total capitalization rates, weighted average lease terms, and rent increases.

Transitional Capital

The following table summarizes the Company's transitional capital investments, which are excluded from real estate investment portfolio statistics:

		Q3 2024
Transitional Capital:		
Type		Preferred Equity
Investment ('000s) ¹	\$	52,200
Stabilized cash capitalization rate ²		8.0 %
Annualized initial cash NOI yield		7.6 %
Remaining term (years) ³		2.8
Property type		Retail Center
Underlying property metrics		
Number of retail spaces		28
Rentable square footage ("SF") ('000s)		332
Weighted average remaining lease term (years)		3.8
Occupancy rate (based on SF) ⁴		98.7 %
Quarterly rent collection		95.2 %

¹ Agreement includes commitment to fund up to an additional \$7.8 million of preferred capital.

² Represents stated yield with unpaid amounts accruing with preferential payment.

³ Agreement contains two one-year extension options subject to a 0.50% extension fee. Repayment at end of term subject to a \$3.5 million repayment fee.

⁴ Includes executed leases where rent has not yet commenced.

Developments

(square feet and dollars in thousands)

The following table summarizes the Company's completed developments as of September 30, 2024:

Property	Property Type	Rentable Square Feet	Lease Commencement Date ⁵	Investment Funded	Estimated Investment to be Funded ⁶	Total Project Investment	Cash Capitalization Rate ⁵	Straight-line Yield ⁵
UNFI (Sarasota - FL)	Industrial	1,016	9/2024	\$ 185,964	\$ 18,869	\$ 204,833	7.2 %	8.6 %

⁵ Refer to definitions and explanations appearing at the end of this supplemental document.

⁶ Revenue on additional fundings will receive a cash capitalization rate of 6.8%.

Dispositions

(square feet and dollars in thousands)

The following table summarizes the Company's property disposition activity during 2024.

Q1 2024					
Property Type	Number of Properties	Square Feet	Acquisition Price	Disposition Price	Net Book Value
Healthcare	37	706	\$ 250,079	251,700	\$ 199,098
Total Properties	37	706	\$ 250,079	\$ 251,700	\$ 199,098
Weighted average cash cap rate					7.9 %

Q2 2024					
Property Type	Number of Properties	Square Feet	Acquisition Price	Disposition Price	Net Book Value
Industrial	1	187	\$ 11,330	\$ 11,750	\$ 10,753
Office	1	46	11,745	2,100	3,003
Healthcare	1	34	10,000	10,500	7,620
Total Properties	3	267	\$ 33,075	\$ 24,350	\$ 21,376
Weighted average cash cap rate					7.3 %

Q3 2024					
Property Type	Number of Properties	Square Feet	Acquisition Price	Disposition Price	Net Book Value
Office	1	18	\$ 4,316	\$ 4,508	\$ 2,524
Healthcare	5	92	32,295	27,304	27,272
Total Properties	6	110	\$ 36,611	\$ 31,812	\$ 29,796
Weighted average cash cap rate					8.0 %

2024 Dispositions					
Property Type	Number of Properties	Square Feet	Acquisition Price	Disposition Price	Net Book Value
Industrial	1	187	\$ 11,330	\$ 11,750	\$ 10,753
Office	2	64	16,061	6,608	5,527
Healthcare	43	832	292,374	289,504	233,990
Total Properties	46	1,083	\$ 319,765	\$ 307,862	\$ 250,270
Weighted average cash cap rate					7.8 %

Portfolio at a Glance: Key Metrics¹

	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Properties	773	777	759	796	800
U.S. States	44	44	44	44	44
Canadian Provinces	4	4	4	4	4
Total annualized base rent	\$398.2M	\$385.5M	\$374.1M	\$392.2M	\$390.0M
Total rentable square footage ("SF")	39.7M	38.5M	37.6M	38.3M	38.2M
Tenants	203	207	200	220	220
Brands	191	196	188	208	208
Industries	55	53	53	53	54
Occupancy (based on SF)	99.0 %	99.3 %	99.2 %	99.4 %	99.4 %
Rent Collection	99.1 %	99.0 %	99.0 %	99.2 %	99.9 %
Top 10 tenant concentration	21.4 %	20.2 %	20.6 %	19.6 %	19.3 %
Top 20 tenant concentration	34.9 %	33.4 %	34.0 %	32.3 %	32.0 %
Investment grade (tenant/guarantor)	17.0 %	15.5 %	15.7 %	15.3 %	15.3 %
Financial reporting coverage ²	94.0 %	94.8 %	95.3 %	93.8 %	93.7 %
Rent coverage ratio (restaurants only)	3.3x	3.3x	3.3x	3.4x	3.4x
Weighted average annual rent increases	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
Weighted average remaining lease term	10.3 years	10.4 years	10.6 years	10.5 years	10.5 years
Master leases (based on ABR)					
Total portfolio	40.2 %	41.7 %	43.0 %	41.5 %	41.6 %
Multi-site tenants	69.0 %	71.0 %	71.0 %	69.0 %	69.3 %

¹ Property metrics exclude transitional capital investments.

² Includes 8.6% 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, 2024.

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	\$ 15,917	4.0 %	2,250	5.7 %
United Natural Foods, Inc.	Cold Storage	1	13,367	3.4 %	1,016	2.6 %
AHF, LLC*	Distribution & Warehouse/Manufacturing	8	9,612	2.4 %	2,284	5.8 %
Joseph T. Ryerson & Son, Inc	Distribution & Warehouse	11	7,870	2.0 %	1,599	4.0 %
Jack's Family Restaurants LP*	Quick Service Restaurants	43	7,456	1.8 %	147	0.4 %
Tractor Supply Company	General Merchandise	23	6,353	1.6 %	462	1.2 %
Axcelis Technologies, Inc.	Flex and R&D	1	6,263	1.6 %	417	1.1 %
J. Alexander's, LLC*	Casual Dining	16	6,207	1.6 %	131	0.3 %
Salm Partners, LLC*	Food Processing	2	6,168	1.5 %	426	1.1 %
Nestle' Dreyer's Ice Cream Company	Cold Storage	2	6,151	1.5 %	504	1.1 %
Total Top 10 Tenants		114	\$ 85,364	21.4 %	9,236	23.3 %
Hensley & Company*	Distribution & Warehouse	3	\$ 6,109	1.5 %	577	1.5 %
Dollar General Corporation	General Merchandise	60	5,983	1.5 %	562	1.4 %
BluePearl Holdings, LLC**	Animal Health Services	13	5,750	1.4 %	159	0.4 %
Red Lobster Hospitality & Red Lobster Restaurants LLC*	Casual Dining	18	5,563	1.4 %	147	0.4 %
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	5,454	1.4 %	140	0.4 %
Big Tex Trailer Manufacturing Inc.*	Automotive/Distribution & Warehouse/Manufacturing/ Corporate Headquarters	17	5,157	1.3 %	1,302	3.3 %
Carvana, LLC*	Industrial Services	2	4,672	1.2 %	230	0.6 %
Jelly Belly Candy Company	Distribution & Warehouse/Food Processing/General Merchandise	5	4,650	1.2 %	576	1.4 %
Klosterman Bakery*	Food Processing	11	4,634	1.2 %	548	1.3 %
Total Top 20 Tenants		292	\$ 138,874	34.9 %	13,633	34.4 %





*Subject to a master lease.

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

Top 20 Tenant Descriptions¹

 Roskam Foods (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>
 UNFI (United Natural Foods, Inc)	<p>United Natural Foods, Inc. (NYSE: UNFI) is the largest publicly traded wholesale distributor with over 250,000 natural, organic, and conventional products reaching over 30,000 retailers. UNFI also provides a range of value-added services and segmented marketing expertise, including proprietary technology, data, market insights, and shelf management to help customers and suppliers build their businesses and brands.</p>
 AHF AHF Products (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>
 RYERSON Ryerson (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. Ryerson employs around 4,300 employees and operates approximately 100 facilities across North America and China.</p>
 Jack's Family Restaurants (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 Restaurants operates approximately 200 locations across Alabama, Georgia, Mississippi, and Tennessee. Jack's has been owned by private equity firm AEA Investors LP since 2019.</p>
 TRACTOR SUPPLY CO. Tractor Supply Co. (Tractor Supply Company)	<p>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. Tractor Supply Company operates over 2,181 stores across 49 states.</p>
 axcelis Axcelis Technologies (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>
 J. ALEXANDER'S RESTAURANT J. Alexander's (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>
 SALM PARTNERS Salm Partners (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>
 Nestle Nestle (Nestle' Dreyer's Ice Cream Company)	<p>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.</p>

Top 20 Tenant Descriptions¹ (continued)

 HENSLEY Beverage Company Hensley (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 to more than 9,000 retailers across Arizona.</p>
 DOLLAR GENERAL Dollar General (Dollar General Corporation)	<p>Founded in 1939, Dollar General (NYSE: DG) is the largest discount retailer in the United States by store count. Brands operated include Dollar General, DG Market, DGX, and pOpshelf totaling more than 19,700 stores spanning 47 states and Mexico.</p>
 BluePearl BluePearl (BluePearl Holdings, LLC)	<p>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.</p>
 RED LOBSTER Red Lobster (Red Lobster Restaurants, LLC)	<p>Red Lobster is a leading global seafood casual dining brand, with over 500 locations across the USA and Canada. The brand is currently owned by RL Investor Holdings LLC which is a newly created entity owned and managed by Fortress Investment Group, TCW Private Credit, and Blue Torch.</p>
 Krispy Kreme Krispy Kreme (Krispy Kreme Corporation)	<p>Krispy Kreme (NASDAQ: DNUT) is a global retailer of premium-quality doughnuts, coffee, treats, and packaged sweets. Krispy Kreme products are available in more than 13,000 locations spanning 35 countries. Of these locations, over 2,000 are Krispy Kreme branded retail donut shops.</p>
 OUTBACK STEAKHOUSE Outback Steakhouse (Outback Steakhouse of Florida, LLC)	<p>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. Bloomin' Brands operates over 1,450 restaurants in 47 states, Guam, and 13 other countries.</p>
 BigTex TRAILERS Big Tex Trailers (Big Tex Trailer Manufacturing Inc.)	<p>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.</p>
 CARVANA Carvana (Carvana, LLC)	<p>Founded in 2013 in Atlanta, Georgia, Carvana (NYSE: CVNA) is the leading e-commerce platform for buying and selling used vehicles. Carvana operates in 316 markets, including 37 car vending machines and 17 inspection and reconditioning centers.</p>
 Jelly Belly Jelly Belly (Jelly Belly Candy Company)	<p>Jelly Belly dates back to 1869 while becoming widely known for its gourmet jelly beans since their introduction in 1976. In October of 2023, Ferrara Candy Company acquired Jelly Belly, adding to their extensive list of candy brands including NERDS, SweeTARTS, Laffy Taffy, and many others. Ferrara's brands reach nearly 67 million households across the U.S. employing more than 8,300 employees.</p>
 KLOSTERMAN Klosterman Bakery (Klosterman Bakery)	<p>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.</p>

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Top 20 Brands

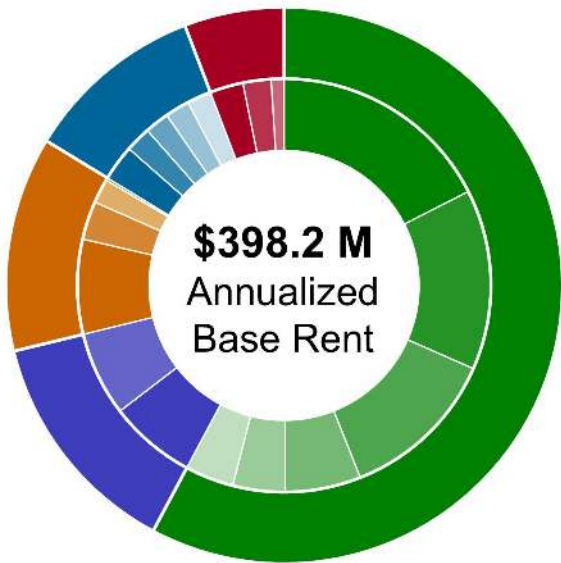
Brand	Property Type	# Properties	ABR ('000s)	ABR as a % of Total Portfolio	Square Feet ('000s)	SF as a % of Total Portfolio
Roskam Baking Company, LLC*	Food Processing	7	\$ 15,917	4.0 %	2,250	5.7 %
United Natural Foods, Inc.	Cold Storage	1	13,367	3.4 %	1,016	2.6 %
AHF Products*	Distribution & Warehouse/ Manufacturing	8	9,612	2.4 %	2,284	5.8 %
Ryerson	Distribution & Warehouse	11	7,870	2.0 %	1,599	4.0 %
Jack's Family Restaurants*	Quick Service Restaurants	43	7,456	1.9 %	147	0.4 %
Tractor Supply Company	General Merchandise	23	6,353	1.6 %	462	1.2 %
Axcelis	Flex and R&D	1	6,263	1.6 %	417	1.1 %
Salm Partners, LLC*	Food Processing	2	6,168	1.5 %	426	1.0 %
Nestle'	Cold Storage	2	6,150	1.5 %	503	1.2 %
Hensley*	Distribution & Warehouse	3	6,110	1.5 %	578	1.4 %
Total Top 10 Brands		101	\$ 85,266	21.4 %	9,682	24.4 %
Dollar General	General Merchandise	60	\$ 5,983	1.5 %	562	1.4 %
BluePearl Veterinary Partners**	Animal Health Services	13	5,750	1.4 %	159	0.4 %
Bob Evans Farms*	Casual Dining/Food Processing	21	5,568	1.4 %	281	0.7 %
Red Lobster*	Casual Dining	18	5,563	1.4 %	147	0.4 %
Krispy Kreme	Quick Service Restaurants/ Food Processing	27	5,538	1.4 %	156	0.4 %
Big Tex Trailers*	Automotive/Distribution & Warehouse/Manufacturing/ Corporate Headquarters	17	5,157	1.3 %	1,302	3.3 %
Outback Steakhouse*	Casual Dining	20	4,718	1.2 %	126	0.3 %
Carvana*	Industrial Services	2	4,672	1.2 %	230	0.6 %
Jelly Belly	Distribution & Warehouse/Food Processing/General Merchandise	5	4,650	1.2 %	576	1.4 %
Klosterman Bakery*	Food Processing	11	4,635	1.1 %	548	1.4 %
Total Top 20 Brands		295	\$ 137,500	34.5 %	13,769	34.7 %

*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)



Industrial	57.8%
■ Manufacturing	17.5%
■ Distribution & Warehouse	14.1%
■ Food Processing	12.4%
■ Cold Storage	5.9%
■ Flex and R&D	4.1%
■ Industrial Services	3.8%
Restaurant	13.4%
■ Casual Dining	6.8%
■ Quick Service Restaurants	6.6%
Retail	12.5%
■ General Merchandise	7.4%
■ Automotive	3.0%
■ Home Furnishings	1.9%
■ Child Care	0.2%
Healthcare	10.5%
■ Animal Health Services	2.8%
■ Surgical	2.0%
■ Clinical	1.9%
■ Life Science	1.9%
■ Healthcare Services	1.9%
Office	5.8%
■ Strategic Operations	2.6%
■ Corporate Headquarters	2.2%
■ Call Center	1.0%

Diversification: Property Type (continued)

Property Type	# Properties	ABR ('000s)	ABR as a % of Total Portfolio	Square Feet ('000s)	SF as a % of Total Portfolio
Industrial					
Manufacturing	80	\$ 69,796	17.5 %	12,319	31.0 %
Distribution & Warehouse	49	56,238	14.1 %	9,596	24.2 %
Food Processing	34	49,209	12.4 %	5,736	14.4 %
Cold Storage	4	23,344	5.9 %	1,739	4.4 %
Flex and R&D	6	16,298	4.1 %	1,157	2.9 %
Industrial Services	29	14,795	3.8 %	725	1.9 %
Untenanted	1	—	—	178	0.4 %
Industrial Total	203	229,680	57.8 %	31,450	79.2 %
Restaurant					
Casual Dining	102	27,107	6.8 %	674	1.7 %
Quick Service Restaurants	151	26,433	6.6 %	514	1.3 %
Restaurant Total	253	53,540	13.4 %	1,188	3.0 %
Retail					
General Merchandise	138	29,549	7.4 %	2,195	5.5 %
Automotive	65	12,069	3.0 %	764	1.9 %
Home Furnishings	13	7,353	1.9 %	797	2.0 %
Child Care	2	725	0.2 %	20	0.1 %
Retail Total	218	49,696	12.5 %	3,776	9.5 %
Healthcare					
Animal Health Services	27	11,216	2.8 %	399	1.0 %
Surgical	6	7,777	2.0 %	231	0.6 %
Clinical	17	7,756	1.9 %	336	0.8 %
Life Science	8	7,727	1.9 %	519	1.3 %
Healthcare Services	25	7,515	1.9 %	273	0.7 %
Untenanted	2	—	—	225	0.6 %
Healthcare Total	85	41,991	10.5 %	1,983	5.0 %
Office					
Strategic Operations	5	10,516	2.6 %	615	1.5 %
Corporate Headquarters	7	8,610	2.2 %	409	1.0 %
Call Center	2	4,126	1.0 %	287	0.8 %
Office Total	14	23,252	5.8 %	1,311	3.3 %
Total	773	\$ 398,159	100.0 %	39,708	100.0 %

Key Statistics by Property Type

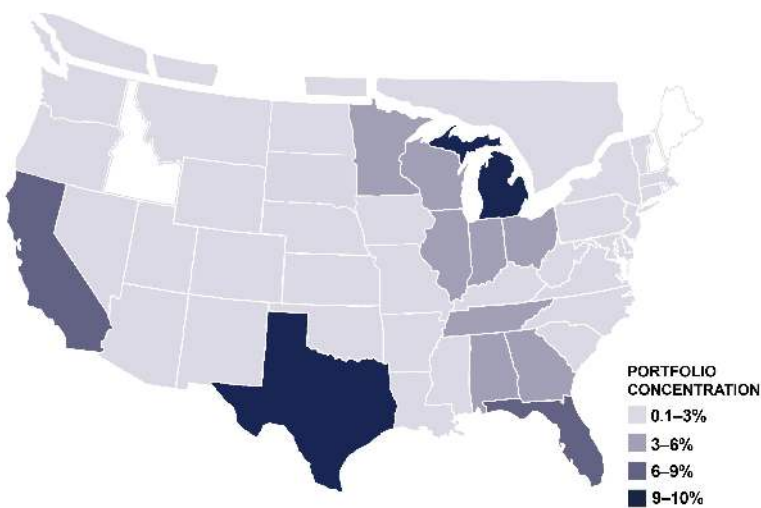
	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Industrial					
Number of properties	203	202	192	192	193
Square feet (000s)	31,450	30,153	29,500	29,442	29,387
Weighted average lease term (years)	11.3	11.2	11.5	11.7	11.5
Weighted average annual rent escalation	2.1 %	2.0 %	2.0 %	2.0 %	2.0 %
Percentage of total ABR	57.8 %	54.6 %	54.2 %	51.5 %	51.2 %
Restaurant					
Number of properties	253	253	248	248	248
Square feet (000s)	1,188	1,188	1,164	1,164	1,172
Weighted average lease term (years)	13.0	13.3	13.6	13.9	13.9
Weighted average annual rent escalation	1.8 %	1.8 %	1.8 %	1.8 %	1.8 %
Percentage of total ABR	13.4 %	14.0 %	14.2 %	13.6 %	13.7 %
Retail					
Number of properties	218	217	211	211	214
Square feet (000s)	3,776	3,700	3,439	3,439	3,455
Weighted average lease term (years)	9.0	9.3	9.1	9.4	9.7
Weighted average annual rent escalation	1.4 %	1.3 %	1.3 %	1.6 %	1.6 %
Percentage of total ABR	12.5 %	12.6 %	11.9 %	11.4 %	11.6 %
Healthcare					
Number of properties	85	90	92	129	129
Square feet (000s)	1,983	2,081	2,146	2,852	2,851
Weighted average lease term (years)	6.4	7.3	7.2	6.6	6.8
Weighted average annual rent escalation	2.3 %	2.4 %	2.4 %	2.4 %	2.4 %
Percentage of total ABR	10.5 %	12.7 %	13.4 %	17.6 %	17.6 %
Office					
Number of properties	14	15	16	16	16
Square feet (000s)	1,311	1,328	1,374	1,374	1,375
Weighted average lease term (years)	4.8	5.1	5.3	5.3	5.6
Weighted average annual rent escalation	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %
Percentage of total ABR	5.8 %	6.1 %	6.3 %	5.9 %	5.9 %

Diversification: Tenant Industry

Industry	# Properties	ABR (‘000s)	ABR as a % of Total Portfolio	Square Feet (‘000s)	SF as a % of Total Portfolio
Restaurants	256	\$ 54,381	13.7 %	1,231	3.1 %
Packaged Foods & Meats	35	47,606	12.0 %	5,541	14.0 %
Healthcare Facilities	58	27,600	6.9 %	980	2.5 %
Food Distributors	7	26,263	6.6 %	2,534	6.4 %
Auto Parts & Equipment	46	20,673	5.2 %	3,168	8.0 %
Specialty Stores	36	18,739	4.7 %	1,637	4.1 %
Distributors	27	17,711	4.4 %	2,757	6.9 %
Home Furnishing Retail	18	13,018	3.3 %	1,858	4.7 %
Specialized Consumer Services	46	12,157	3.1 %	716	1.8 %
Metal & Glass Containers	8	10,696	2.7 %	2,206	5.6 %
Industrial Machinery	20	9,859	2.5 %	1,949	4.9 %
General Merchandise Stores	96	9,810	2.5 %	880	2.2 %
Healthcare Services	18	9,778	2.5 %	515	1.3 %
Forest Products	8	9,612	2.4 %	2,284	5.8 %
Electronic Components	2	7,112	1.8 %	466	1.2 %
Other (40 industries)	89	103,144	25.7 %	10,583	26.5 %
Untenanted properties	3	—	—	403	1.0 %
Total	773	\$ 398,159	100.0 %	39,708	100.0 %

Diversification: Geography

(rent percentages based on ABR)

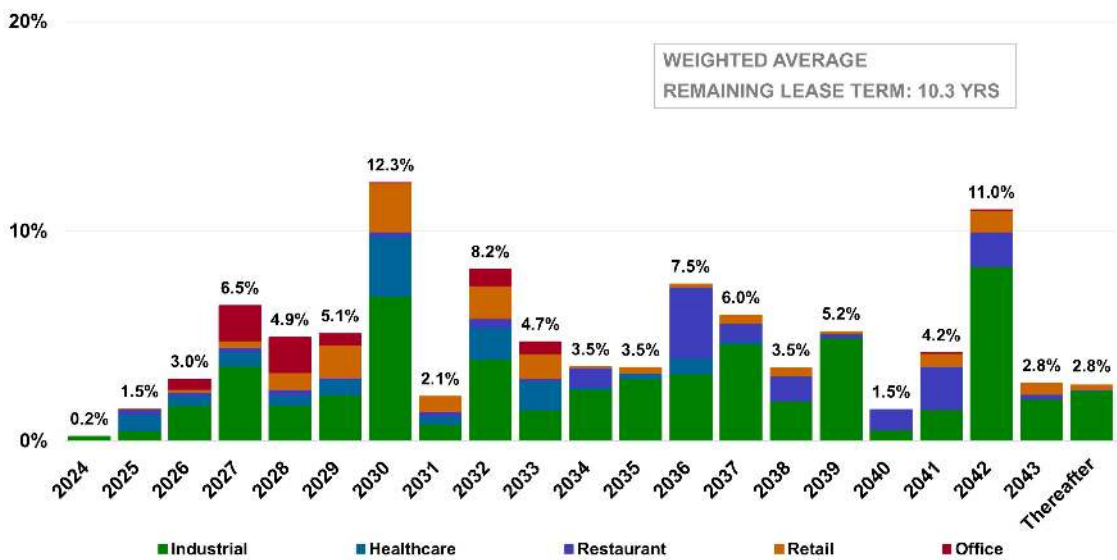


TOTAL PROPERTIES: 773 TOTAL STATES/PROVINCES: 44 U.S. states & 4 Canadian provinces

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	67	\$ 37,631	9.5 %	3,615	9.1 %	MS	12	\$ 4,097	1.0 %	607	1.5 %
MI	52	36,023	9.0 %	4,018	10.2 %	LA	5	3,942	1.0 %	211	0.5 %
FL	38	27,007	6.8 %	1,805	4.5 %	SC	14	3,495	0.9 %	323	0.8 %
CA	17	24,092	6.1 %	2,282	5.7 %	NE	6	3,363	0.8 %	509	1.3 %
IL	29	22,624	5.7 %	2,364	6.0 %	WA	14	3,254	0.8 %	148	0.4 %
WI	30	19,445	4.9 %	1,945	4.9 %	IA	4	2,869	0.7 %	622	1.6 %
OH	47	16,530	4.2 %	1,582	4.0 %	NM	9	2,749	0.7 %	107	0.3 %
MN	21	15,855	4.0 %	2,500	6.3 %	CO	4	2,568	0.6 %	126	0.3 %
TN	48	15,106	3.8 %	1,084	2.7 %	UT	3	2,510	0.6 %	280	0.7 %
IN	28	14,925	3.7 %	1,832	4.6 %	MD	3	2,102	0.5 %	205	0.5 %
AL	52	12,191	3.1 %	863	2.2 %	CT	2	1,892	0.5 %	55	0.1 %
GA	33	11,980	3.0 %	1,576	4.0 %	MT	7	1,602	0.4 %	43	0.1 %
NC	28	10,459	2.6 %	1,038	2.6 %	DE	4	1,162	0.3 %	133	0.3 %
PA	22	9,942	2.5 %	1,836	4.6 %	ND	2	1,024	0.3 %	24	0.1 %
KY	23	9,059	2.3 %	927	2.3 %	VT	2	432	0.1 %	24	0.1 %
MO	19	8,941	2.2 %	1,260	3.2 %	WY	1	307	0.1 %	21	0.1 %
OK	25	8,900	2.2 %	1,006	2.5 %	NV	1	273	0.1 %	6	0.0 %
AZ	8	8,792	2.2 %	895	2.3 %	OR	1	136	0.0 %	9	0.0 %
AR	12	8,624	2.2 %	360	0.9 %	SD	1	81	0.0 %	9	0.0 %
NY	24	6,712	1.7 %	514	1.3 %	Total U.S.	766	\$ 389,942	98.0 %	39,279	98.8 %
MA	3	6,686	1.7 %	444	1.1 %	BC	2	\$ 4,827	1.2 %	253	0.7 %
KS	10	5,523	1.4 %	643	1.6 %	ON	3	2,069	0.5 %	101	0.3 %
WV	17	5,089	1.3 %	884	2.2 %	AB	1	973	0.2 %	51	0.1 %
VA	15	5,035	1.3 %	178	0.4 %	MB	1	348	0.1 %	24	0.1 %
NJ	3	4,913	1.2 %	366	0.9 %	Total Canada	7	\$ 8,217	2.0 %	429	1.2 %
						Grand Total	773	\$ 398,159	100.0 %	39,708	100.0 %

Lease Expirations

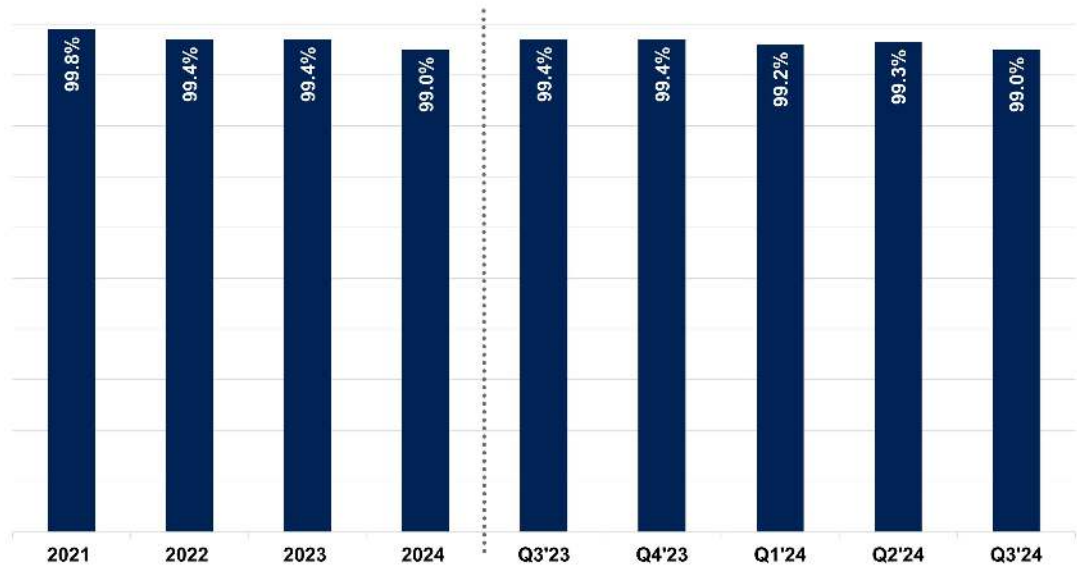
(rent percentages based on ABR)



Expiration Year	# of Properties	ABR ('000s)	ABR as a % of Total Portfolio	Square Feet ('000s)	SF as a % of Total Portfolio
2024	1	\$ 867	0.2 %	166	0.4 %
2025	17	6,084	1.5 %	358	0.9 %
2026	23	11,751	3.0 %	915	2.3 %
2027	28	25,709	6.5 %	2,257	5.7 %
2028	29	19,704	4.9 %	1,793	4.5 %
2029	64	20,420	5.1 %	2,679	6.7 %
2030	92	49,073	12.3 %	4,802	12.1 %
2031	32	8,453	2.1 %	843	2.1 %
2032	62	32,587	8.2 %	3,469	8.7 %
2033	49	18,841	4.7 %	1,409	3.5 %
2034	37	14,057	3.5 %	1,237	3.1 %
2035	19	13,938	3.5 %	2,021	5.1 %
2036	90	29,801	7.5 %	2,894	7.3 %
2037	26	23,883	6.0 %	1,870	4.7 %
2038	39	13,919	3.5 %	1,226	3.1 %
2039	11	20,806	5.2 %	1,758	4.4 %
2040	31	5,987	1.5 %	312	0.8 %
2041	39	16,739	4.2 %	1,367	3.4 %
2042	58	43,893	11.0 %	4,803	12.1 %
2043	12	10,987	2.8 %	796	2.0 %
Thereafter	11	10,660	2.8 %	2,330	6.1 %
Total leased properties	770	398,159	100.0 %	39,305	99.0 %
Untenanted properties	3	—	—	403	1.0 %
Total properties	773	\$ 398,159	100.0 %	39,708	100.0 %

Occupancy

Occupancy by Rentable Square Footage



Change in Occupancy

	Number of properties
Vacant properties at January 1, 2024	2
Lease expirations ¹	3
Leasing activities	(2)
Vacant dispositions	—
Vacant properties at March 31, 2024	3
Lease expirations ¹	1
Leasing activities	—
Vacant dispositions	(1)
Vacant properties at June 30, 2024	3
Lease expirations ¹	4
Leasing activities	(3)
Vacant dispositions	(1)
Vacant properties at September 30, 2024	3

¹ Includes scheduled and unscheduled expirations (including leases rejected in bankruptcy), as well as future expirations resolved and effective 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 dispositions, the estimated cash yield to be generated based on a property's ABR in effect immediately prior to the disposition, divided by the disposition price, or (3) for transitional capital, the contractual cash yield to be generated on total invested capital.

EBITDA, EBITDAre, Adjusted EBITDAre, and Annualized Adjusted EBITDAre: EBITDA, EBITDAre, Adjusted EBITDAre, Annualized Adjusted EBITDAre, and Pro Forma 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 define our Pro Forma Adjusted EBITDAre as Adjusted EBITDAre adjusted to show the impact of estimated contractual revenues based on in-process development spend to-date. Our Pro Forma Net Debt is defined as Net Debt adjusted for estimated net proceeds from forward sale agreements that have not settled as if they have been physically settled for cash as of the period presented. We then annualize quarterly Adjusted EBITDAre and Pro Forma Adjusted EBITDAre by multiplying them by four ("Annualized Adjusted EBITDAre" and "Annualized Pro Forma 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.

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 and other non-core income from real estate transactions, the gain on insurance recoveries, cost of debt extinguishments, unrealized and realized gains or losses on foreign currency transactions, severance and employee transition costs, and other extraordinary items. We compute AFFO by adjusting Core FFO for certain revenues and expenses that are non-cash or unique in nature, including straight-line rents, amortization of lease intangibles, amortization of debt issuance costs, amortization of net mortgage premiums, non-capitalized transaction costs such as acquisition costs related to deals that failed to transact, (gain) loss on interest rate swaps and other non-cash interest expense, deferred taxes, stock-based compensation, and other specified non-cash items.

Definitions and Explanations (continued)

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.

Straight-line Yield: Straight-line yield represents the estimated first year yield to be generated on a real estate investment, which was computed at the time of investment based on the straight-line annual rental income computed in accordance with GAAP, divided by the purchase price, excluding capitalized costs for the property. For developments, the denominator is the total project investment.

Definitions Related to Development Properties:

- **Lease Commencement Date:** The month in which the development was substantially completed and was made available for occupancy.

