

**INVESTOR
PRESENTATION**

FEBRUARY 2021



DISCLAIMER

CAUTIONARY STATEMENTS CONCERNING FORWARD-LOOKING STATEMENTS

Various statements contained in this presentation, including those that express a belief, expectation or intention, as well as those that are not statements of historical fact, are forward-looking statements. Forward-looking statements are generally accompanied by words such as “estimate,” “project,” “predict,” “believe,” “expect,” “anticipate,” “potential,” “plan,” “goal” or other words that convey the uncertainty of future events or outcomes. Forward-looking statements in this presentation include, for example, references to the expected increase in the Company’s revolving credit facility and references to the Company’s pipeline of potential acquisitions, as to which there can be no assurance of completion. The forward-looking statements speak only as of the date of this presentation; The Company disclaims any obligation to update these statements unless required by law, and the Company cautions you not to rely on them unduly. The Company has based these forward-looking statements on its current expectations and assumptions about future events, which the Company considers reasonable. However, these forward-looking statements are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and beyond the Company’s control.

NON-GAAP FINANCIAL INFORMATION

This presentation contains non-generally accepted accounting principles (GAAP) financial measures including, funds from operations (“FFO”), adjusted funds from operations (“AFFO”), earnings before interest, taxes, depreciation and amortization (“EBITDA”), EBITDA further adjusted to exclude gains (losses) on sales of depreciable property and real estate impairment losses (“EBITDAre”), Adjusted EBITDAre, Annualized Adjusted EBITDAre and Net Debt. The Company believes these non-GAAP financial measures are industry measures used by analysts and investors to compare the operating performance of REITs. However, such measures should not be considered in isolation or as an indicator of the Company’s performance. Furthermore, they should not be seen as a substitute for metrics prepared in accordance with GAAP. Reconciliations of these measures to their most directly comparable GAAP measures for the periods that are presented in this presentation can be found in the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures” in the Company’s Quarterly Report on Form 10-K, which was filed with the SEC on February 25, 2021.

BROADSTONE AT-A-GLANCE

\$294 Million

Annualized Base Rent

46% Industrial

19% Healthcare

16% Restaurants

10% Office, 9% Retail



99.2% Leased¹

34.4% Master Leases



10.7 Years WALT

2.1% Annual Escalation



98.8%

Rent Collections in Q4

95.0%

Financial Reporting²

641 Properties

41 States

1 Canadian Province



\$100.3 Million

Acquisitions
In Q4 2020



181 / 167 / 55
Tenants / Brands / Industries

2.5% Top Tenant³

18.7% Top Ten Tenants³



\$900 Million

Revolver Capacity

BBB **Baa3**
S&P Rating Moody's Rating

As of December 31, 2020 ¹ Based on square footage ² Includes 6.3% of tenants who are public filers ³ % of ABR

INVESTMENT THESIS



Established REIT with Longstanding Track Record of Success

- 13-year operating history pursuing a diversified net lease strategy with a leading team, now proven through two cycles
- Publicly traded on the NYSE (BNL) with experience operating under substantially all public company requirements since 2017
- Continued growth of the portfolio and consistent performance has delivered predictable cash flow and returns to investors



Thoughtfully Constructed and Diversified Portfolio with Best-in-Class Metrics

- Deliberate and highly granular diversified strategy with exposure to desirable net lease sectors including industrial and healthcare
- Significant property type and tenant diversification has acted as a proven defensive hedge against economic distress
- Top tier portfolio metrics: 2.1% weighted average annual rent escalations, 10.7 years WALT, 18.7% top 10 tenant concentration



Active Portfolio Management with Exceptional Results During COVID-19 Pandemic

- Consistently strong rent collections during Q4 of 98.8% with February rent collections of 99.7%
- Specialized infrastructure in place to support entire investment lifecycle across different property segments
- Proactive disposition strategy mitigates portfolio risk while facilitating value creation



Differentiated and Proven Investment Strategy with Attractive Pipeline of Opportunities

- Diversified strategy allows for capital allocation flexibility across sectors and ensures consistent high-quality deal flow
- Proven track record deploying capital accretively with annual acquisition volume of \$500+ million from 2015 – 2019
- Invested \$100.3 million in 19 properties at a weighted average initial cash cap rate of 6.9%



Scalable Growth-Oriented Platform with Fortified Investment Grade Balance Sheet

- Optimal size with a large efficient in-place platform, but small enough to drive meaningful growth
- Investment grade balance sheet (S&P – BBB, Moody's - Baa3) with a robust liquidity profile and no near-term debt maturities
- Conservative leverage profile with net debt to adjusted EBITDA of 5.15x



Experienced Management Team with Deep Pool of Talent

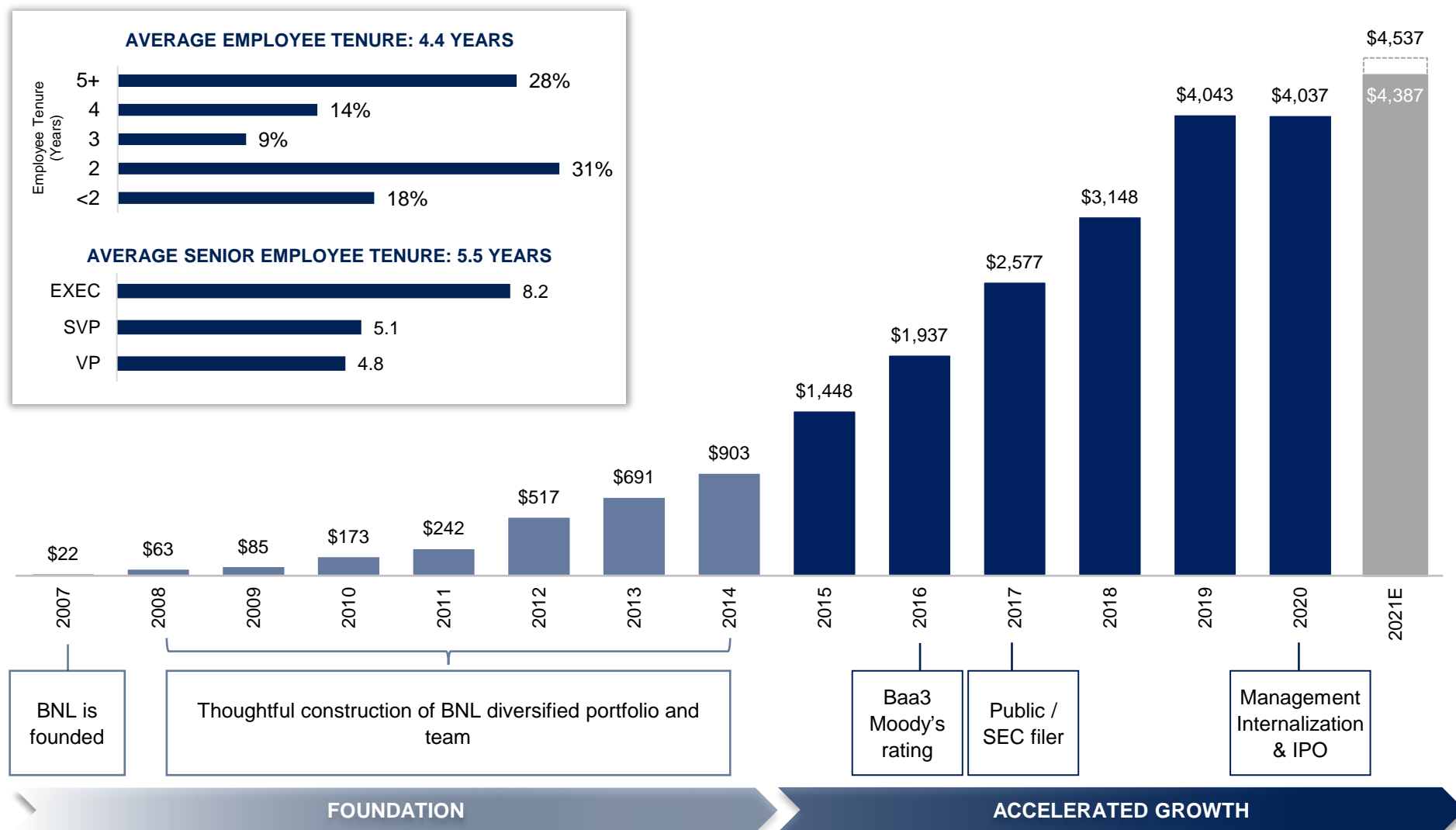
- Experienced, cycle-tested management team constructed over 13 years with long-term relationships and expertise
- Diverse board of directors with meaningful public REIT experience and substantial personal investment in the Company
- Focus on corporate responsibility has been a cornerstone of Broadstone since inception

As of December 31, 2020 unless otherwise noted

BROADSTONE NET LEASE (NYSE: BNL)

Longstanding operating history and track record of success delivering results to shareholders

(\$mm)



¹ Gross asset value "GAV" means undepreciated book value, which represents the fair value of the assets as of the date acquired, less any subsequent write-downs due to impairment charges. 2021E based on initial guidance of \$450mm - \$550mm of acquisitions and dispositions of \$50mm - \$100mm

Q4 2020 AT-A-GLANCE

Continued Strength in Rent Collections & Solid External Growth Via Accretive Acquisitions

PORTFOLIO OVERVIEW

\$294 Million
Annualized Base Rent

641
Properties

28.2 Million
Square Footage



\$4.5 billion
Enterprise Value



41 + BC
States



181
Tenants



55
Industries



10.7 years
Weighted Average
Remaining Lease Term



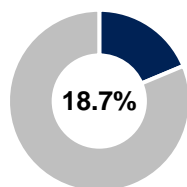
2.1%
Weighted Average
Rent Escalation



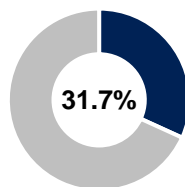
95.0%
Tenants providing
Financial Reporting^{1,2}



17.2%
% Investment Grade
Credit Rated Tenants¹



Top 10 Tenant
Concentration¹



Top 20 Tenant
Concentration¹

KEY OPERATING METRICS



99.2%
Leased



98.8%
Rent Collection



\$100.3mm
Acquisitions



\$23.6mm
Dispositions



5.15x
Net Debt / Annualized
Adjusted EBITDAre



BBB
Rating received from
S&P in January 2021

SUMMARY FINANCIAL RESULTS

	For Three Months Ended	
(\$ in thousands, except per share data)	12/31/2020	9/30/2020
Revenues	\$82,291	\$80,744
Net Income	\$17,619	\$9,711
Earnings Per Share	\$0.11	\$0.08
Funds From Operations ('FFO')	\$44,198	\$54,726
FFO Per Share	\$0.28	\$0.44
Adjusted Funds From Operations ('AFFO')	\$46,894	\$47,077
AFFO Per Share	\$0.30	\$0.38
Diluted WASO	155,956	123,381

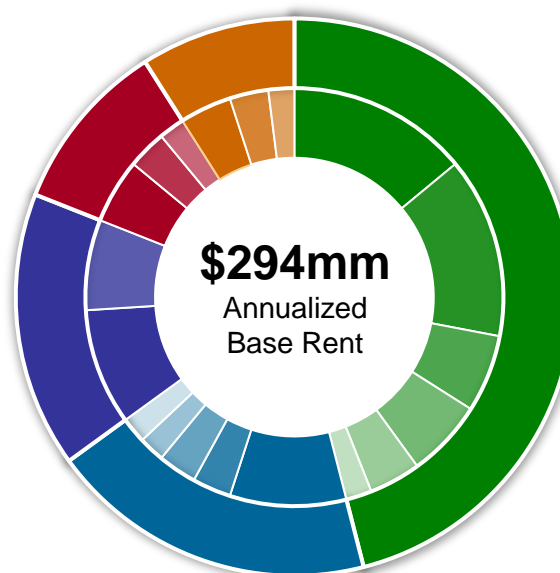
Note: As of 12/31/20, ¹ % of ABR; ² Includes 6.3% of ABR that is tied to assets with no reporting requirement, but whose tenant or guarantor is required to file publicly with the SEC or has its financials publicly available for reasons outside of public company requirements. These assets do not have specific financial reporting provisions in their respective leases.

HIGHLY DIVERSIFIED BY TENANT & INDUSTRY

TOP 20 TENANTS

Tenant	Property Type	# of Properties	ABR as a % of Total Portfolio
Red Lobster*	Restaurants	24	2.5%
Jack's Family Restaurants*	Restaurants	43	2.4%
Axcelis Technologies	Industrial	1	2.0%
Hensley*	Industrial	3	1.9%
Outback Steakhouse 1 *	Restaurants	23	1.8%
BluePearl*	Healthcare	12	1.7%
Krispy Kreme	Rest. / Ind.	27	1.7%
Big Tex Trailers*	Ind./ Retail/ Office	17	1.6%
Siemens	Industrial	2	1.6%
Nestle Dreyer's	Industrial	1	1.5%
Top 10 Tenants		153	18.7%
Arkansas Surgical Hospital	Healthcare	1	1.5%
Nationwide Mutual*	Office	2	1.4%
American Signature	Retail	6	1.4%
Cascade Aerospace	Industrial	1	1.4%
Aventiv Technologies	Office	1	1.3%
Fresh Express	Industrial	1	1.3%
Bob Evans*	Restaurant	23	1.3%
Tractor Supply Co.	Retail	14	1.2%
Centene Management	Office	1	1.1%
Zips Car Wash*	Retail	14	1.1%
Top 20 Tenants		217	31.7%

PROPERTY TYPE DIVERSIFICATION (BY ABR)



Industrial 46%

■ Manufacturing	14%
■ Distribution & Warehouse	14%
■ Food Processing	6%
■ Flex and R&D	6%
■ Cold Storage	4%
■ Services	2%

Healthcare 19%

■ Clinical	9%
■ Surgical	3%
■ Animal Health Services	3%
■ Life Science	2%
■ Healthcare Services	2%

Restaurants 16%

■ Quick Service	9%
■ Casual Dining	7%

Office 10%

■ Strategic Operations	5%
■ Corporate Headquarters	3%
■ Call Center	2%

Retail 9%

■ Automotive	4%
■ General Merchandise	3%
■ Home Furnishings	2%

As of December 31, 2020 * Subject to master lease ¹ Tenant's properties include 21 Outback Steakhouse restaurants and 2 Carrabba's Italian Grill restaurants

TARGETED PROPERTY TYPES

INDUSTRIAL



TOP TENANTS

axcelis

HENSLEY
Beverage Company

SIEMENS

Nestlé
Dreyer's

KEY STATISTICS

ABR % | \$: 46% | \$136mm

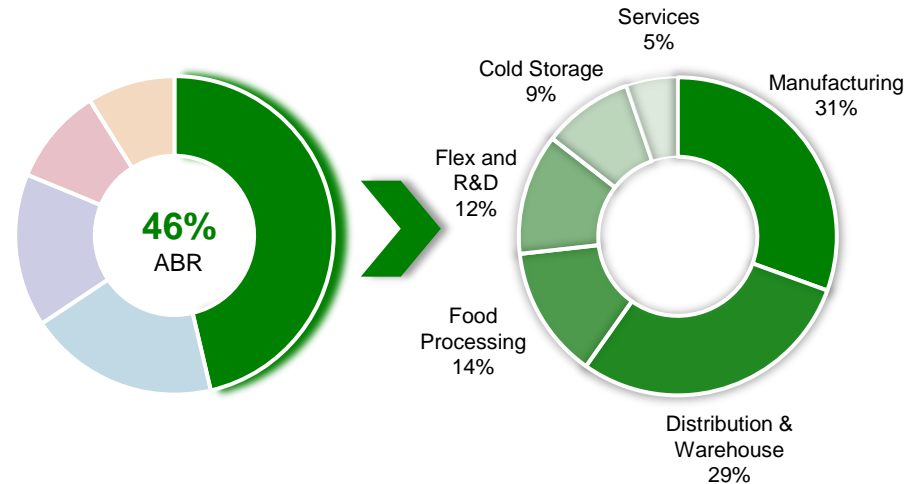
Properties: 130

Square Feet: 20.1mm

WALT: 10.7 years

Avg. Annual Rent Escalation: 2.0%

PROPERTY TYPE BREAKDOWN



HEALTHCARE



TOP TENANTS

bluepearl

ARKANSAS
SURGICAL HOSPITAL

Froedtert & MEDICAL COLLEGE of WISCONSIN

MEDVET
MEDICAL & VETERINARY CARE FOR PETS

KEY STATISTICS

ABR % | \$: 19% | \$57mm

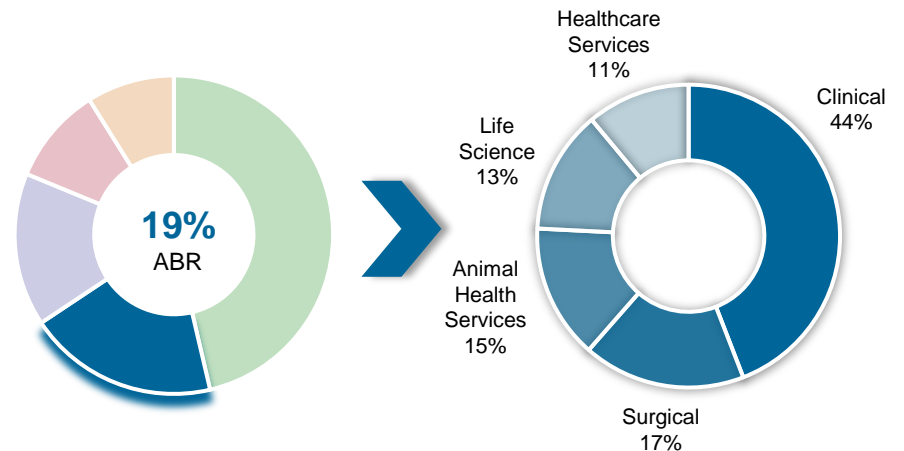
Properties: 117

Square Feet: 2.5mm

WALT: 8.3 years

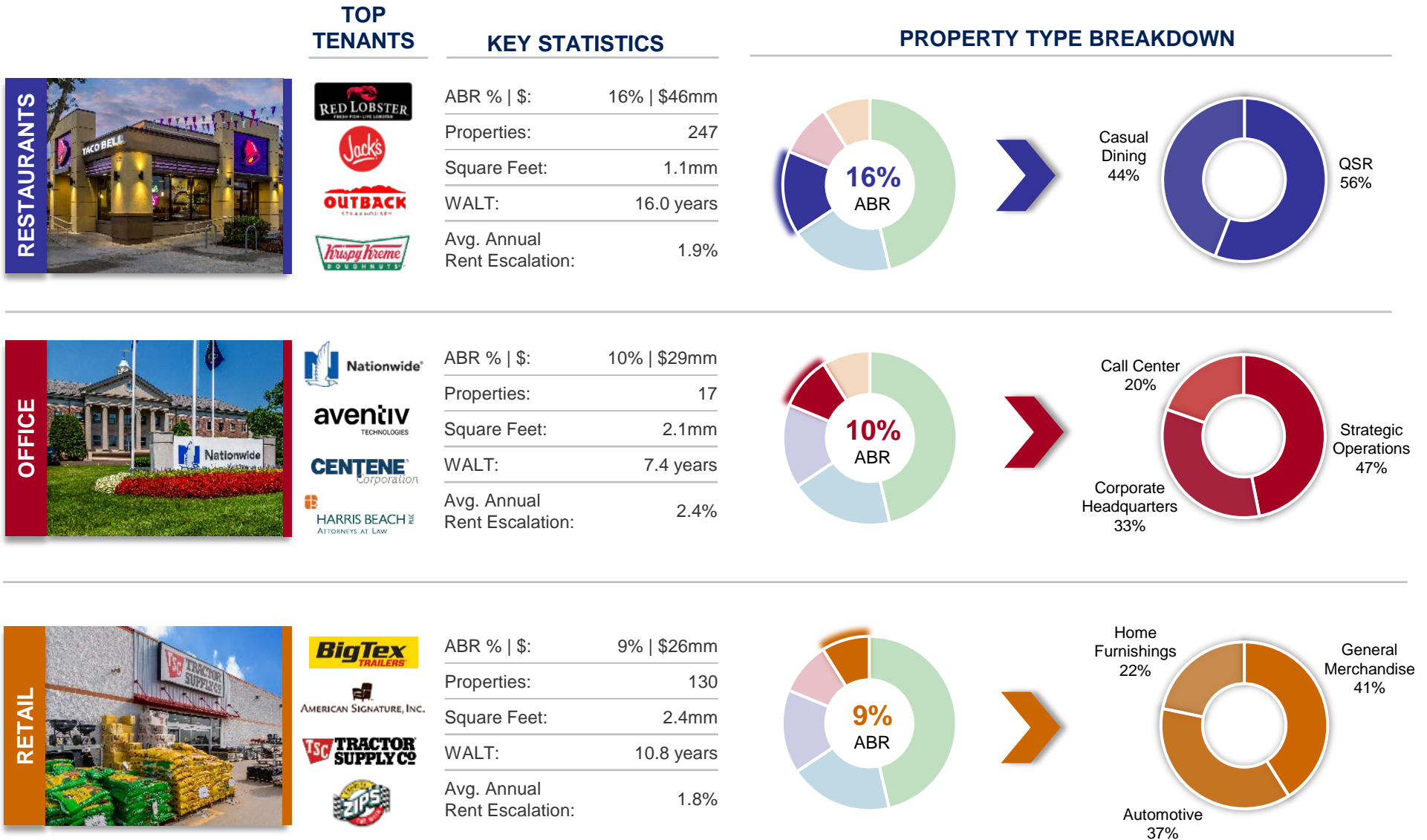
Avg. Annual Rent Escalation: 2.3%

PROPERTY TYPE BREAKDOWN



As of December 31, 2020

TARGETED PROPERTY TYPES

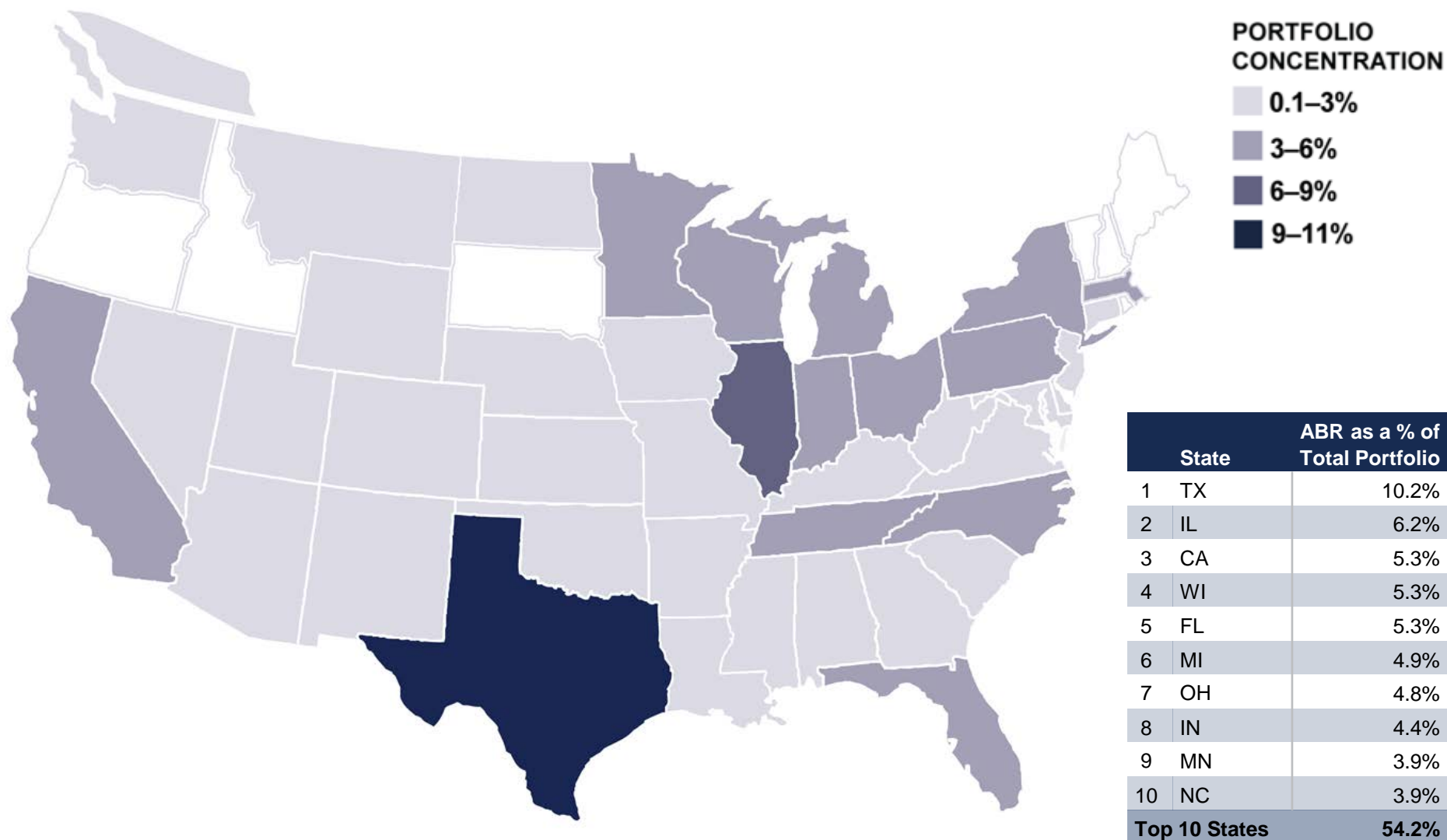


As of December 31, 2020

SIGNIFICANT GEOGRAPHIC DIVERSITY

TOTAL PROPERTIES: 641

TOTAL STATES: 41 + British Columbia



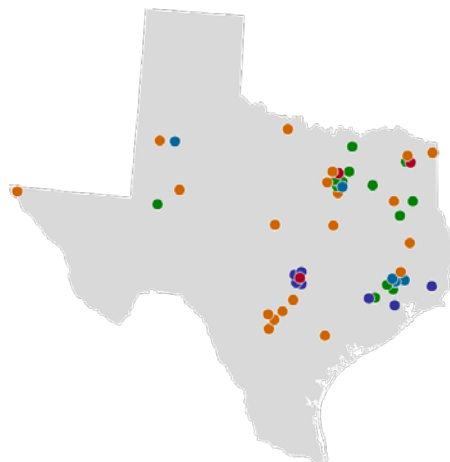
As of December 31, 2020

SIGNIFICANT CROSS-DIVERSIFICATION

Significant Geographic, Property Type, and Industry Diversification Helps to Mitigate State Specific Risk

STATE EXPOSURE AT-A-GLANCE

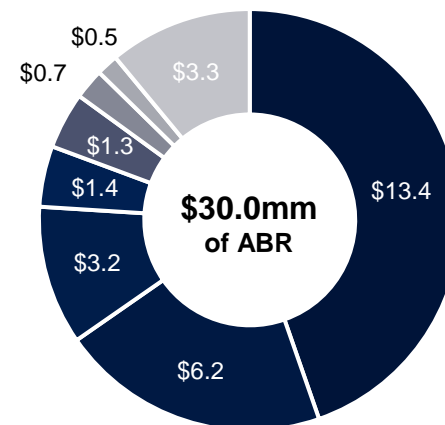
State:	Texas
Concentration:	1
ABR: % \$	10.2% \$30.0mm
Tenants:	29
Properties:	53
Property Types:	5
Industries:	17
MSAs:	19



STATE DIVERSIFICATION BY MSA

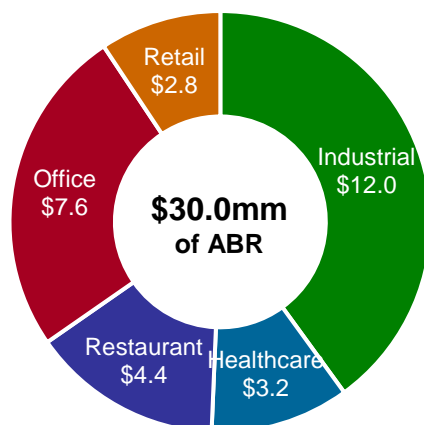
(\$ in millions)

- Dallas
- Austin
- Houston
- Sherman
- Mt. Pleasant
- Lubbock
- Tyler
- All Other



STATE DIVERSIFICATION BY PROPERTY TYPE

(\$ in millions)



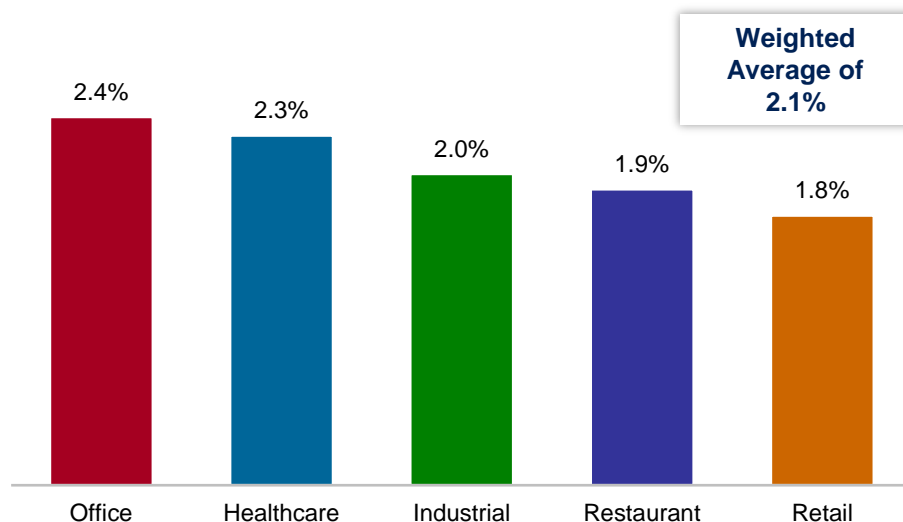
STATE DIVERSIFICATION BY INDUSTRY

TENANT INDUSTRY	PROPERTY TYPE	ABR	% STATE ABR
Home Furnishings		\$5.3	17.6%
Restaurants		\$4.4	14.6%
Application Software		\$3.8	12.7%
Managed Health Care		\$3.3	10.9%
Health Care Facilities		\$3.2	10.6%
Auto Parts & Equipment		\$2.6	8.8%
Data Processing & Outsourced Services		\$1.6	5.3%
Packaged Foods & Meats		\$1.4	4.8%
Automotive Retail		\$0.9	2.9%
Office Services & Supplies		\$0.9	2.8%
Trading Companies & Distributors		\$0.6	2.0%
General Merchandise Stores		\$0.5	1.5%
Specialty Stores		\$0.5	1.5%
Soft Drinks		\$0.4	1.5%
Metal & Glass Containers		\$0.4	1.2%
Specialized Consumer Services		\$0.3	0.9%
Oil & Gas Equipment & Services		\$0.1	0.4%
TOTAL		\$30.0	100.0%

As of December 31, 2020

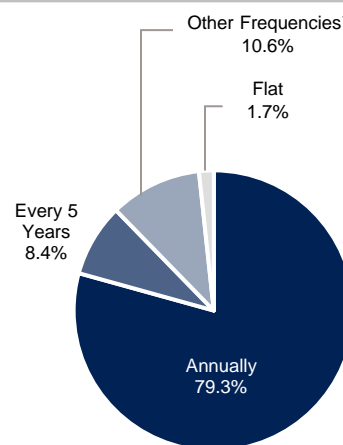
TOP-TIER PORTFOLIO METRICS

WEIGHTED AVERAGE RENT ESCALATION

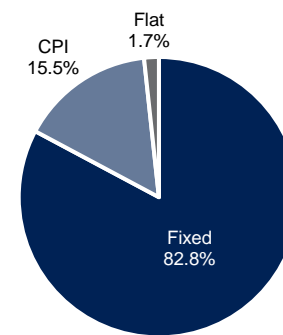


STRONG RENT ESCALATIONS

LEASE ESCALATION FREQUENCY



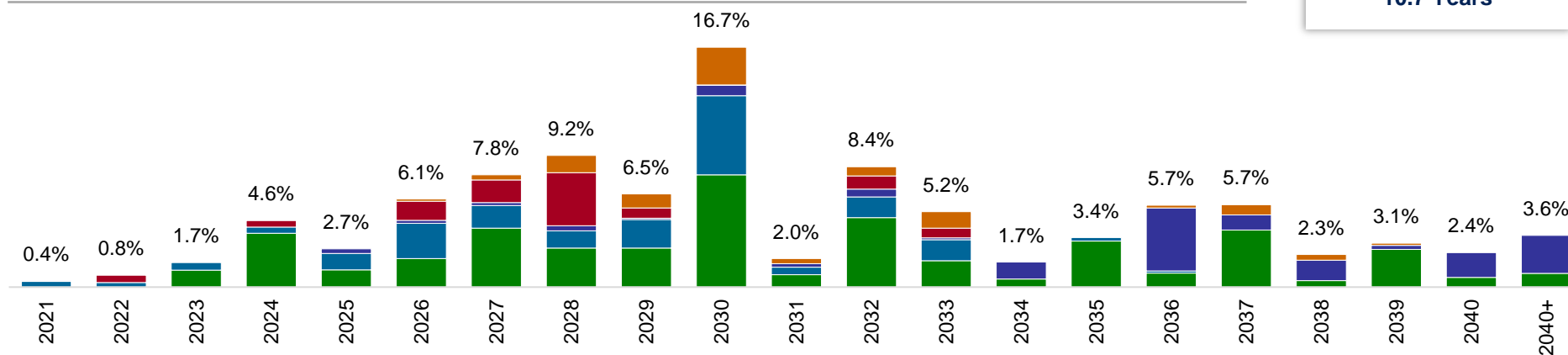
LEASE ESCALATION PROVISIONS



LONG WEIGHTED AVERAGE LEASE DURATION WITH MINIMAL NEAR-TERM EXPIRATIONS

	Industrial	Healthcare	Restaurant	Office	Retail
WALT:	10.7	8.3	16.0	7.4	10.8

Weighted Average of 10.7 Years



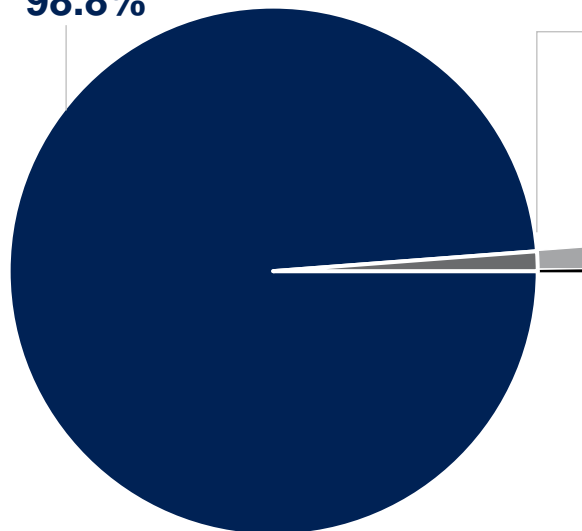
As of December 31, 2020 ¹ Includes 2, 3, and 4-year escalations and other escalation arrangements

RENT COLLECTION UPDATE

Continued Resiliency & Predictability in Collections with Majority of COVID-19 Partial Relief Complete

Q4 Collected Rent

98.8%



Q4 Uncollected Rent

1.2%

Abated Rent

1.0%

Deferred Rent

None

Uncollected Rent

0.2%

COVID RENT RELIEF REQUESTS

Unresolved requests None

Requests received during Q4 None

PARTIAL RENT DEFERRALS

Rent deferrals granted 14

Deferred rent collected in Q4 100%

Wtd. avg. deferral period remaining 0 months

Deferred rent scheduled to be repaid \$0.8 million

PARTIAL RENT ABATEMENTS

Partial rent abatements granted 1

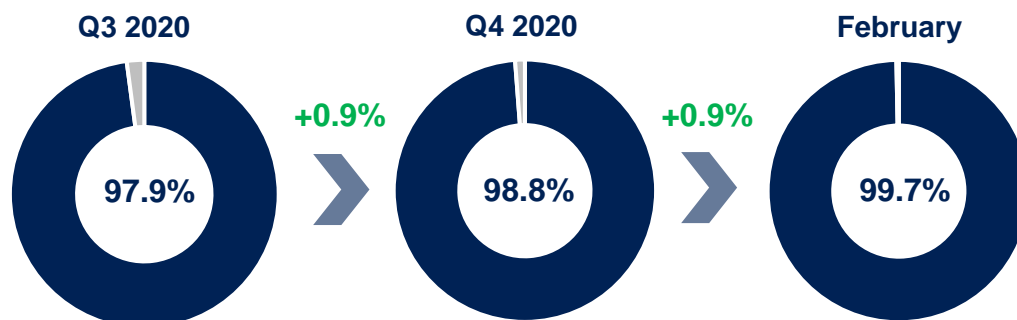
Lease term extension negotiated 3 years

Partial base rent collected in Q4 100%

Abatement period remaining 1 month

Upside percentage rent collected in Q4 \$0.2 million

RENT COLLECTION PROGRESSION



As of December 31, 2020, February collection information as of February 18, 2021

DIFFERENTIATED INVESTMENT APPROACH

Agile Investment Strategy Enables Identification of Attractive Investment Opportunities

Diversified Core Property Sectors

- A decade plus of experience sourcing, underwriting, and managing a portfolio diversified across traditional and emerging net lease sectors
- Significant presence in industrial, healthcare, restaurant, office and retail, supplemented by other emerging net lease property types



Industrial



Healthcare



Restaurant



Office



Retail



Other



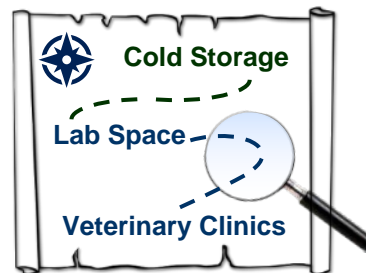
Attractive Capital Allocation

- Flexibility to identify adjacent property sectors well-suited for long term leases
- Specialized infrastructure conducive to staying ahead of industry trends
- Executing acquisitions in emerging sectors prior to institutionalization has helped generate attractive returns







Proven Investment Strategy

- ✓ Increased investment opportunity and consistency in deal flow
- ✓ Enhanced ability to adhere to stringent underwriting standards in competitive environment
- ✓ Drives attractive risk-adjusted returns over the long-term



SYSTEMATIC INVESTMENT APPROACH

INVESTMENT TEAMS:		 INDUSTRIAL  HEALTHCARE  RESTAURANT /  RETAIL					
SOURCING CHANNELS:		CURRENT OWNERS	BROKERAGE NETWORK	DEVELOPMENT PARTNERS	TENANT RELATIONSHIPS	PRIVATE EQUITY	UPREIT
INVESTMENT TYPE		DESCRIPTION					
NEW OPPORTUNITIES	SALE LEASEBACK	<ul style="list-style-type: none"> Acquire single-tenant property with a simultaneous new long-term lease with seller Maximum flexibility to negotiate lease terms coupled with strength of our own lease form 					
	LEASE ASSUMPTION	<ul style="list-style-type: none"> Acquire single-tenant property with existing lease Deepest market opportunity set Focus on lease modifications to strengthen lease structure and improve risk-adjusted return 					
	FORWARD COMMITMENTS	<ul style="list-style-type: none"> Take-out of newly constructed property upon completion from developer or existing tenants Drive higher risk-adjusted returns via attractive cap rates and long lease term 					
EXISTING PORTFOLIO	EXISTING PORTFOLIO ADD-ONS	<ul style="list-style-type: none"> Addition of property from existing tenant strengthens relationship and leads to potential future opportunities Directly sourced opportunities from preferred tenants already underwritten and routinely monitored 					
	PROPERTY EXPANSIONS & IMPROVEMENTS	<ul style="list-style-type: none"> Fund construction for existing single-tenant property with long-term lease already in place Collaborate in design and construction of property or approval Opportunity to enhance lease structure and / or extend lease term 					

PROVEN INVESTMENT APPROACH

Long-Standing Diversified Strategy Provides Acquisition Flexibility from Year to Year Without Dramatically Influencing Overall Portfolio Concentration

Volume (\$mm)



Industrial



Healthcare



Restaurants



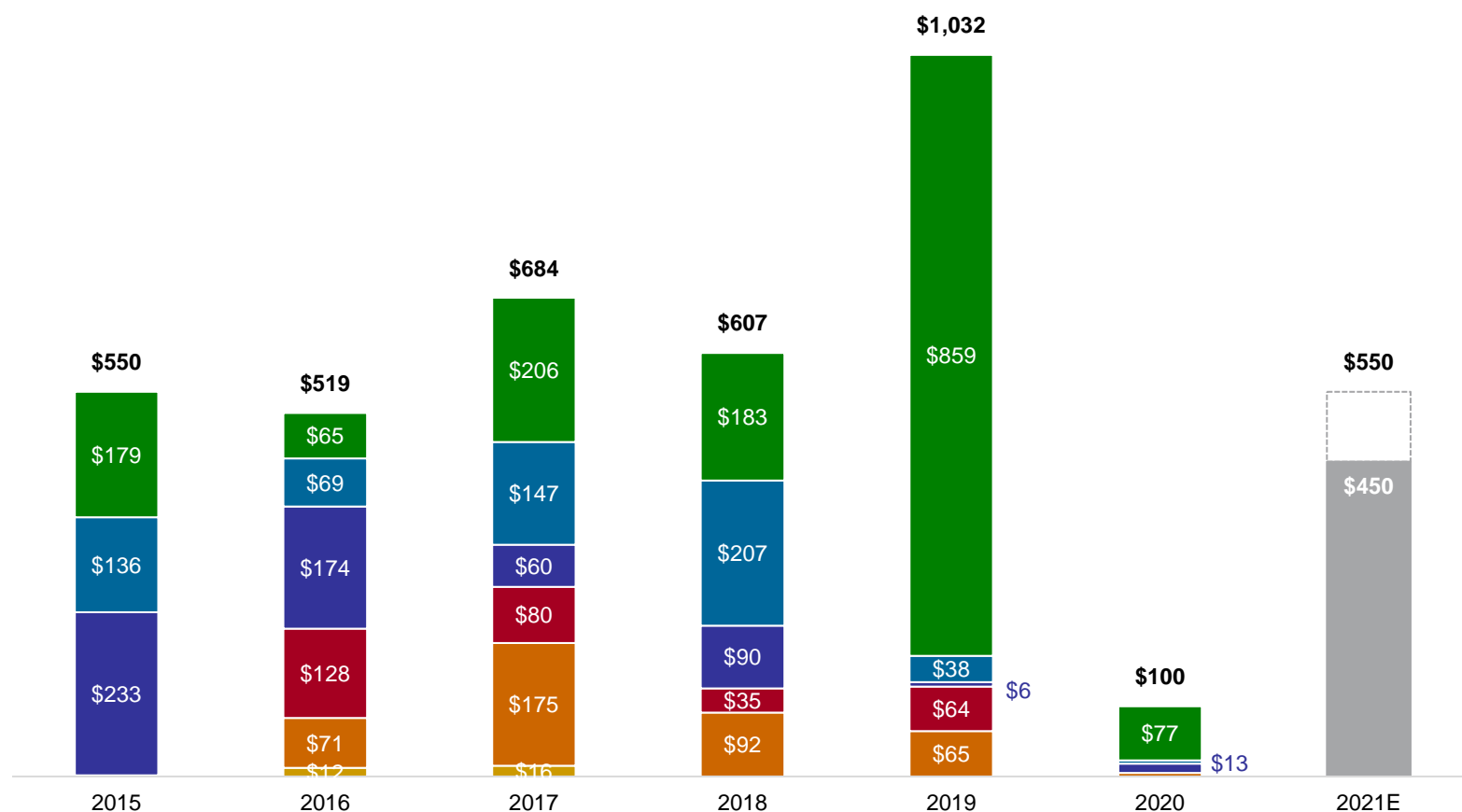
Office



Retail



Other



% of GAV¹

13.6%

12.9%

16.9%

15.0%

25.6%

2.5%

11.2%³

Acquisitions Cap Rate²

6.9%

6.8%

7.2%

6.9%

6.6%

6.9%

TBD

As of December 31, 2020 ¹ Gross asset value "GAV" means undepreciated book value, which represents the fair value of the assets as of the date acquired, less any subsequent write-downs due to impairment charges

² Represents the estimated first year cash yield, calculated as specified cash base rent for the first full year after investment divided by property purchase price ³ Represents midpoint of acquisition guidance as a % of the 2021E midpoint of GAV. 2021E based on initial guidance of \$450mm - \$550mm of acquisitions.

PLATFORM WELL POSITIONED TO CONTINUE EXECUTING GROWTH STRATEGY

- 1 **Defensive leverage profile** with strong access to capital
- 2 Carefully constructed platform built to **sustain targeted growth levels**
- 3 **Specialized, national sourcing** model with **growing pipeline** of opportunities
- 4 **Diversified acquisition strategy** provides flexibility to optimize risk / return profile
- 5 “Sweet spot” sizing – meaningful scale yet **modest acquisitions move the needle**
- 6 Highly **scalable infrastructure already in place** and operating efficiently

WELL CAPITALIZED BALANCE SHEET

Investment Grade Credit Rated Balance Sheet with Well Laddered Maturities and Strong Liquidity

TOTAL CAPITALIZATION DETAIL

(\$ in thousands) Dec 31, 2020

Equity	
Common Stock	145,609
OP Units	11,399
Common Stock & OP Units	157,008
Price Per Share / Unit	\$19.58
Equity Market Capitalization	\$3,074,209
% of Total Capitalization	66.5%

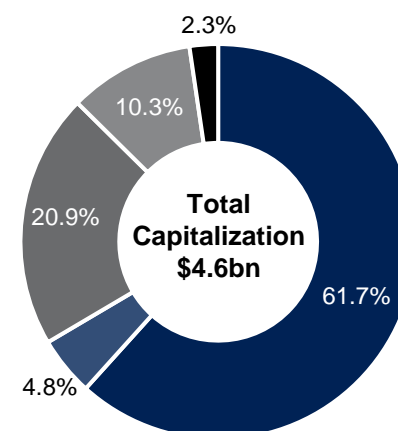
Debt	
Unsecured Revolving Credit Facility	\$ —
Unsecured Term Loan Facilities	965,000
Senior Unsecured Notes	475,000
Mortgage Debt – Various	107,667
Total Debt	\$1,547,667
% of Total Capitalization	33.5%

Enterprise Value	
Total Capitalization	\$4,621,876
Less: Cash and Cash Equivalents	(100,486)
Enterprise Value	\$4,521,390

As of December 31, 2020

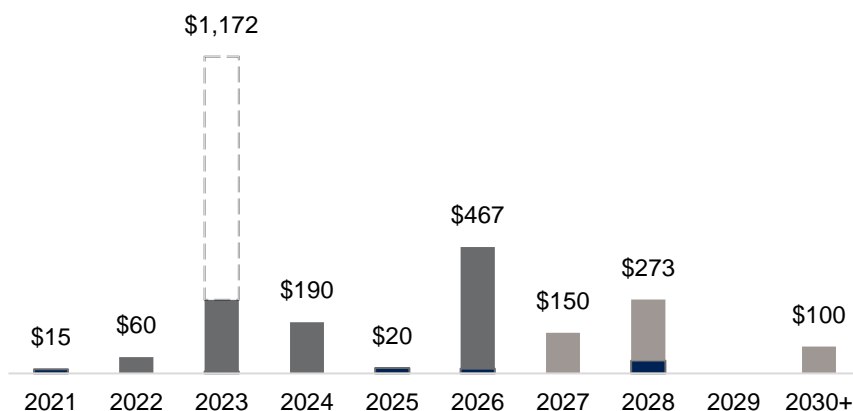
TOTAL CAPITALIZATION

- Common Stock
- OP Units
- Unsecured Term Loans
- Senior Unsecured Notes
- Mortgage Debt



DEBT MATURITY SCHEDULE

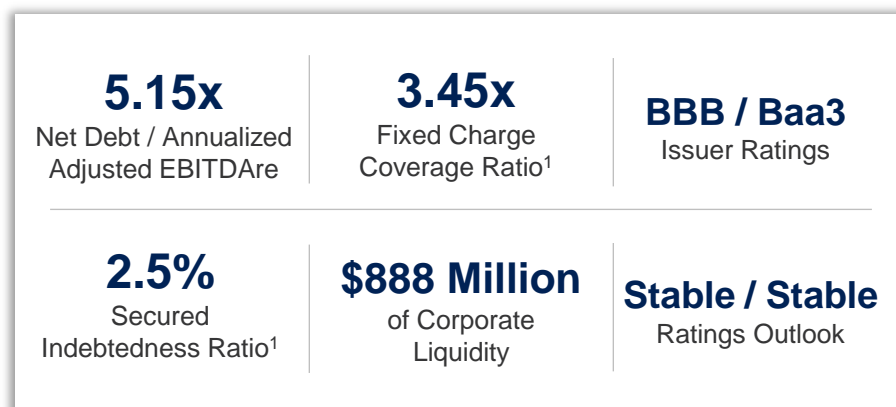
- (\$mm)
- Unsecured Credit Facilities
 - Senior Unsecured Notes
 - Undrawn Revolver Capacity
 - Mortgages



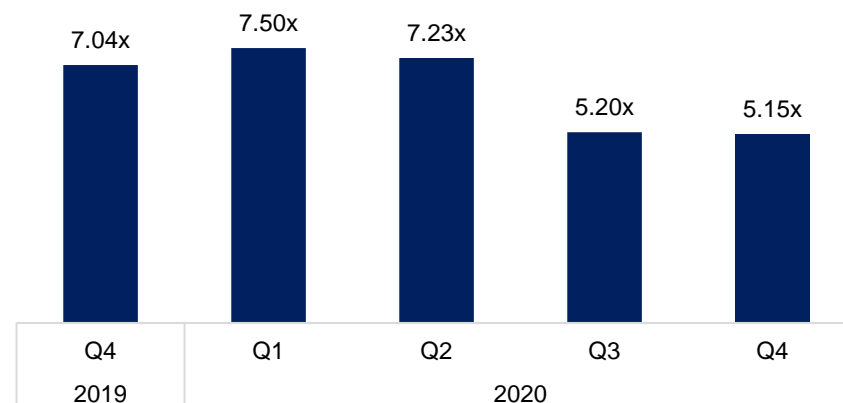
EMPHASIS PLACED ON LIQUIDITY

Conservative Leverage Profile & Ample Liquidity to Execute Growth Strategy

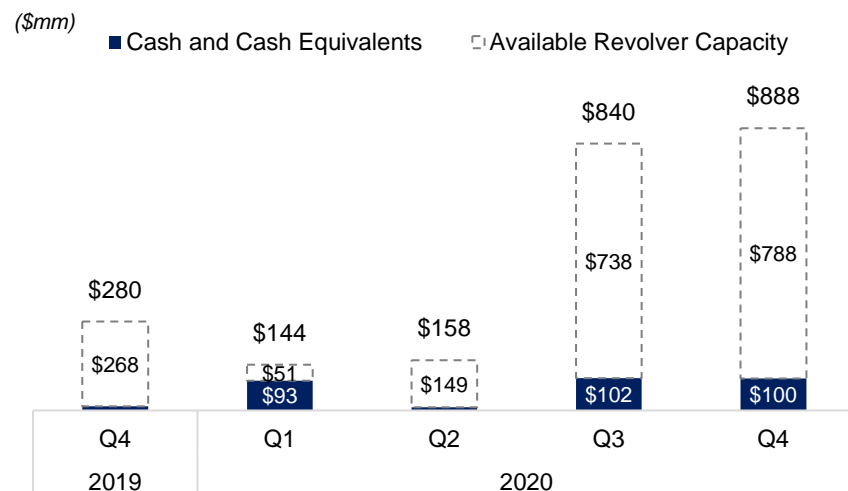
KEY CREDIT METRICS



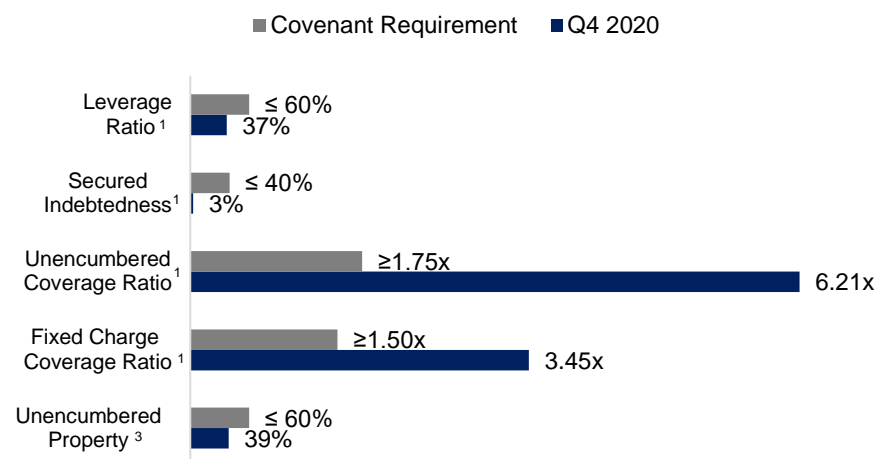
LEVERAGE PROFILE EVOLUTION²



CORPORATE LIQUIDITY PROFILE








AMPLE COVENANT HEADROOM






As of December 31, 2020 ¹Calculated in accordance with current unsecured credit facility and unsecured term loans and senior notes ² Net Debt / Annualized Adjusted EBITDAre ³Calculated in accordance with current unsecured senior notes

SHAREHOLDER FRIENDLY GOVERNANCE

BOARD OF DIRECTORS (INDEPENDENT)

Name, tenure	Prior experience
 Laurie A. Hawkes (Lead) 4 years	<ul style="list-style-type: none"> ■ Co-founder, American Residential Properties ■ Former President, U.S. Realty Advisors
 Geoffrey H. Rosenberger 13 years	<ul style="list-style-type: none"> ■ Co-founder, Clover Capital Management ■ Former board member, Manning & Napier
 Shekar Narasimhan 13 years	<ul style="list-style-type: none"> ■ Co-founder & Managing Partner, Beekman Advisors ■ Former Chairman & CEO, WMF Group
 James H. Watters 13 years	<ul style="list-style-type: none"> ■ SVP & Treasurer, Rochester Institute of Technology ■ Board member, Canandaigua National Corp.
 David M. Jacobstein 7 years	<ul style="list-style-type: none"> ■ Former President & COO, Developers Diversified Realty Corp. ■ Trustee, Corporate Office Properties Trust

BOARD OF DIRECTORS (INSIDERS)

Name, tenure	Prior experience
 Amy L. Tait (Chairman)¹ 13 years	<ul style="list-style-type: none"> ■ Founder, Broadstone Net Lease ■ Former EVP & Director, Home Properties Inc.
 Christopher J. Czarnecki 3 years	<ul style="list-style-type: none"> ■ President & CEO, Broadstone Net Lease ■ Joined BNL in 2009
 Agha S. Khan 5 years	<ul style="list-style-type: none"> ■ Senior Principal, Stone Point Capital

KEY GOVERNANCE HIGHLIGHTS

- ✓ **Majority independent board**
- ✓ **All required committees are independent**
- ✓ **Elected to opt out of MUTA**
- ✓ **Significant equity investment by board members**
- ✓ **Minimum stock ownership requirements**
- ✓ **Significant diversity, 50% women and minorities**

Further alignment of interest driven by substantial equity investment held by Board members

¹Ms. Tait has announced that she will retire from the board at the end of her current term. To ensure a smooth transition of leadership following Ms. Tait's retirement, the board intends to appoint Laurie A. Hawkes to succeed Ms. Tait, effective as of the conclusion of the company's 2021 Annual Meeting of Stockholders in May.

A CULTURE OF CORPORATE RESPONSIBILITY

Corporate Responsibility Has Been a Cornerstone of Broadstone Since Inception



Environmental Responsibility

BNL is constantly exploring initiatives that promote sustainable environmental practices

- ✓ “Go Green” Initiative Subcommittee
- ✓ Environmental Considerations In Our Office
- ✓ Tenant & Portfolio Practices



Social Responsibility

BNL works to foster a culture that is dynamic, collaborative, collegial, and based on trust

- ✓ Community Engagement
- ✓ Diversity Hiring Practices
- ✓ Wellness Programs
- ✓ Employee Satisfaction & Appreciation

Employee Satisfaction



Based on an employee-feedback survey, BNL has won the Rochester top workplaces award six years in a row



**ADDITIONAL
INFORMATION**



GAAP RECONCILIATIONS

FUNDS FROM OPERATIONS (FFO), ADJUSTED FUNDS FROM OPERATIONS (AFFO)

(in thousands, except per share data)	For the Three Months Ended	
	December 31, 2020	September 30, 2020
Net income	\$ 17,619	\$ 9,711
Real property depreciation and amortization	30,161	31,343
Gain on sale of real estate	(5,260)	(1,060)
Provision for impairment on investment in rental properties	1,678	14,732
FFO	\$ 44,198	\$ 54,726
Capital improvements / reserves	—	1,662
Straight line rent adjustment	(5,125)	(6,943)
Adjustment to provision for credit losses	(6)	(15)
Cost of debt extinguishment	3	392
Amortization of debt issuance costs	917	819
Amortization of net mortgage premiums	(36)	(34)
Gain on interest rate swaps and other non-cash interest expense	(41)	(42)
Amortization of lease intangibles	(1,150)	151
Internalization expenses	182	1,929
Stock-based compensation	1,193	796
Severance	68	—
Change in fair value of earnout liability	6,706	(6,362)
Other (income) expenses	(15)	(2)
AFFO	\$ 46,894	\$ 47,077
Diluted WASO ⁽¹⁾	155,956	123,381
Net earnings per share ⁽²⁾	\$ 0.11	\$ 0.08
FFO per share ⁽²⁾	0.28	0.44
AFFO per share ⁽²⁾	0.30	0.38

(1) Excludes 341 and 216 weighted average shares of unvested restricted common stock for the three months ended December 31, 2020 and September 30, 2020.

(2) Excludes \$85 and \$46 from the numerator for the three months ended December 31, 2020 and September 30, 2020, related to dividends paid or declared on shares of unvested restricted common stock.

GAAP RECONCILIATIONS

EBITDA, EBITDAre, Adjusted EBITDAre, Net Debt to Annualized Adjusted EBITDAre

(in thousands)	As of				
	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020
Debt					
Mortgages and notes payable, net	\$ 111,793	\$ 110,464	\$ 109,512	\$ 108,752	\$ 107,382
Unsecured term notes, net	1,672,081	1,672,587	1,673,092	1,433,495	1,433,796
Revolving Credit Facility	197,300	353,300	248,300	—	—
Debt issuance costs	8,277	7,767	7,268	6,829	6,489
Gross Debt	1,989,451	2,144,118	2,038,172	1,549,076	1,547,667
Cash and cash equivalents	(12,455)	(93,151)	(9,241)	(101,787)	(100,486)
Restricted cash	(7,856)	(3,561)	(601)	(7,200)	(10,242)
Net Debt	<u>\$ 1,969,140</u>	<u>\$ 2,047,406</u>	<u>\$ 2,028,330</u>	<u>\$ 1,440,089</u>	<u>\$ 1,436,939</u>

(in thousands)	For the three months ended				
	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020
Net income	\$ 27,712	\$ 11,848	\$ 17,098	\$ 9,711	\$ 17,619
Depreciation and amortization	30,829	31,219	39,921	31,363	30,182
Interest expense	21,509	20,991	19,513	18,511	17,123
Income taxes	1,262	549	402	129	(141)
EBITDA	\$ 81,312	\$ 64,607	\$ 76,934	\$ 59,714	\$ 64,783
Provision for impairment of investment in rental properties	—	2,133	534	14,732	1,678
Gain on sale of real estate	(13,142)	(7,619)	(1,046)	(1,060)	(5,260)
EBITDAre	\$ 68,170	\$ 59,121	\$ 76,422	\$ 73,386	\$ 61,201
Adjustment for current quarter investment activity ⁽¹⁾	346	—	—	—	1,703
Adjustment for current quarter disposition activity ⁽²⁾	(1,015)	(285)	(52)	(78)	(318)
Adjustment to exclude non-recurring expenses associated with the Internalization	2,463	1,205	389	1,929	182
Adjustment to exclude change in fair value of earnout liability	—	4,177	(6,321)	(6,362)	6,706
Adjustment to exclude write-off of accrued rental income ⁽³⁾	—	3,993	—	—	242
Adjustment to exclude cost of debt extinguishments	—	22	—	392	—
Adjustment to exclude lease termination fees	—	—	(276)	—	—
Adjusted EBITDAre	<u>\$ 69,964</u>	<u>\$ 68,233</u>	<u>\$ 70,162</u>	<u>\$ 69,267</u>	<u>\$ 69,716</u>
Annualized Adjusted EBITDAre	<u>\$ 279,856</u>	<u>\$ 272,932</u>	<u>\$ 280,648</u>	<u>\$ 277,068</u>	<u>\$ 278,867</u>
Net Debt to Annualized Adjusted EBITDAre	<u>7.04x</u>	<u>7.50x</u>	<u>7.23x</u>	<u>5.20x</u>	<u>5.15x</u>

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

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 represent expenses directly associated with the Internalization.