



ESSENTIAL PROPERTIES



March 2021 Presentation

Disclaimer

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. These forward-looking statements can be identified by the use of words such as “expect,” “plan,” “will,” “estimate,” “project,” “intend,” “believe,” “guidance,” and other similar expressions that do not relate to historical matters. These forward-looking statements are subject to known and unknown risks and uncertainties that can cause actual results to differ materially from those currently anticipated due to a number of factors, which include, but are not limited to, our continued ability to source new investments, risks associated with using debt and equity financing to fund our business activities (including refinancing and interest rate risks, changes in interest rates and/or credit spreads, changes in the price of our common shares, and conditions of the equity and debt capital markets, generally), unknown liabilities acquired in connection with acquired properties or interests in real-estate related entities, general risks affecting the real estate industry and local real estate markets (including, without limitation, the market value of our properties, the inability to enter into or renew leases at favorable rates, portfolio occupancy varying from our expectations, dependence on tenants’ financial condition and operating performance, and competition from other developers, owners and operators of real estate), the financial performance of our retail tenants and the demand for retail space, particularly with respect to challenges being experienced by general merchandise retailers, potential fluctuations in the consumer price index, risks associated with our failure to maintain our status as a REIT under the Internal Revenue Code of 1986, as amended, and other additional risks discussed in our filings with the Securities and Exchange Commission. We expressly disclaim any responsibility to update or revise forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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Investment Highlights

New Vintage Net Lease Portfolio with Strong External Growth Potential Creates a Compelling Investment Opportunity

Newly Assembled Portfolio of Single-Tenant Net Lease Properties with Long Duration Leases and Solid Unit-Level Rent Coverage

14.5 Years
of Weighted Average
Lease Term (WALT)¹

2.9x
Unit-Level
Rent Coverage¹

Experienced Senior Management Team with Track Record of Growing and Managing Public Net Lease Companies to Significant Scale

60+ Years
of Collective
Net Lease Experience

\$2.6B
of Undepreciated
Total Gross Assets¹

Small-Scale, Single-Tenant Properties Leased to Service-Oriented and Experienced-Based Businesses

~95%
Service and
Experiential
Cash ABR²

\$2.1mm
Average Investment
Per Property

Disciplined and Proven Investment Strategy Targeting Growth via Sale-Leaseback Transactions with Middle-Market Companies

84.5%
Internally-Originated
Sale-Leasebacks^{2,3}

~\$150mm
Average Quarterly
Investment Activity⁴

Balance Sheet Positioned to Fund External Growth Opportunities While Maintaining Conservative Long-Term Leverage Profile

4.8x
Net Debt-to-
Adjusted Annualized
EBITDAre¹

<6.0x
Targeted
Leverage

1. As of December 31, 2020.

2. Based on cash ABR as of December 31, 2020.

3. Exclusive of GE Seed Portfolio.

4. Average quarterly investment activity represents the trailing eight quarter average as of December 31, 2020.

Executive Summary

With a Stabilized Portfolio and Well Positioned Balance Sheet, We Continue to Execute Our External Growth Strategy

Stable Net Lease Portfolio

- **High Occupancy:** Our portfolio was 99.7% leased with three vacant properties at 4Q'20-end
- **Solid Coverage:** Unit-level coverage of 2.9x with 98% of ABR required to report unit-level P&Ls
- **De-Minimis Near-Term Expirations:** <1% and <5% of ABR, respectively, expiring through 2023 and 2025
- **Fungible & Diversified:** Average asset size is \$2.1mm; Top 10 tenants represent just 21% of ABR

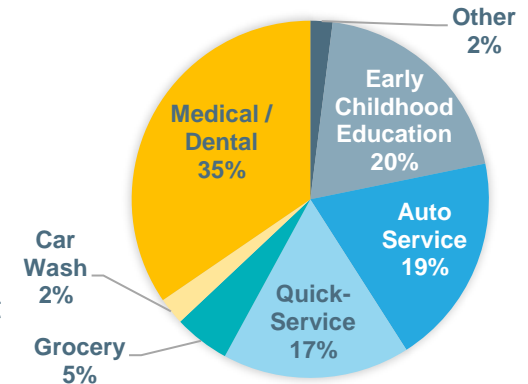
Well Positioned Balance Sheet with Ample Liquidity

- **Low Leverage:** Net Debt / Annualized Adjusted EBITDAre was 4.8x at 4Q'20-end
- **Flexible Debt Structure:** We have no debt maturities until 2024¹
- **Liquidity:** As of 4Q'20, we had \$33mm in available cash, \$382mm of capacity on our unsecured credit facility, and \$270mm of additional unsecured debt via our two accordions; we continue to maintain an active ATM program

Consistent & Disciplined External Growth

- **1Q'21 Investment Activity:** Completed ~\$53mm² of QTD investments at a 7.2% cash yield with another ~\$114mm under PSA and ~\$121mm under LOI, with a robust pipeline of additional opportunities
- **1Q'21 Dispositions:** Sold ~\$18mm² of properties QTD with wgt. avg. unit-level coverage of 1.4x
- **Differentiated Investment Approach:** Our closed and probable investments are 75% sale-leaseback, 78% master leased and represent 88% repeat business

Closed² & Probable³



1. Our unsecured credit facility expires in 2023, but has a one-year extension option

2. As of March 4, 2021, excluding transaction costs.

3. Probable references investments that are under PSA (including investments subject to sign and close agreements) and under LOI.

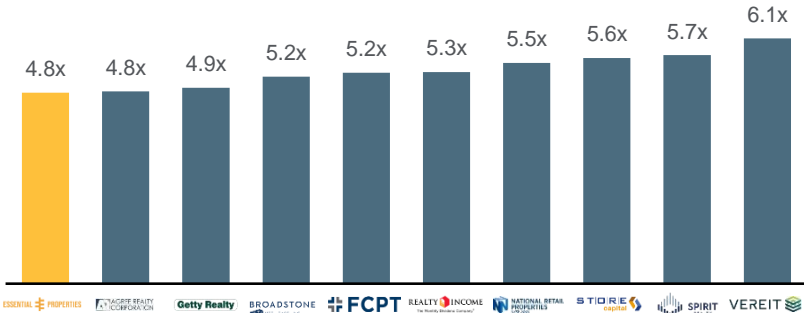
Low Leverage and Ample Liquidity to Drive Robust AFFO/sh Growth

Ample Liquidity and Balance Sheet Capacity to Support External Growth

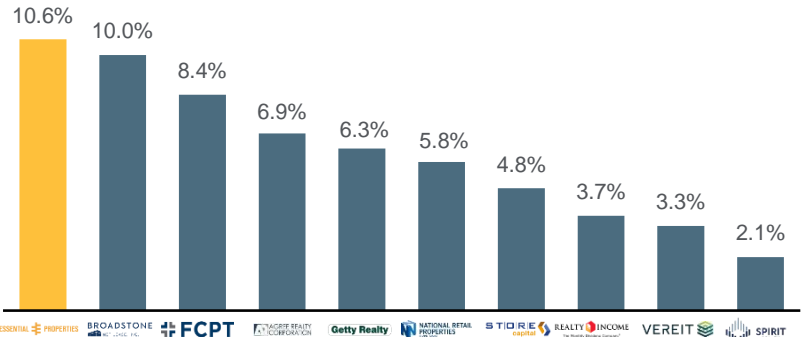
- Strong Liquidity:** At December 31, 2020, we had \$33mm in cash and \$382mm available on our \$400mm unsecured revolving credit facility for \$415mm in total immediate liquidity
- Leverage Well Below Long-Term Target of <6.0x:** Net Debt / Annualized Adjusted EBITDAre was 4.8x at 4Q'20, fixed charge coverage was 4.4x and debt as a percentage of undepreciated gross assets was 31%
- Unsecured Credit Facility:** At December 31, 2020, we had \$18mm outstanding balance on our \$400mm revolver, which has a \$200mm accordion feature
- Unsecured Term Loans:** At December 31, 2020, we had fully drawn on our \$200mm five-year and \$430mm seven-year term loans. Additionally, the \$430mm seven-year term loan has a \$70mm accordion feature

Net Debt + Preferred / EBITDAre

(Net Debt plus Preferred-to-Adjusted Annualized EBITDAre¹)



2021E AFFO per Share Growth²



Source: Public filings, Factset, and SNL.
 Note: Financial data as of December 31, 2020.

1. Companies may calculate Adjusted Annualized EBITDAre differently; accordingly such data for EPRT and these companies may not be comparable.
 2. 2021E AFFO per share growth is calculated using FactSet mean 2021E AFFO per share estimates and 2020A AFFO per share. BNL 2020A AFFO calculated using 4Q'20 AFFO, annualized, to adjust for timing of IPO. NNN 2020A AFFO of \$2.68 excludes the net straight-line accrued rent impact of the rent deferrals (repayments) from the COVID-19 rent deferral lease amendment of \$30mm for the year ended December 31, 2020.

Targeted Investment Strategy Based on Decades of Experience

Management's Investment Discipline Has Been Refined Over Multiple Decades of Managing Assets Through Various Credit Cycles

Service-oriented and experience-based businesses are performing well in the current economic environment and increasing store counts

Service-Oriented & Experience-Based Industries

- ✓ E-commerce resistant
- ✓ Profit centers essential to tenant's operations
- ✓ Customers must visit to receive service/experience

Small-scale net leased properties are easier to divest and re-let in comparison to larger properties

Sale-Leaseback Transactions with Middle-Market Tenants

- ✓ Longer lease term
- ✓ Unit-level financial reporting
- ✓ Include contractual rent increases

Access to growth capital for **middle-market businesses** is limited and results in attractive risk-adjusted returns

Small-Scale Net Leased Properties

- ✓ Increases diversification
- ✓ Deeper pool of potential buyers
- ✓ Greater alternative uses



Seek to be the Capital Provider of Choice

Maintain Direct Relationships with Our Tenants and Actively Seek to Leverage Our Relationships to Identify New Investment Opportunities

Relationship-Based Sourcing

85.3%

Repeat Business Through Existing Senior Management Relationships¹

84.5%

Internally Originated Sale-Leaseback Transactions²



45.0%

Tenant Relationships

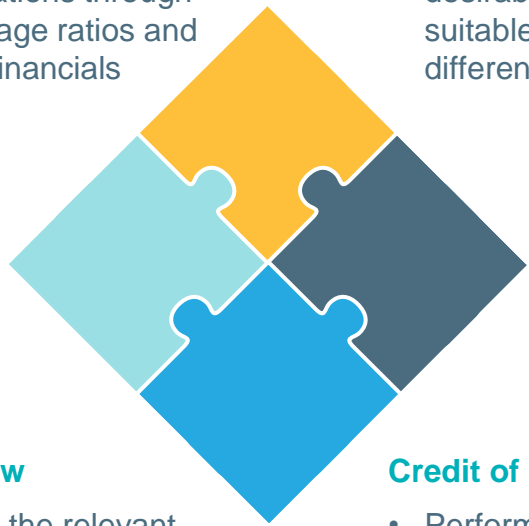
Underwriting Methodology

Unit-Level Profitability

- Evaluate the profitability of the business operated at our real estate locations through rent coverage ratios and historical financials

Real Estate Valuation

- Identify whether the underlying real estate is commercially desirable and suitable for use by different tenants



Industry View

- Determine the relevant competitive factors and long-term viability of the industry, avoiding industries subject to long-term functional obsolescence

Credit of the Tenant

- Perform detailed credit reviews of the financial condition of all proposed tenants to determine their financial strength and flexibility

1. Percentage of portfolio cash ABR as of December 31, 2020 that was acquired from parties who previously engaged in one or more transaction with a senior management team member. Exclusive of GE Seed Portfolio.
2. Percentage of portfolio cash ABR as of December 31, 2020 that was attributable to internally originated sale-leaseback transactions. Exclusive of GE Seed Portfolio.

New Vintage Portfolio is Focused on Targeted Industries

Our Portfolio is the Result of a Disciplined Adherence to Investing in Properties Leased to Service-Oriented and Experience-Based Businesses with Unit-Level Reporting

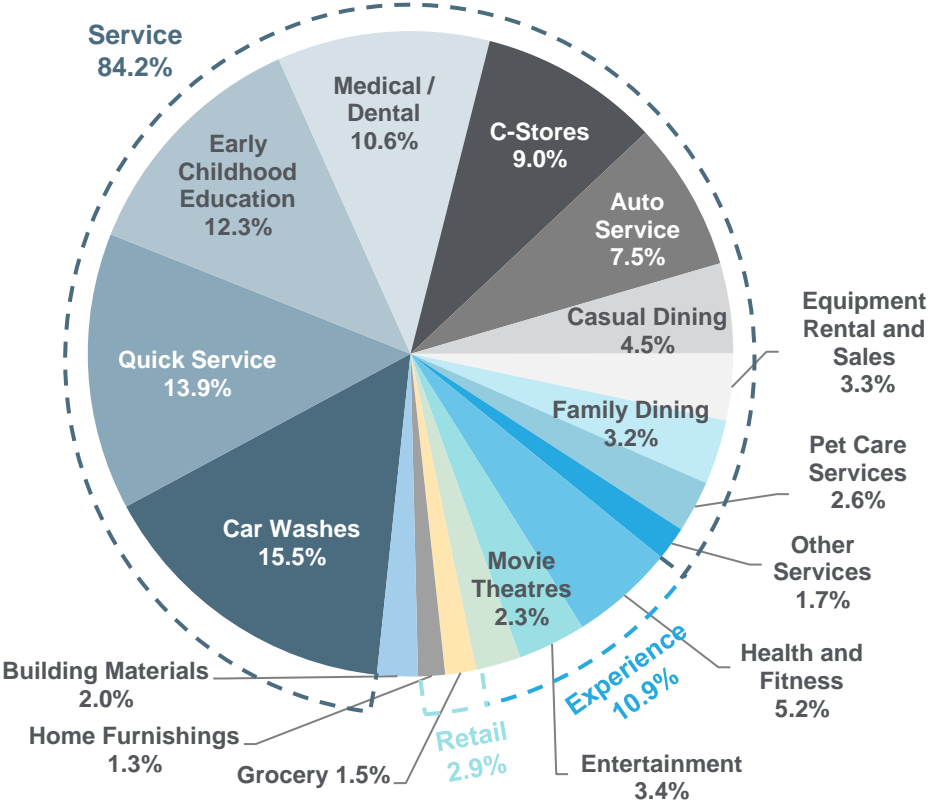
- **E-Commerce Resistant:** 95% of cash ABR comes from service-oriented and experience-based tenants
- **Focus on 17 Industries:** Results in greater sector expertise and more efficient asset management
- **Long WALT Limits Near-Term Cash Flow Erosion:** <1% and <5% of our respective ABR expires through 2023 and 2025
- **Highly Transparent with No Legacy Issues:** 98.2% unit-level reporting; investment program started in June 2016

Portfolio Highlights

	December 31, 2020
Investment Properties (#) ¹	1,181
Square Footage (mm)	10.2
Tenants (#)	238
Industries (#)	17
States (#)	43
Weighted Average Remaining Lease Term (Years)	14.5
Master Leases (% of Cash ABR)	61.1%
Sale-Leaseback (% of Cash ABR) ^{2,3}	84.5%
Unit-Level Rent Coverage	2.9x
Unit-Level Financial Reporting (% of Cash ABR)	98.2%
Leased (%)	99.7%
Top 10 Tenants (% of Cash ABR)	21.3%
Average Investment Per Property (\$mm)	\$2.1

1. Includes one undeveloped land parcel and 115 properties that secure mortgage loans receivable.
 2. Exclusive of GE Seed Portfolio.
 3. Includes investments in mortgage loans receivable made in support of sale-leaseback transactions.










Tenant Industry Diversification



Portfolio Summary

Our Top 10 Tenants Operate 231 Properties and Represent 21.3% of Cash ABR

Top 10 Tenants

Top 10 Tenants ^{1,2}	Properties	% of Cash ABR
	74	2.8%
	23	2.6%
	16	2.6%
	13	2.3%
	34	2.1%
	5	1.9%
	19	1.8%
	13	1.7%
	20	1.7%
	14	1.7%
Top 10 Tenants	231	21.3%
Total	1,181	100.0%

Diversification by Industry

Tenant Industry	Type of Business	Cash ABR (\$'000s)	% of Cash ABR	# of Properties ³	Building SqFt	Rent Per SqFt ⁴
Car Washes	Service	\$ 28,494	15.5%	118	549,914	\$ 50.60
Quick Service	Service	25,536	13.9%	330	878,649	29.02
Early Childhood Education	Service	22,571	12.3%	99	1,042,979	21.25
Medical / Dental	Service	19,593	10.6%	118	752,604	25.29
Convenience Stores	Service	16,615	9.0%	142	576,687	28.81
Automotive Service	Service	13,782	7.5%	100	678,715	20.31
Casual Dining	Service	8,301	4.5%	55	337,769	24.95
Equipment Rental and Sales	Service	6,136	3.3%	26	500,710	12.25
Family Dining	Service	5,960	3.2%	40	232,723	27.34
Pet Care Services	Service	4,781	2.6%	35	281,475	16.98
Other Services	Service	3,114	1.7%	19	198,144	15.71
Service Subtotal		\$ 154,881	84.2%	1,082	6,030,370	\$ 25.49
Health and Fitness	Experience	9,593	5.2%	25	1,004,189	9.55
Entertainment	Experience	6,280	3.4%	18	647,483	10.30
Movie Theatres	Experience	4,166	2.3%	6	293,206	14.21
Experience Subtotal		\$ 20,039	10.9%	49	1,944,878	\$ 10.51
Grocery	Retail	2,833	1.5%	16	609,908	4.64
Home Furnishings	Retail	2,476	1.3%	6	307,371	15.79
Retail Subtotal		\$ 5,309	2.9%	22	917,279	\$ 6.92
Building Materials	Industrial	3,748	2.0%	23	1,257,017	2.98
Total		\$ 183,977	100.0%	1,176	10,149,543	\$ 18.33

1. Represents tenant, guarantor or parent company.

2. Our Zaxby's concentration is with multiple franchises under the same ownership. Our Driver's Edge concentration is with GB Auto Service, Inc., which operates Driver's Edge and other auto service brands.

3. Property count includes 115 properties that secure mortgage loans receivable, but excludes two undeveloped land parcels and three vacant properties.

4. Calculation excludes properties with no annualized base rent and properties under construction.

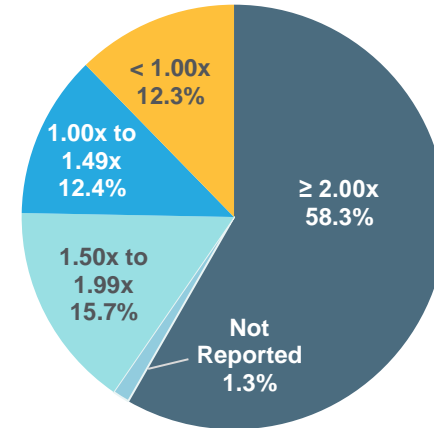
Disciplined Underwriting Leading to Healthy Portfolio Metrics

98.2% of Unit-Level Reporting Provides (Near) Real-Time Tenant Visibility

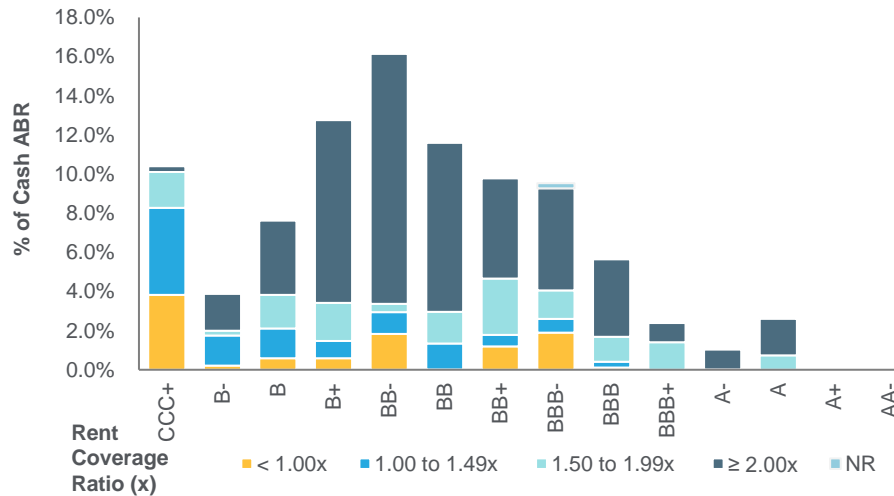
Tenant Financial Reporting Requirements

Reporting Requirements	% of Cash ABR
Unit-Level Financial Information	98.2%
Corporate-Level Financial Reporting	98.3%
Both Unit-Level and Corporate-Level Financial Information	98.0%
No Financial Information	1.6%

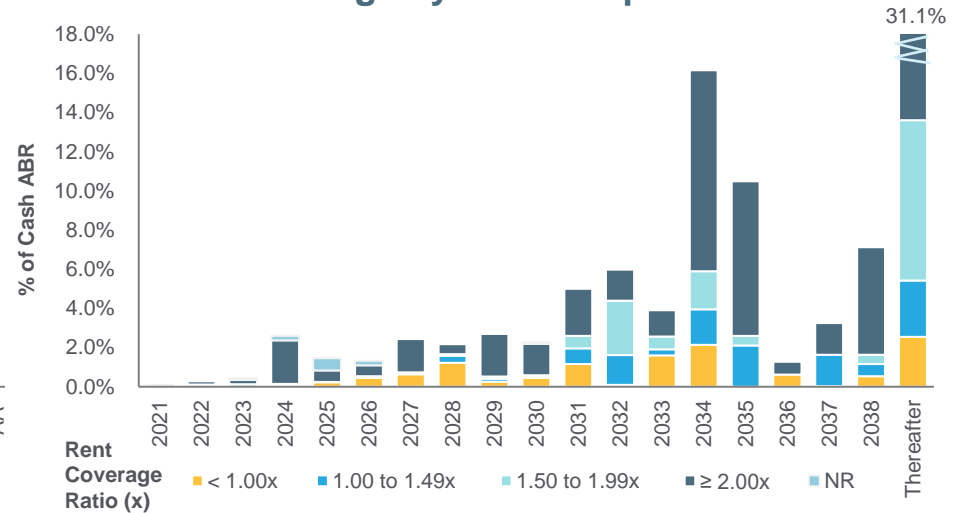
% of Cash ABR by Unit-Level Coverage Tranche¹



Unit-Level Coverage by Tenant Credit²



Unit-Level Coverage by Lease Expiration

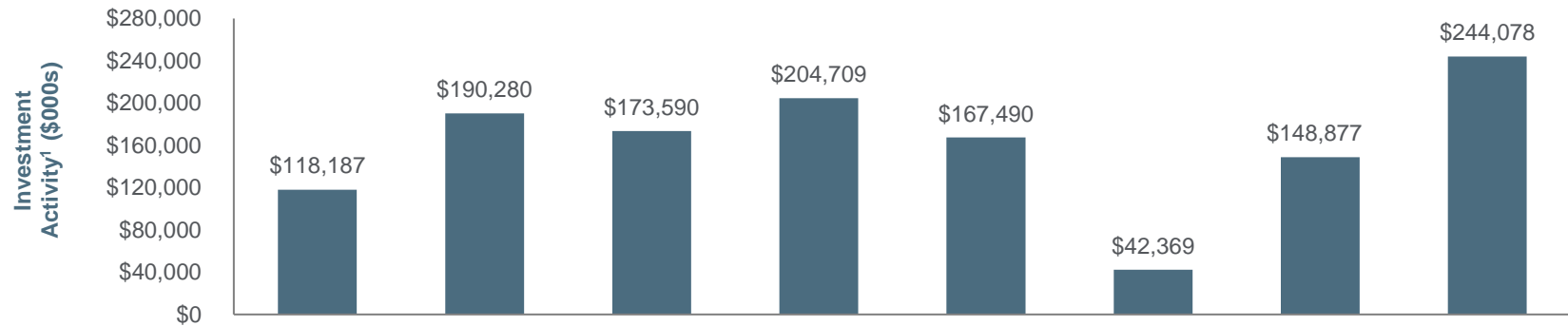


Note: 'NR' means not reported.

1. Certain tenants, whose leases do not require unit-level financial reporting, provide the Company with unit-level financial information. The data shown includes unit-level coverage for these leases.
2. The chart illustrates the portions of annualized base rent as of December 31, 2020 attributable to leases with tenants having specified implied credit ratings based on their Moody's RiskCalc scores. Moody's equates the EDF scores generated using RiskCalc with a corresponding credit rating.

Established and Proven Investment Infrastructure

Scalable Platform Allows for Consistent Sourcing of Investment Activity at Attractive Yields without Sacrificing Underwriting Standards and Investment Focus



Investments ¹	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20	2Q'20	3Q'20	4Q'20
Number of Transactions	35	32	28	41	32	11	19	33
Property Count	51	91	139	94	63	13	50	108
Avg. Investment per Unit (in 000s)	\$2,303	\$2,015	\$1,174	\$2,049	\$2,551	\$2,870	\$2,866	\$2,218
Cash Cap Rates ²	7.5%	7.3%	7.5%	7.3%	7.1%	7.4%	7.1%	7.1%
GAAP Cap Rates ³	8.4%	8.1%	8.2%	8.0%	8.0%	8.1%	7.9%	7.7%
Master Lease % ^{4,5}	47%	67%	73%	41%	54%	68%	79%	89%
Sale-Leaseback % ^{4,6}	78%	65%	88%	81%	88%	100%	92%	88%
% of Financial Reporting ⁴	100%	100%	100%	99%	100%	100%	100%	100%
Rent Coverage Ratio	3.2x	3.2x	3.2x	3.1x	2.7x	4.3x	2.8x	3.6x
Lease Term Years	15.1	15.3	16.6	16.3	16.1	16.7	17.6	16.3

1. Includes investments in mortgage loans receivable.

2. Cash ABR for the first full month after the investment divided by the gross purchase price for the property plus transaction costs.

3. GAAP rent for the first twelve months after the investment divided by the gross purchase price for the property plus transaction costs.

4. As a percentage of cash ABR for the quarter.

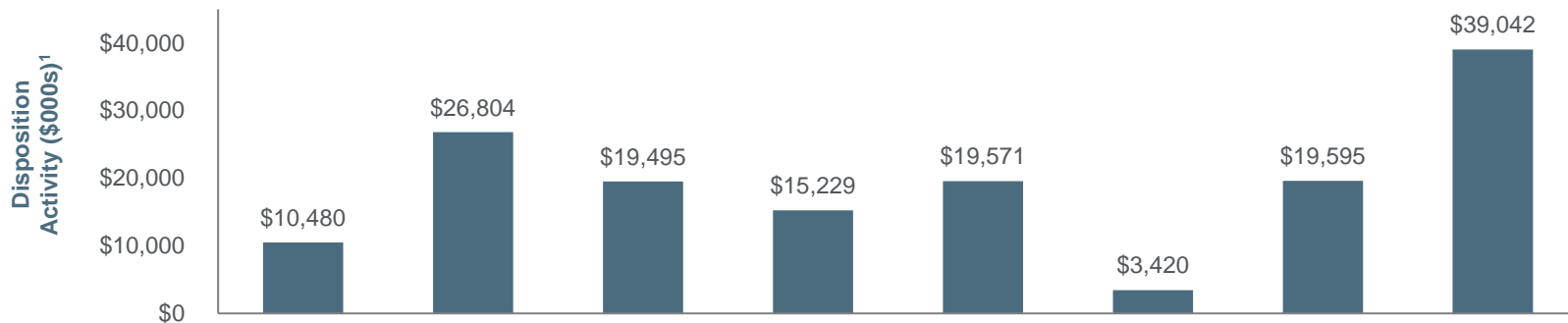
5. Includes investments in mortgage loan receivables collateralized by more than one property.

6. Includes investments in mortgage loans receivable made in support of sale-leaseback transactions.

Active Asset Management

Proactive Asset Management Mitigates Risk and Maximizes Risk-Adjusted Returns

- **Dispositions Have Traded at Attractive Cap Rates:** Since inception in 2016 through 2020, we have sold 195 properties for nearly \$300mm in net proceeds and achieved a weighted average cash cap rate of 6.8% on the sale of 152 leased properties



Dispositions	1Q'19	2Q'19 ⁵	3Q'19	4Q'19	1Q'20	2Q'20	3Q'20	4Q'20
Realized Gain/(Loss) ^{1,2}	2.9%	1.3%	17.8%	8.5%	3.2% ⁶	29.5%	(4.5%)	(10.2%)
Cash Cap Rate on Leased Assets ³	6.6%	7.0%	6.7%	6.9%	7.1% ⁶	6.8%	7.0%	7.4%
Leased Properties Sold ⁴	7	10	9	7	10	3	11	21
Vacant Properties Sold ⁴	--	1	1	1	--	--	3	2
Rent Coverage Ratio	1.8x	1.5x	1.1x	1.7x	0.7x	1.3x	2.2x	2.3x

1. Includes the impact of transaction costs.

2. Gains/(losses) based on our aggregate allocated purchase price.

3. Cash ABR at time of sale divided by gross sale price (excluding transaction costs) for the property.

4. Property count excludes dispositions in which only a portion of the owned parcel is sold.

5. Excludes the prepayment of two mortgage loans receivable for \$4.6 million.

6. Excludes one property sold pursuant to an existing tenant purchase option.

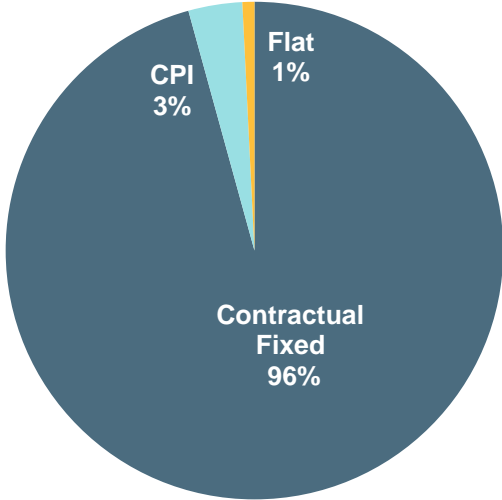
Leasing Summary

Lease Escalations

Lease Escalation Frequency

Lease Escalation Frequency	% of Cash ABR	Weighted Average Annual Escalation Rate ^{1,2}
Annually	79.6%	1.5%
Every 2 years	2.1	1.5
Every 3 years	0.8	0.0
Every 4 years	0.4	0.9
Every 5 years	10.9	1.6
Other escalation frequencies	4.9	1.2
Flat	1.3	0.1
Total / Weighted Average	100.0%	1.5%

Lease Escalation Type



- Leases contributing 99% of cash ABR provided for base rent escalation, generally ranging from 1.0% to 3.0% annually, with a weighted average annual escalation rate of 1.5%, which assumes 0.0% change in annual CPI
- 68% of cash ABR derived from flat leases is attributable to leases that provide for contingent rent based on a percentage of the tenant’s gross sales at the leased property

1. Based on cash ABR as of December 31, 2020.

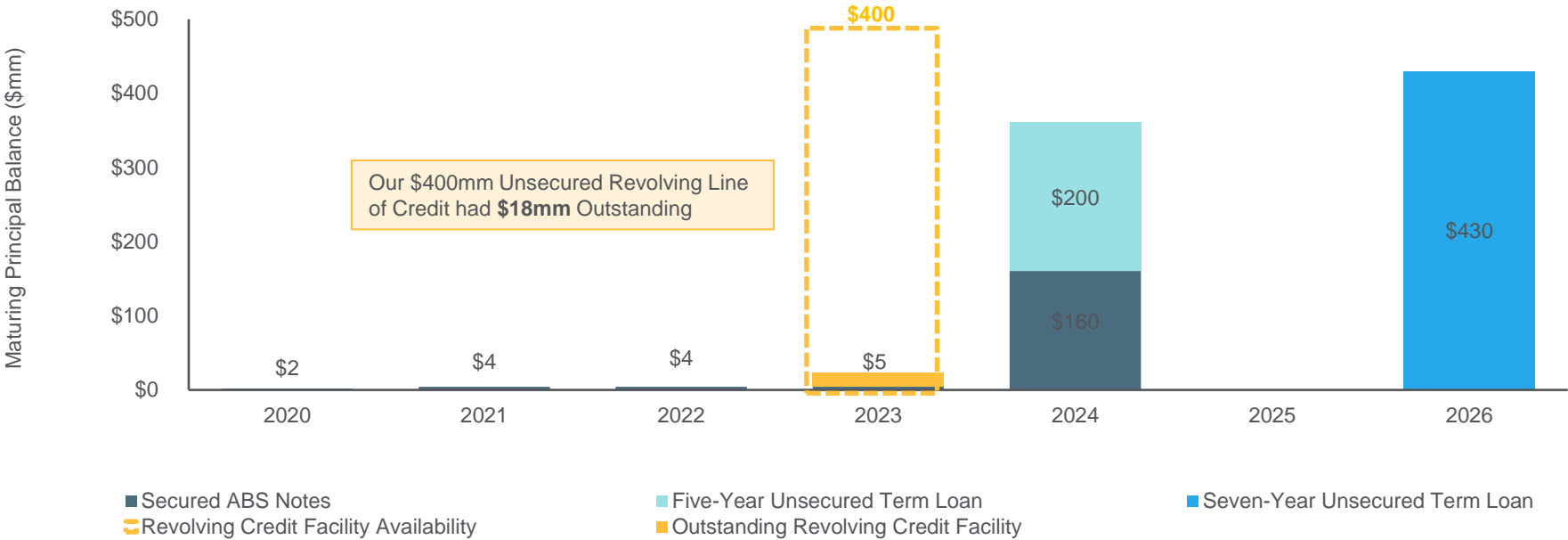
2. Represents the weighted average annual escalation rate of the entire portfolio as if all escalations occur annually. For leases in which rent escalates by the greater of a stated fixed percentage or CPI, we have assumed an escalation equal to the stated fixed percentage in the lease. As any future increase in CPI is unknowable at this time, we have not included an increase in the rent pursuant to these leases in the weighted average annual escalation rate presented.

Debt Structure Allows for Capital Flexibility

No Significant Debt Maturities Until 2024

- **The Series 2017-1 Secured ABS notes:** Anticipated repayment date is June 2024, but the notes can be prepaid without penalty starting on **November 26, 2021**. The weighted average interest rate on the notes is 4.19%

Debt Maturity Schedule^{1,2,3}

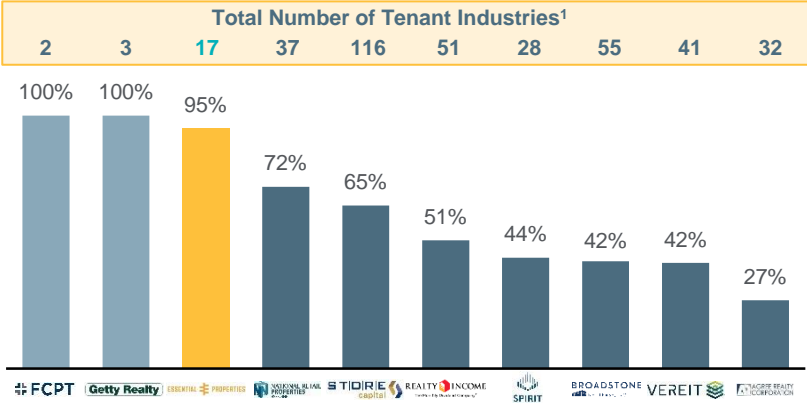


1. Debt balances are as of December 31, 2020.
 2. Maturity figures for our secured debt are based off our anticipated repayment schedule.
 3. The Series 2017-1 notes mature in June 2047 but have an anticipated repayment date of June 2024. The Series 2017-1 notes can be prepaid without penalty starting on November 26, 2021.

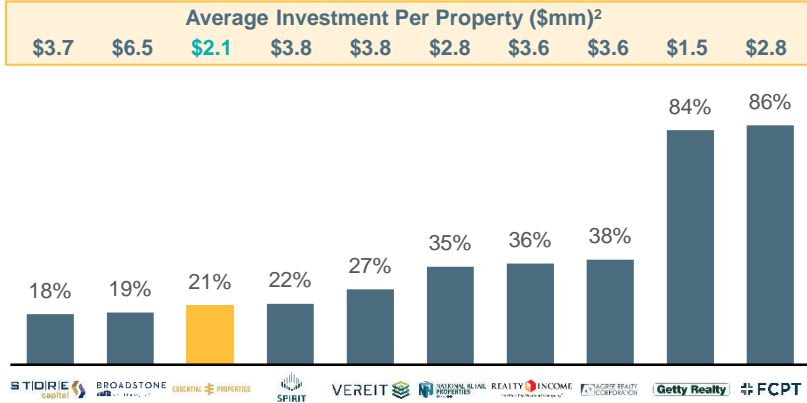
Differentiated Net Lease Portfolio

Portfolio Mix and Underlying Fundamentals are Favorable Relative to Peers

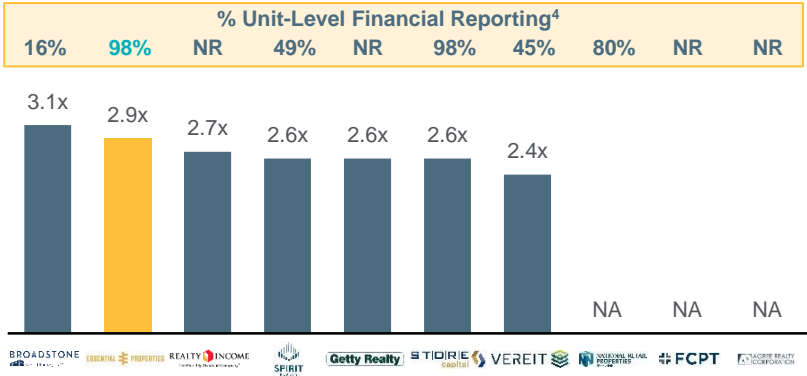
Service-Oriented & Experience-Based Industries (% of ABR)



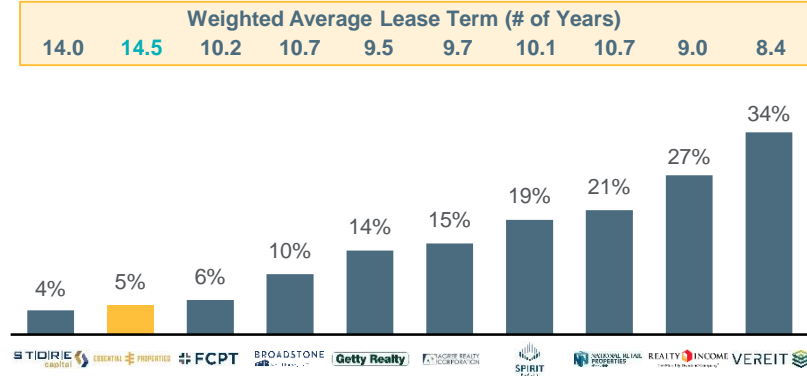
Less Reliance on Top 10 Tenancy with Smaller Scale Properties (% of ABR)



Strong Unit-Level Coverage³ & Transparency



Limited Intermediate-Term Lease Maturities (% of Rent Expiring through 2025)

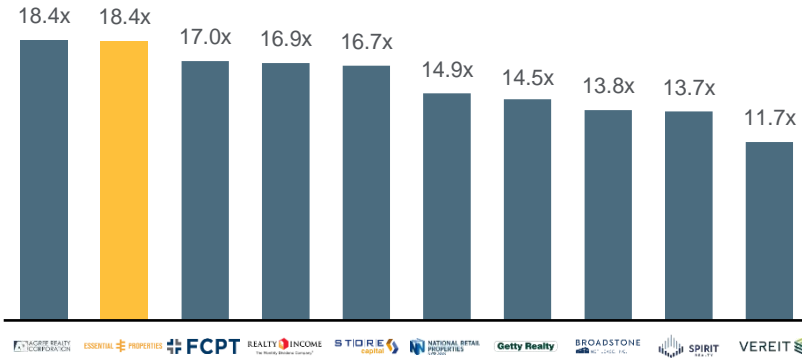


Source: Public filings and press releases.
 Note: Company data based on most recent reported filings for period ending December 31, 2020, not adjusted for post year-end announced subsequent events. 'NR' means not reported. Companies may define service-oriented and experienced-based tenants differently, may calculate weighted average remaining lease term differently, may calculate unit-level coverage differently (including peers on a mean or median basis with EPRT representing a weighted average) and may calculate the percentage of their tenants reporting differently than EPRT. Accordingly, such data for these companies and EPRT may not be comparable.
 1. Designations entitled "other" are counted as one industry, even though the "other" segment could represent multiple industries.
 2. Investment value includes land and improvements, building and improvements, lease incentives, construction in progress, intangible lease assets, loans and direct financing lease receivables and real estate investments held for sale, all at cost.
 3. EPRT, GTY, O, SRC and STOR coverage based on four-wall.
 4. VER property level sales data was collected for 90.3% of retail and restaurant properties required to provide unit level sales reports, representing 45.1% of retail and restaurant properties owned.

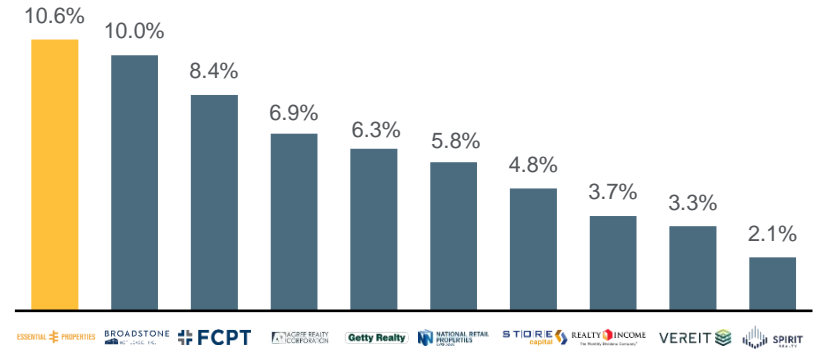
Relative Valuation and Growth

EPRT's Projected AFFO/sh Growth is Sector Leading

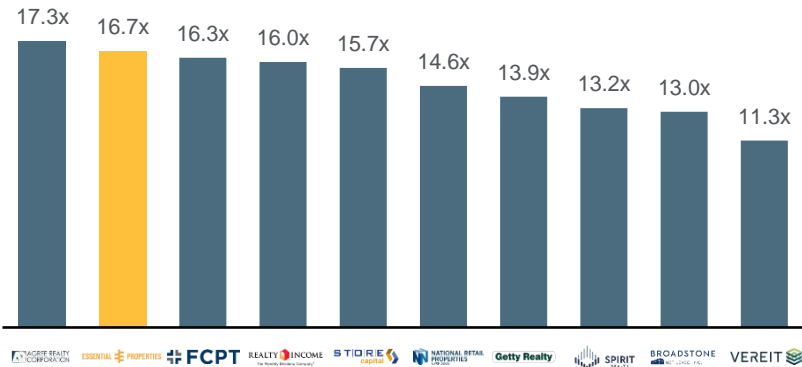
2021E AFFO per Share Multiple¹



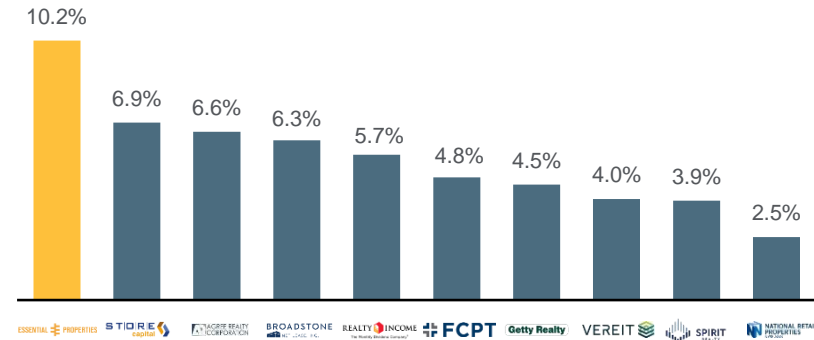
2021E AFFO per Share Growth²



2022E AFFO per Share Multiple³



2022E AFFO per Share Growth⁴



Source: Public filings, FactSet and SNL.

Note: Market data as of March 4, 2021.

1. 2021E AFFO per share multiple calculated using current price per share and FactSet mean 2021E AFFO per share estimates.

2. 2021E AFFO per share growth is calculated using FactSet mean 2021E AFFO per share estimates and 2020A AFFO per share. BNL 2020A AFFO calculated using 4Q20 AFFO, annualized, to adjust for timing of IPO.

NNN 2020A AFFO of \$2.68 excludes the net straight-line accrued rent impact of the rent deferrals (repayments) from the COVID-19 rent deferral lease amendment of \$30mm for the year ended December 31, 2020.

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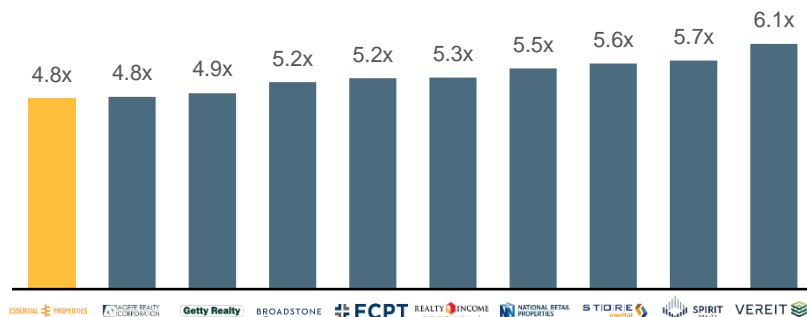
4. 2022E AFFO per share growth is calculated using FactSet mean 2022E AFFO per share estimates and FactSet mean 2021E AFFO per share estimates.

Relative Balance Sheet and Liquidity

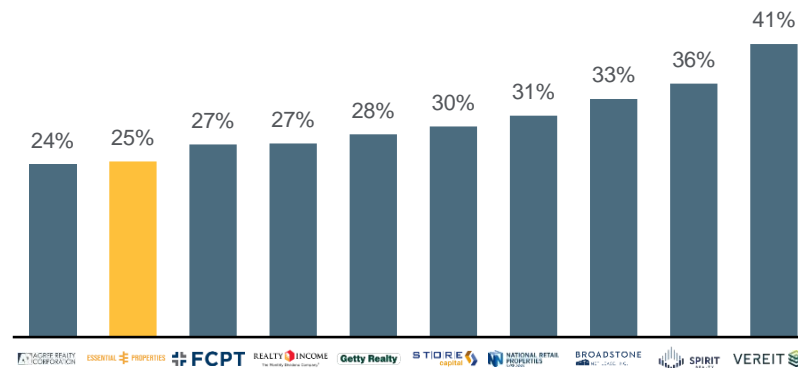
EPRT Maintains Low Leverage with Ample Liquidity Relative to Peers

Net Debt + Preferred / EBITDAre

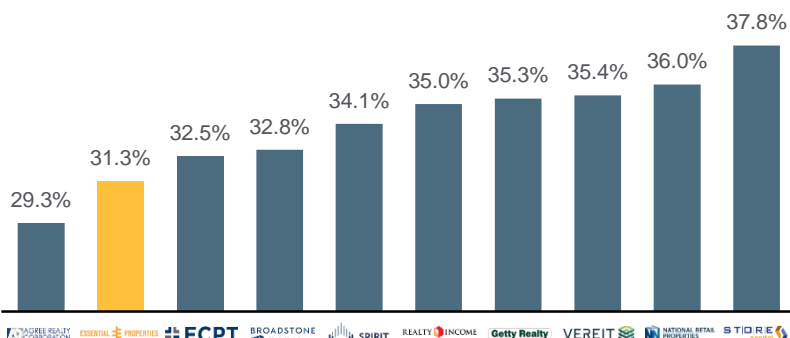
(Net Debt plus Preferred-to-Adjusted Annualized EBITDAre¹)



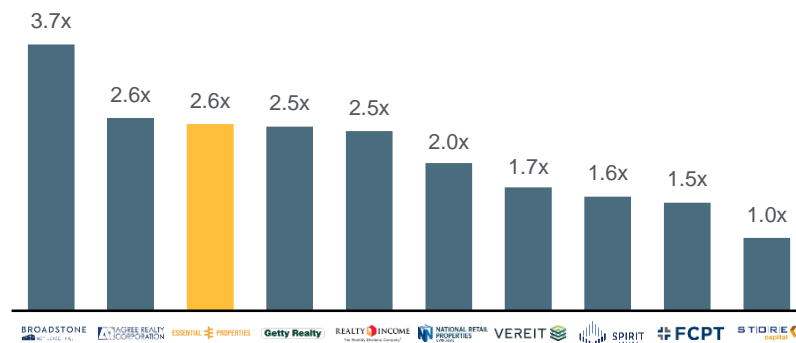
Net Debt + Preferred / Enterprise Value



Debt / Undepreciated Gross Assets²



Liquidity³ / 2020 Fixed Costs⁴ and 2021 Debt Maturities



Source: Public filings, FactSet and SNL.

Note: Market data as of March 4, 2021. Company data based on most recent reported filings for period ending December 31, 2020, not adjusted for post year-end announced subsequent events. Companies may define adjusted annualized EBITDAre differently. Accordingly, such data for these companies and EPRT may not be comparable.

- Adjusted annualized EBITDAre of public net lease REITs is for the most recently reported three months ended unless a specific period is used in companies' individual public filings and financial supplement.
- Undepreciated Gross Assets represents the sum of total assets and accumulated depreciation.
- Liquidity is defined as the sum of (i) cash and cash equivalents; (ii) availability on a revolving credit facility; (iii) undrawn commitments on term loans and (iv) unsettled forward equity issuances.
- 2020 Fixed Costs includes: (i) 4Q20 general and administrative expense and operating expenses, annualized; (ii) estimated annual interest expense based on current capitalization; (iii) preferred stock dividend and (iv) common stock dividends.



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Appendix

EMERGENCY ROOM

CENTERS

AMBULANCE

Financial Summary – 4Q'20

Consolidated Statements of Operations

(in thousands, except share and per share data)	Three Months Ended December 31,		Year Ended December 31,	
	2020 (Unaudited)	2019 (Unaudited)	2020 (Unaudited)	2019 (Audited)
Revenues:				
Rental revenue ^{1,2}	\$ 38,986	\$ 37,828	\$ 155,792	\$ 135,670
Interest on loans and direct financing leases	2,106	1,355	8,136	3,024
Other revenue	17	22	81	663
Total revenues	41,109	39,205	164,009	139,357
Expenses:				
General and administrative ³	4,738	5,290	24,444	21,745
Property expenses ⁴	2,126	736	3,881	3,070
Depreciation and amortization	19,004	12,378	59,446	42,745
Provision for impairment of real estate	3,319	997	8,399	2,918
Provision for loan losses	299	—	830	—
Total expenses	29,486	19,401	97,000	70,478
Other operating income:				
Gain on dispositions of real estate, net	1,850	2,695	5,821	10,932
Income from operations	13,473	22,499	72,830	79,811
Other (expense)/income:				
Loss on repayment and repurchase of secured borrowings ⁵	—	(887)	(924)	(5,240)
Interest expense	(7,764)	(6,963)	(29,651)	(27,037)
Interest income	52	71	485	794
Income before income tax expense	5,761	14,720	42,740	48,328
Income tax expense	56	94	212	303
Net income	5,705	14,626	42,528	48,025
Net income attributable to non-controlling interests	(35)	(105)	(255)	(6,181)
Net income attributable to stockholders	\$ 5,670	\$ 14,521	\$ 42,273	\$ 41,844
Basic weighted-average shares outstanding	104,963,676	81,232,922	95,311,035	64,104,058
Basic net income per share	\$ 0.05	\$ 0.18	\$ 0.44	\$ 0.65
Diluted weighted-average shares outstanding	105,840,736	82,231,030	96,197,705	75,309,896
Diluted net income per share	\$ 0.05	\$ 0.18	\$ 0.44	\$ 0.63

- Includes contingent rent (based on a percentage of the tenant's gross sales at the leased property) of \$88, \$137, \$444, and \$855 for the three months and year ended December 31, 2020 and 2019, respectively.
- Includes reimbursable income from the Company's tenants of \$314, \$247, \$897, and \$1,427 for the three months and year ended December 31, 2020 and 2019, respectively.
- During the three months and year ended December 31, 2020, includes non-recurring expenses of \$21 and \$255, respectively, for reimbursement of executive relocation costs and non-recurring recruiting costs and, during the year ended December 31, 2020, includes \$1,093 for costs and charges incurred in connection with the termination of one of our executive officers. During the year ended December 31, 2019, includes non-recurring expenses of \$2,473 for costs and charges incurred in connection with the secondary offering by our funding capital partner and \$275 for a provision for settlement of litigation.
- Includes reimbursable expenses from the Company's tenants of \$314, \$247, \$897, and \$1,427 for the three months and year ended December 31, 2020 and 2019, respectively.
- Includes the write-off of \$887 and \$924 of deferred financing costs during the three months ended December 31, 2019 and year ended December 31, 2020, respectively. During the year ended December 31, 2019, includes premium paid on repurchase of Master Trust Funding Program notes of \$1,400, the write-off of \$3,740 of deferred financing costs related to the repurchase and \$100 of legal costs related to the repurchase.

Financial Summary – 4Q'20

Funds from Operations (FFO) and Adjusted Funds from Operations (AFFO)

(unaudited, in thousands except per share amounts)	Three months ended December 31,		Year ended December 31,	
	2020	2019	2020	2019
Net income	\$ 5,705	\$ 14,626	\$ 42,528	\$ 48,025
Depreciation and amortization of real estate	18,979	12,354	59,309	42,649
Provision for impairment of real estate	3,319	997	8,399	2,918
Gain on dispositions of real estate, net	(1,850)	(2,695)	(5,821)	(10,932)
Funds from Operations	26,153	25,282	104,415	82,660
Other non-recurring expenses ¹	21	887	2,273	7,988
Core Funds from Operations	26,174	26,169	106,688	90,648
Adjustments:				
Straight-line rental revenue, net	(2,584)	(3,336)	(11,905)	(12,215)
Non-cash interest expense	505	603	2,040	2,738
Non-cash compensation expense	1,386	1,022	5,427	4,546
Other amortization expense	2,836	80	3,854	815
Other non-cash charges	299	1	829	9
Capitalized interest expense	(5)	(125)	(228)	(290)
Transaction costs	179	—	291	—
Adjusted Funds from Operations	\$ 28,790	\$ 24,414	\$ 106,995	\$ 86,251
FFO per share²:				
Basic	\$ 0.25	\$ 0.27	\$ 1.08	\$ 1.11
Diluted	\$ 0.25	\$ 0.27	\$ 1.08	\$ 1.09
Core FFO per share²:				
Basic	\$ 0.25	\$ 0.31	\$ 1.11	\$ 1.21
Diluted	\$ 0.25	\$ 0.31	\$ 1.10	\$ 1.20
AFFO per share²:				
Basic	\$ 0.27	\$ 0.29	\$ 1.11	\$ 1.15
Diluted	\$ 0.27	\$ 0.29	\$ 1.11	\$ 1.14
Additional supplemental disclosure:				
Scheduled principal repayments	\$ 989	\$ 941	\$ 3,885	\$ 3,696
Contractual deferred rents included in total revenues	992	—	12,417	—
Reduction of revenue for non-accrual tenants:				
Cash	\$ 505	\$ —	\$ 3,916	\$ 25
Straight-line	970	—	3,233	—
Total reduction of revenue for non-accrual tenants	\$ 1,475	\$ —	\$ 7,149	\$ 25

1. Includes non-recurring expenses of \$21 and \$60 related to reimbursement of executive relocation costs during the three months and year ended December 31, 2020, \$1,093 for severance payments and acceleration of non-cash compensation expense in connection with the termination of one of our executive officers during the year ended December 31, 2020, \$195 of non-recurring recruiting costs during the year ended December 31, 2020, and our \$924 loss on repayment of secured borrowings during the year ended December 31, 2020.

2. Calculations exclude \$101, \$110, \$404 and \$377 from the numerator for the three months and year ended December 31, 2020 and 2019, respectively, related to dividends paid on unvested RSAs and RSUs.

Financial Summary – 4Q'20

Consolidated Balance Sheets

(in thousands, except share and per share amounts)	ASSETS		December 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Investments:				
Real estate investments, at cost:				
Land and improvements			\$ 741,254	\$ 588,279
Building and improvements			1,519,665	1,224,682
Lease incentive			14,297	4,908
Construction in progress			3,908	12,128
Intangible lease assets			80,271	78,922
Total real estate investments, at cost			2,359,395	1,908,919
Less: accumulated depreciation and amortization			(136,097)	(90,071)
Total real estate investments, net			2,223,298	1,818,848
Loans and direct financing lease receivables, net			152,220	92,184
Real estate investments held for sale, net			17,058	1,211
Net investments			2,392,576	1,912,243
Cash and cash equivalents			26,602	8,304
Restricted cash			6,388	13,015
Straight-line rent receivable, net			37,830	25,926
Rent receivables, prepaid expenses and other assets, net			25,406	15,959
Total assets			\$ 2,488,802	\$ 1,975,447
	LIABILITIES AND EQUITY			
Secured borrowings, net of deferred financing costs			\$ 171,007	\$ 235,336
Unsecured term loans, net of deferred financing costs			626,272	445,586
Revolving credit facility			18,000	46,000
Intangible lease liabilities, net			10,168	9,564
Dividend payable			25,703	19,395
Derivative liabilities			38,912	4,083
Accrued liabilities and other payables			16,792	13,371
Total liabilities			906,854	773,334
Commitments and contingencies			—	—
Stockholders' equity:				
Preferred stock, \$0.01 par value; 150,000,000 authorized; none issued and outstanding as of December 31, 2020 and 2019			—	—
Common stock, \$0.01 par value; 500,000,000 authorized; 106,361,524 and 83,761,151 issued and outstanding as of December 31, 2020 and 2019, respectively			1,064	838
Additional paid-in capital			1,688,540	1,223,043
Distributions in excess of cumulative earnings			(77,665)	(27,482)
Accumulated other comprehensive loss			(37,181)	(1,949)
Total stockholders' equity			1,574,758	1,194,450
Non-controlling interests			7,190	7,663
Total equity			1,581,948	1,202,113
Total liabilities and equity			\$ 2,488,802	\$ 1,975,447

Financial Summary – 4Q'20

GAAP Reconciliations to EBITDAre, GAAP NOI, Cash NOI and Estimated Run Rate Metrics

(unaudited, in thousands)	Three Months Ended December 31, 2020
Net income	\$ 5,705
Depreciation and amortization	19,004
Interest expense	7,764
Interest income	(52)
Income tax expense	56
EBITDA	32,476
Provision for impairment of real estate	3,319
Gain on dispositions of real estate, net	(1,850)
EBITDAre	33,945
Adjustment for current quarter re-leasing, acquisition and disposition activity ¹	4,681
Adjustment to exclude other non-recurring activity ²	2,826
Adjusted EBITDAre - Current Estimated Run Rate	41,452
General and administrative	4,717
Adjusted net operating income ("NOI")	46,169
Straight-line rental revenue, net ¹	(2,778)
Other amortization expense	2,836
Adjusted Cash NOI	\$ 46,227
Annualized EBITDAre	\$ 135,780
Annualized Adjusted EBITDAre	\$ 165,808
Annualized Adjusted NOI	\$ 184,676
Annualized Adjusted Cash NOI	\$ 184,908

1. These adjustments are made to reflect EBITDAre, NOI and Cash NOI as if all re-leasing activity, investments in and dispositions of real estate made during the three months ended December 31, 2020 had occurred on October 1, 2020.

2. Adjustment excludes \$21 of non-core expenses added back to compute Core FFO, the \$299 adjustment to our provision for loan loss and \$2,506 related to the write-off of receivables and real estate tax expense from prior periods for non-accrual tenants.

Financial Summary – 4Q'20

Market Capitalization, Debt Summary and Leverage Metrics

(dollars in thousands, except share and per share amounts)	December 31, 2020	Rate ¹	Maturity ²
Secured debt:			
Series 2017-1, Class A	\$ 157,524	4.10%	3.5 years
Series 2017-1, Class B	15,669	5.11%	3.5 years
Total secured debt	173,193	4.19%	3.5 years
Unsecured debt:			
\$200mm term loan	200,000	3.26%	3.3 years
\$430mm term loan	430,000	3.02%	5.9 years
Revolving credit facility ³	18,000	LIBOR plus 1.25% to 1.85%	2.3 years
Total unsecured debt	648,000	3.05%	5.0 years
Gross debt	821,193	3.29%	4.7 years
Less: cash & cash equivalents	(26,602)		
Less: restricted cash deposits held for the benefit of lenders	(6,388)		
Net debt	788,203		
Equity:			
Preferred stock	—		
Common stock & OP units (106,915,371 shares @ \$21.20/share as of 12/31/20) ⁴	2,266,606		
Total equity	2,266,606		
Total enterprise value ("TEV")	\$ 3,054,809		
Net Debt / TEV		25.8%	
Net Debt / Annualized Adjusted EBITDAre		4.8x	

1. Interest rates are presented after giving effect to our interest rate swap agreements, where applicable.

2. Maturity figures for our secured debt are based off of our anticipated repayment schedule. The Series 2017-1 notes mature in June 2047 but have an anticipated repayment date of June 2024.

3. Our revolving credit facility provides a maximum aggregate initial original principal amount of up to \$400 million and includes an accordion feature to increase, subject to certain conditions, the maximum availability of the facility by up to \$200 million.

4. Common equity & units as of December 31, 2020, based on 106,361,524 common shares outstanding (including unvested restricted share awards) and 553,847 OP units held by non-controlling interests.

Glossary

Supplemental Reporting Measures

FFO, Core FFO and AFFO

Our reported results are presented in accordance with U.S. generally accepted accounting principles ("GAAP"). We also disclose funds from operations ("FFO"), core funds from operations ("Core FFO") and adjusted funds from operations ("AFFO"), each of which is a non-GAAP financial measure. We believe these non-GAAP financial measures are industry measures used by analysts and investors to compare the operating performance of REITs.

We compute FFO in accordance with the definition adopted by the Board of Governors of the National Association of Real Estate Investment Trusts ("NAREIT"). NAREIT defines FFO as GAAP net income or loss adjusted to exclude extraordinary items (as defined by GAAP), net gain or loss from sales of depreciable real estate assets, impairment write-downs associated with depreciable real estate assets and real estate-related depreciation and amortization (excluding amortization of deferred financing costs and depreciation of non-real estate assets), including the pro rata share of such adjustments of unconsolidated subsidiaries. FFO is used by management, and may be useful to 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 and losses on sales (which are dependent on historical costs and implicitly assume that the value of real estate diminishes predictably over time, rather than fluctuating based on existing market conditions).

We compute Core FFO by adjusting FFO, as defined by NAREIT, to exclude certain GAAP income and expense amounts that we believe are infrequent and unusual in nature and/or not related to our core real estate operations. 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. Core FFO is used by management in evaluating the performance of our core business operations. Items included in calculating FFO that may be excluded in calculating Core FFO include items like certain transaction related gains, losses, income or expense or other non-core amounts as they occur.

To derive AFFO, we modify the NAREIT computation of FFO to include other adjustments to GAAP net income related to certain items that we believe are not indicative of our operating performance, including straight-line rental revenue, non-cash interest expense, non-cash compensation expense, other amortization and non-cash charges, capitalized interest expense and transaction costs. Such items may cause short-term fluctuations in net income but have no impact on operating cash flows or long-term operating performance. We believe that AFFO is an additional useful supplemental measure for investors to consider to assess our operating performance without the distortions created by non-cash and certain other revenues and expenses.

FFO, Core FFO and AFFO do not include all items of revenue and expense included in net income, they do not represent cash generated from operating activities, and they are not necessarily indicative of cash available to fund cash requirements; accordingly, they should not be considered alternatives to net income as a performance measure or cash flows from operations as a liquidity measure and should be considered in addition to, and not in lieu of, GAAP financial measures. Additionally, our computation of FFO, Core FFO and AFFO may differ from the methodology for calculating these metrics used by other equity REITs and, therefore, may not be comparable to similarly titled measures reported by other equity REITs.

Glossary

Supplemental Reporting Measures

We also present our earnings before interest, taxes and depreciation and amortization for real estate (“EBITDA”), EBITDA further adjusted to exclude gains (or losses) on sales of depreciable property and real estate impairment losses (“EBITDAre”), net debt, net operating income (“NOI”) and cash NOI (“Cash NOI”), all of which are non-GAAP financial measures. We believe these non-GAAP financial measures are accepted industry measures used by analysts and investors to compare the operating performance of REITs.

EBITDA and EBITDAre

We compute EBITDA as earnings before interest, income taxes and depreciation and amortization. In 2017, NAREIT issued a white paper recommending that companies that report EBITDA also report EBITDAre. We compute EBITDAre in accordance with the definition adopted by NAREIT. NAREIT defines EBITDAre as EBITDA (as defined above) excluding gains (or losses) from the sales of depreciable property and real estate impairment losses. We present EBITDA and EBITDAre as they are measures commonly used in our industry and we believe that these measures are useful to investors and analysts because they provide important supplemental information concerning our operating performance, exclusive of certain non-cash and other costs. We use EBITDA and EBITDAre as measures of our operating performance and not as measures of liquidity.

EBITDA and EBITDAre do not include all items of revenue and expense included in net income, they do not represent cash generated from operating activities and they are not necessarily indicative of cash available to fund cash requirements; accordingly, they should not be considered alternatives to net income as a performance measure or cash flows from operations as a liquidity measure and should be considered in addition to, and not in lieu of, GAAP financial measures. Additionally, our computation of EBITDA and EBITDAre may differ from the methodology for calculating these metrics used by other equity REITs and, therefore,

may not be comparable to similarly titled measures reported by other equity REITs.

Net Debt

We calculate our net debt as our gross debt (defined as total debt plus net deferred financing costs on our secured borrowings) less cash and cash equivalents and restricted cash deposits held for the benefit of lenders.

We believe excluding cash and cash equivalents and restricted cash deposits held for the benefit of lenders from gross debt, all of which could be used to repay debt, provides an estimate of the net contractual amount of borrowed capital to be repaid, which we believe is a beneficial disclosure to investors and analysts.

NOI and Cash NOI

We compute NOI as total revenues less property expenses. NOI excludes all other items of expense and income included in the financial statements in calculating net income or loss. Cash NOI further excludes non-cash items included in total revenues and property expenses, such as straight-line rental revenue and other amortization and non-cash charges. We believe NOI and 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.

NOI and Cash NOI are not measurements of financial performance under GAAP. You should not consider our NOI and Cash NOI as alternatives to net income or cash flows from operating activities determined in accordance with GAAP. Additionally, our computation of NOI and Cash NOI may differ from the methodology for calculating these metrics used by other equity REITs and, therefore, may not be comparable to similarly titled measures reported by other equity REITs.

Glossary

Supplemental Reporting Measures

Adjusted EBITDAre / Adjusted NOI / Adjusted Cash NOI

We further adjust EBITDAre, NOI and Cash NOI i) based on an estimate calculated as if all re-leasing, investment and disposition activity that took place during the quarter had been made on the first day of the quarter, ii) to exclude certain GAAP income and expense amounts that we believe are infrequent and unusual in nature and iii) to eliminate the impact of lease termination fees and contingent rental revenue from our tenants which is subject to sales thresholds specified in the lease. We then annualize these estimates for the current quarter by multiplying them by four, which we believe provides a meaningful estimate of our current run rate for all investments as of the end of the current quarter. You should not unduly rely on these measures, as they are based on assumptions and estimates that may prove to be inaccurate. Our actual reported EBITDAre, NOI and Cash NOI for future periods may be significantly less than these estimates of current run rates.

Cash ABR

Cash ABR means annualized contractually specified cash base rent in effect as of the end of the current quarter for all of our leases (including those accounted for as direct financing leases) commenced as of that date and annualized cash interest on our mortgage loans receivable as of that date.

Rent Coverage Ratio

Rent coverage ratio means the ratio of tenant-reported or, when unavailable, management's estimate based on tenant-reported financial information, annual EBITDA 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.

GE Seed Portfolio

GE seed portfolio means our acquisition of a portfolio of 262 net leased properties on June 16, 2016, consisting primarily of restaurants, that were being sold as part of the liquidation of General Electric Capital Corporation for an aggregate purchase price of \$279.8 million (including transaction costs).

GAAP Cap Rate

GAAP Cap Rate means annualized rental income computed in accordance with GAAP for the first full month after investment divided by the purchase price, as applicable, for the property.

Cash Cap Rate

Cash Cap Rate means annualized contractually specified cash base rent for the first full month after investment or disposition divided by the purchase or sale price, as applicable, for the property.

Disclaimer

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