

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

February 15, 2023

Date of Report (Date of earliest event reported)

Essential Properties Realty Trust, Inc.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of incorporation)

001-38530

(Commission File Number)

82-4005693

(IRS Employer Identification No.)

902 Carnegie Center Blvd., Suite 520

Princeton, New Jersey

(Address of principal executive offices)

08540

(Zip Code)

Registrant's telephone number, including area code: **(609) 436-0619**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations 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:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common stock, \$0.01 par value	EPRT	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 February 15, 2023, Essential Properties Realty Trust, Inc. (the “Company”) issued a press release announcing the Company’s financial results for the three months and year ended December 31, 2022. The press release is furnished hereto as Exhibit 99.1 and incorporated herein by reference.

Item 7.01— Regulation FD Disclosure.

On February 15, 2023, the Company issued its Supplemental Operating & Financial Data—Fourth Quarter Ended December 31, 2022. The Supplemental Operating & Financial Data is furnished hereto as Exhibit 99.2 and incorporated herein by reference.

The foregoing information is furnished pursuant to Item 2.02, “Results of Operations and Financial Condition,” and Item 7.01, “Regulation FD Disclosure.” The information in Items 2.02 and 7.01 of this Current Report on Form 8-K and the exhibits furnished therewith shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section, and shall not be or be deemed to be incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, regardless of any general incorporation language in such filing.

Item 9.01 — Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Earnings Press Release dated February 15, 2023 for the quarter and year ended December 31, 2022
99.2	Supplemental Operating & Financial Data—Fourth Quarter Ended December 31, 2022
104	Cover Page Interactive Data File (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 hereunto duly authorized.

Date: February 15, 2023

ESSENTIAL PROPERTIES REALTY TRUST, INC.

By:

/s/ Mark E. Patten

Mark E. Patten

Executive Vice President, Chief Financial Officer, Treasurer and Secretary



Essential Properties Announces Fourth Quarter 2022 Results

- Fourth Quarter Net Income per Share of \$0.25 and AFFO per Share of \$0.39 -
 - Closed Investments of \$328.4 million at a 7.5% Weighted Average Cash Cap Rate -
 - Reiterates 2023 AFFO Guidance of \$1.58 to \$1.64 per Share -

February 15, 2023

PRINCETON, N.J.--(BUSINESS WIRE)--Essential Properties Realty Trust, Inc. (NYSE: EPRT; "Essential Properties" or the "Company") today announced operating results for the three months and year ended December 31, 2022.

Fourth Quarter 2022 Financial and Operating Highlights:

Operating Results (compared to Fourth Quarter 2021):		
• Investments (115 properties)	\$ Invested	\$328.4 million
	Weighted Avg Cash Cap Rate	7.5%
• Dispositions (26 properties)	Net Proceeds	\$75.5 million
	Weighted Avg Cash Cap Rate	6.9%
• Net Income per Share	Increased by 4%	\$0.25
• Funds from Operations ("FFO") per Share	Unchanged	\$0.39
• Core Funds from Operations ("Core FFO") per Share	Unchanged	\$0.39
• Adjusted Funds from Operations ("AFFO") per Share	Increased by 5%	\$0.39
Debt & Equity Activity:		
• 2028 Term Loan	Drew Remaining Available Principal	\$150.0 million
• Equity Raised (Gross) - ATM Program ⁽¹⁾	\$23.22/share	\$22.2 million

Full Year 2022 Financial and Operating Highlights:

Operating Results (compared to 2021):		
• Investments (299 properties)	\$ Invested	\$937.4 million
	Weighted Avg Cash Cap Rate	7.2%
• Dispositions (52 properties)	Net Proceeds	\$155.6 million
	Weighted Avg Cash Cap Rate	6.6%
• Net Income per share	Increased by 21%	\$0.99
• FFO per share	Increased by 13%	\$1.56
• Core FFO per share	Increased by 12%	\$1.58
• AFFO per share	Increased by 14%	\$1.53
Equity Activity:		
• Equity Raised (Gross) - ATM Program ⁽¹⁾	\$24.00/share	\$235.1 million
• Equity Raised (Gross) - Follow-On Offering (August 4, 2022)	\$23.00/share	\$201.0 million

Highlights Subsequent to Fourth Quarter 2022:

• Investments (14 properties)	\$ Invested	\$65.7 million
• Dispositions (8 properties)	\$ Gross Proceeds	\$19.7 million
Equity Activity:		
• Equity Raised (Gross) - ATM Program	\$24.12/share	\$20.7 million

1. Includes 957,453 shares sold on a forward basis for gross proceeds of \$22.2 million that were physically settled for cash in January 2023.

CEO Comments

Commenting on the fourth quarter and full year 2022 results, the Company's President and Chief Executive Officer, Pete Mavoides, said, "Despite a volatile year for the capital markets, we grew AFFO per share by more than 14% in 2022, thanks to the stable internal rent growth of our high quality net lease portfolio, strong external growth that benefited from our reliable and relationship-driven investment platform, and ready access to attractively priced capital. With nearly \$700 million of available liquidity at quarter-end, we are well positioned to capitalize on a robust opportunity set of accretive sale-leaseback transactions, which was evidenced by our record investment activity in the fourth quarter. While we believe economic uncertainty remains elevated, the durability of our service-oriented and experience-based tenancy and our low leverage position provide us with the confidence to affirm our 2023 AFFO per share guidance."

Portfolio Highlights

The Company's investment portfolio as of December 31, 2022 is summarized as follows:

Number of properties	1,653
Weighted average lease term (WALT)	13.9
Weighted average rent coverage ratio	4.0x
Number of tenants	350
Number of concepts (i.e., brands)	538
Number of industries	16
Number of states	48
Weighted average occupancy	99.9%
Total square feet of rentable space	16,059,492
Cash ABR - service-oriented or experience-based	93.0%
Cash ABR - properties subject to master lease	65.0%

Portfolio Update

Investments

The Company's investment activity during the three months and year ended December 31, 2022 is summarized as follows:

	Quarter Ended December 31, 2022	Year Ended December 31, 2022
Investments:		
Investment volume	\$328.4 million	\$937.4 million
Number of transactions	39	112
Property count	115	299
Weighted average cash / GAAP cap rate	7.5%/8.8%	7.2%/8.3%
Weighted average lease escalation	1.8%	1.6%
% Subject to master lease	90%	83%
% Sale-leaseback transactions	99%	97%
% Existing relationship	95%	89%
% Required financial reporting (tenant/guarantor)	100%	100%
WALT	18.7 years	17.0 years

Dispositions

The Company's disposition activity during the three months and year ended December 31, 2022 is summarized as follows:

	Quarter Ended December 31, 2022	Year Ended December 31, 2022
Dispositions:		
Net proceeds	\$75.5 million	\$155.6 million
Number of properties sold	26	52
Net gain / (loss)	\$12.6 million	\$30.6 million
Weighted average cash cap rate (excluding vacant properties and sales subject to a tenant purchase option)	6.9%	6.6%

Loan Repayments

Loan repayments to the Company during the three months and year ended December 31, 2022 are summarized as follows:

	Quarter Ended December 31, 2022	Year Ended December 31, 2022
Proceeds—Principal	\$11.8 million	\$83.3 million
Proceeds—Prepayment penalties	\$0.1 million	\$0.9 million
Number of properties	7	44

Leverage and Balance Sheet and Liquidity

The Company's leverage, balance sheet and liquidity are summarized in the following table.

	December 31, 2022	Pro Forma ⁽¹⁾ December 31, 2022
Leverage:		
Net debt to Annualized Adjusted EBITDA _{re}	4.6x	4.5x
Balance Sheet and Liquidity:		
Cash and cash equivalents and restricted cash	\$71.5 million	\$93.7 million
Unused revolving credit facility capacity	\$600.0 million	\$600.0 million
Forward equity sales - unsettled	\$22.2 million	—
Total available liquidity	\$693.7 million	\$693.7 million
ATM Program:		
2022 ATM Program initial availability	\$500.0 million	
Aggregate gross sales under the 2022 ATM Program	\$75.4 million	
Availability remaining under the 2022 ATM Program	\$424.6 million	
Average price per share of gross sales since inception in May 2022	\$22.11	

1. Pro forma adjustments have been made to reflect 957,453 shares sold on a forward basis through the Company's ATM program as if they had been physically settled for cash as of December 31, 2022.

Guidance

2023 Guidance

The Company reiterates its previously issued expectation that 2023 AFFO per share on a fully diluted basis will be within a range of \$1.58 to \$1.64.

Note: 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, such as, 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 period.

Dividend Information

As previously announced, on November 30, 2022, Essential Properties' board of directors declared a cash dividend of \$0.275 per share of common stock for the quarter ended December 31, 2022. The dividend was paid on January 13, 2023 to stockholders of record as of the close of business on December 30, 2022.

Conference Call Information

In conjunction with the release of Essential Properties' operating results, the Company will host a conference call on Thursday, February 16, 2023 at 10:00 a.m. EST to discuss the results. To access the conference, dial 877-407-9208 (International: 201-493-6784). A live webcast will also be available in listen-only mode by clicking on the webcast link in the Investor Relations section at www.essentialproperties.com.

A telephone replay of the conference call can also be accessed by calling 844-512-2921 (International: 412-317-6671) and entering the access code: 13735903. The telephone replay will be available through March 2, 2023.

A replay of the conference call webcast will be available on our website approximately two hours after the conclusion of the live broadcast. The webcast replay will be available for 90 days. No access code is required for this replay.

Supplemental Materials

The Company's Supplemental Operating & Financial Data—Fourth Quarter Ended December 31, 2022 is available on Essential Properties' website at investors.essentialproperties.com.

About Essential Properties Realty Trust, Inc.

Essential Properties Realty Trust, Inc. is an internally managed REIT that acquires, owns and manages primarily single-tenant properties that are net leased on a long-term basis to companies operating service-oriented or experience-based businesses. As of December 31, 2022, the Company's portfolio consisted of 1,653 freestanding net lease properties with a weighted average lease term of 13.9 years and a weighted average rent coverage ratio of 4.0x. In addition, as of December 31, 2022, the Company's portfolio was 99.9% leased to 350 tenants operating 538 different concepts in 16 industries across 48 states.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the federal securities laws. When used in this press release, the words "estimate," "anticipate," "expect," "believe," "intend," "may," "will," "should," "seek," "approximately" or "plan," or the negative of these words and phrases or similar words or phrases that are predictions of or indicate future events or trends and that do not relate solely to historical matters are intended to identify forward-looking statements. You can also identify forward-looking statements by discussions of strategy, plans or intentions of management. Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods that may be incorrect or imprecise and the Company may not be able to realize them. The Company does not guarantee that the transactions and events described will happen as described (or that they will happen at all). You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this press release. While forward-looking statements reflect the Company's good faith beliefs, they are not guarantees of future performance. The Company undertakes no obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events, except as required by law. In light of these risks and uncertainties, the forward-looking events discussed in this press release might not occur as described, or at all.

Additional information concerning factors that could cause actual results to differ materially from these forward-looking statements is contained in the company's Securities and Exchange Commission (the "Commission") filings, including, but not limited to, the Company's most recent Annual Report on Form 10-K. Copies of each filing may be obtained from the Company or the Commission. Such forward-looking statements should be regarded solely as reflections of the Company's current operating plans and estimates. Actual operating results may differ materially from what is expressed or forecast in this press release.

The results reported in this press release are preliminary and not final. There can be no assurance that these results will not vary from the final results reported in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 that it will file with the Commission.

Non-GAAP Financial Measures and Certain Definitions

The Company's reported results are presented in accordance with GAAP. The Company also discloses the following non-GAAP financial measures: FFO, Core FFO, AFFO, earnings before interest, taxes, depreciation and amortization ("EBITDA"), EBITDA further adjusted to exclude gains (or losses) on sales of depreciable property and real estate impairment losses ("EBITDA_{re}"), adjusted EBITDA_{re}, annualized adjusted EBITDA_{re}, net debt, net operating income ("NOI") and cash NOI ("Cash NOI"). The Company believes these non-GAAP financial measures are industry measures used by analysts and investors to compare the operating performance of REITs.

FFO, Core FFO and AFFO

The Company computes 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 the Company's 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).

The Company computes Core FFO by adjusting FFO, as defined by NAREIT, to exclude certain GAAP income and expense amounts that it believes are infrequent and unusual in nature and/or not related to its 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 certain transaction related gains, losses, income or expense or other non-core amounts as they occur.

To derive AFFO, the Company modifies its computation of Core FFO to include other adjustments to GAAP net income related to certain items that it believes are not indicative of the Company's operating performance, including straight-line rental revenue, non-cash interest expense, non-cash compensation expense, other amortization expense, other non-cash charges (including changes to our provision for loan losses following the adoption of ASC 326), 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. The Company believes that AFFO is an additional useful supplemental measure for investors to consider when assessing the Company's operating performance without the distortions created by non-cash items 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.

EBITDA and EBITDAre

The Company computes 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. The Company computes 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. The Company presents EBITDA and EBITDAre as they are measures commonly used in its industry and the Company believes that these measures are useful to investors and analysts because they provide supplemental information concerning its operating performance, exclusive of certain non-cash items and other costs. The Company uses EBITDA and EBITDAre as measures of its 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, the Company's 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

The Company calculates its net debt as its gross debt (defined as total debt plus net deferred financing costs on its secured borrowings) less cash and cash equivalents and restricted cash available for future investment. The Company believes excluding cash and cash equivalents and restricted cash available for future investment 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 it believes is a beneficial disclosure to investors and analysts.

NOI and Cash NOI

The Company computes 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. The Company believes NOI and Cash NOI provide useful information because they reflect only those revenue and expense items that are incurred at the property level and present such items on an unlevered basis.

NOI and Cash NOI are not measures of financial performance under GAAP. You should not consider the Company's NOI and Cash NOI as alternatives to net income or cash flows from operating activities determined in accordance with GAAP. Additionally, the Company's 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.

Adjusted EBITDAre / Adjusted NOI / Adjusted Cash NOI

The Company further adjusts EBITDAre, NOI and Cash NOI i) 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, ii) to exclude certain GAAP income and expense amounts that the Company believes are infrequent and unusual in nature and iii) to eliminate the impact of lease termination or loan prepayment fees and contingent rental revenue from its tenants which is subject to sales thresholds specified in the lease. The Company then annualizes these estimates for the current quarter by multiplying them by four, which it believes provides a meaningful estimate of the Company's 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. The Company's actual reported EBITDA_{re}, 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 the Company's leases (including those accounted for as direct financing leases) commenced as of that date and annualized cash interest on its mortgage loans receivable as of that date.

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.

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.

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.

Essential Properties Realty Trust, Inc.
Consolidated Statements of Operations

(in thousands, except share and per share data)	Three months ended December 31,		Year ended December 31,	
	2022	2021	2022	2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenues:				
Rental revenue ^{1,2}	\$ 70,101	\$ 59,816	\$ 269,827	\$ 213,327
Interest on loans and direct financing lease receivables	4,009	4,152	15,499	15,710
Other revenue	166	1,047	1,180	1,197
Total revenues	74,276	65,015	286,506	230,234
Expenses:				
General and administrative	6,508	5,832	29,464	24,329
Property expenses ³	784	1,816	3,452	5,762
Depreciation and amortization	24,121	18,961	88,562	69,146
Provision for impairment of real estate	9,623	—	20,164	6,120
Change in provision for credit losses	(48)	(92)	88	(204)
Total expenses	40,988	26,517	141,730	105,153
Other operating income:				
Gain on dispositions of real estate, net	12,565	497	30,647	9,338
Income from operations	45,853	38,995	175,423	134,419
Other (expense)/income:				
Loss on debt extinguishment ⁴	—	—	(2,138)	(4,461)
Interest expense	(12,128)	(9,170)	(40,370)	(33,614)
Interest income	2,025	20	2,825	94
Income before income tax expense	35,750	29,845	135,740	96,438
Income tax expense	229	55	998	227
Net income	35,521	29,790	134,742	96,211
Net income attributable to non-controlling interests	(171)	(151)	(612)	(486)
Net income attributable to stockholders	\$ 35,350	\$ 29,639	\$ 134,130	\$ 95,725
Basic weighted-average shares outstanding	142,378,451	122,691,874	134,941,188	116,358,059
Basic net income per share	\$ 0.25	\$ 0.24	\$ 0.99	\$ 0.82
Diluted weighted-average shares outstanding	143,375,819	123,777,032	135,855,916	117,466,338
Diluted net income per share	\$ 0.25	\$ 0.24	\$ 0.99	\$ 0.82

1. Includes contingent rent (based on a percentage of the tenant's gross sales at the leased property) of \$156, \$257, \$682 and \$721 for the three months and year ended December 31, 2022 and 2021, respectively.

2. Includes reimbursable income from the Company's tenants of \$497, \$1,058, \$2,081 and \$2,293 for the three months and year ended December 31, 2022 and 2021, respectively.

3. Includes reimbursable expenses from the Company's tenants \$497, \$1,058, \$2,081 and \$2,293 for the three months and year ended December 31, 2022 and 2021, respectively.

4. During the year ended December 31, 2022, includes debt extinguishment costs associated with the Company's restructuring of its credit and term loan facilities and, during the year ended December 31, 2021, includes debt extinguishment costs associated with the full repayment of the Company's remaining secured debt.

Essential Properties Realty Trust, Inc.
Consolidated Balance Sheets

(in thousands, expect share and per share amounts)

	December 31, 2022	December 31, 2021
	(Unaudited)	(Audited)
ASSETS		
Investments:		
Real estate investments, at cost:		
Land and improvements	\$ 1,228,687	\$ 1,004,154
Building and improvements	2,440,630	2,035,919
Lease incentive	18,352	13,950
Construction in progress	34,537	8,858
Intangible lease assets	88,364	87,959
Total real estate investments, at cost	3,810,570	3,150,840
Less: accumulated depreciation and amortization	(276,307)	(200,152)
Total real estate investments, net	3,534,263	2,950,688
Loans and direct financing lease receivables, net	240,035	189,287
Real estate investments held for sale, net	4,780	15,434
Net investments	3,779,078	3,155,409
Cash and cash equivalents	62,345	59,758
Restricted cash	9,155	—
Straight-line rent receivable, net	78,587	57,990
Derivative assets	47,877	—
Rent receivables, prepaid expenses and other assets, net	22,991	25,638
Total assets	<u>\$ 4,000,033</u>	<u>\$ 3,298,795</u>
LIABILITIES AND EQUITY		
Unsecured term loans, net of deferred financing costs	\$ 1,025,492	\$ 626,983
Senior unsecured notes, net	395,286	394,723
Revolving credit facility	—	144,000
Intangible lease liabilities, net	11,551	12,693
Dividend payable	39,398	32,610
Derivative liabilities	2,274	11,838
Accrued liabilities and other payables	29,261	32,145
Total liabilities	<u>1,503,262</u>	<u>1,254,992</u>
Commitments and contingencies	—	—
Stockholders' equity:		
Preferred stock, \$0.01 par value; 150,000,000 authorized; none issued and outstanding as of December 31, 2022 and December 31, 2021	—	—
Common stock, \$0.01 par value; 500,000,000 authorized; 142,379,655 and 124,649,053 issued and outstanding as of December 31, 2022 and December 31, 2021, respectively	1,424	1,246
Additional paid-in capital	2,563,305	2,151,088
Distributions in excess of cumulative earnings	(117,187)	(100,982)
Accumulated other comprehensive loss	40,719	(14,786)
Total stockholders' equity	<u>2,488,261</u>	<u>2,036,566</u>
Non-controlling interests	8,510	7,237
Total equity	<u>2,496,771</u>	<u>2,043,803</u>
Total liabilities and equity	<u>\$ 4,000,033</u>	<u>\$ 3,298,795</u>

Essential Properties Realty Trust, Inc.
Reconciliation of Non-GAAP Financial Measures

(unaudited, in thousands except per share amounts)	Three months ended December 31,		Year ended December 31,	
	2022	2021	2022	2021
Net income	\$ 35,521	\$ 29,790	\$ 134,742	\$ 96,211
Depreciation and amortization of real estate	24,096	18,935	88,459	69,043
Provision for impairment of real estate	9,623	—	20,164	6,120
Gain on dispositions of real estate, net	(12,565)	(497)	(30,647)	(9,338)
Funds from Operations	56,675	48,228	212,718	162,036
Non-core expenses ¹	—	—	2,388	4,461
Core Funds from Operations	56,675	48,228	215,106	166,497
Adjustments:				
Straight-line rental revenue, net	(4,005)	(5,166)	(20,615)	(19,116)
Non-cash interest expense	621	1,147	2,616	2,554
Non-cash compensation expense	2,232	1,129	9,489	5,683
Other amortization expense	735	188	2,912	2,675
Other non-cash charges	(52)	(94)	74	(212)
Capitalized interest expense	(394)	(26)	(757)	(81)
Adjusted Funds from Operations	\$ 55,812	\$ 45,406	\$ 208,825	\$ 158,000
Net income per share²:				
Basic	\$ 0.25	\$ 0.24	\$ 0.99	\$ 0.82
Diluted	\$ 0.25	\$ 0.24	\$ 0.99	\$ 0.82
FFO per share²:				
Basic	\$ 0.40	\$ 0.39	\$ 1.57	\$ 1.38
Diluted	\$ 0.39	\$ 0.39	\$ 1.56	\$ 1.38
Core FFO per share²:				
Basic	\$ 0.40	\$ 0.39	\$ 1.58	\$ 1.42
Diluted	\$ 0.39	\$ 0.39	\$ 1.58	\$ 1.41
AFFO per share²:				
Basic	\$ 0.39	\$ 0.37	\$ 1.54	\$ 1.35
Diluted	\$ 0.39	\$ 0.37	\$ 1.53	\$ 1.34

1. Includes \$0.2 million of fees incurred in conjunction with the August 2022 amendment to the Company's 2027 Term Loan and its \$2.1 million loss on debt extinguishment during the year ended December 31, 2022 and the Company's \$4.5 million of loss on debt extinguishment during the year ended December 31, 2021.
2. Calculations exclude \$94, \$63, \$374 and \$311 from the numerator for the three months and year ended December 31, 2022 and 2021, respectively, related to dividends paid on unvested restricted share awards and restricted share units.

Essential Properties Realty Trust, Inc.
Reconciliation of Non-GAAP Financial Measures

(in thousands)	Three months ended December 31, 2022	
Net income	\$	35,521
Depreciation and amortization		24,121
Interest expense		12,128
Interest income		(2,025)
Income tax expense		229
EBITDA		69,974
Provision for impairment of real estate		9,623
Gain on dispositions of real estate, net		(12,565)
EBITDAre		67,032
Adjustment for current quarter re-leasing, acquisition and disposition activity ¹		2,865
Adjustment to exclude other non-core or non-recurring activity ²		(92)
Adjustment to exclude termination/prepayment fees and certain percentage rent ³		(1,028)
Adjusted EBITDAre - Current Estimated Run Rate		73,709
General and administrative expense		6,316
Adjusted net operating income ("NOI")		80,025
Straight-line rental revenue, net ¹		(7,382)
Other amortization expense		1,187
Adjusted Cash NOI	\$	73,830
Annualized EBITDAre	\$	268,128
Annualized Adjusted EBITDAre	\$	294,836
Annualized Adjusted NOI	\$	320,100
Annualized Adjusted Cash NOI	\$	295,320

1. Adjustment is made to reflect EBITDAre, NOI and Cash NOI as if all re-leasing activity, investments in and dispositions of real estate and loan repayments completed during the three months ended December 31, 2022 had occurred on October 1, 2022.
2. Adjustment is made to exclude non-core expenses added back to compute Core FFO, to exclude changes in the Company's provision for credit losses and to eliminate the impact of seasonal fluctuation in certain non-cash compensation expense recorded in the period.
3. Adjustment excludes lease termination or loan prepayment fees and contingent rent (based on a percentage of the tenant's gross sales at the leased property) where payment is subject to exceeding a sales threshold specified in the lease, if any.

Essential Properties Realty Trust, Inc.
Reconciliation of Non-GAAP Financial Measures

(dollars in thousands, except share and per share amounts)	December 31, 2022	Rate	Wtd. Avg. Maturity
Unsecured debt:			
April 2024 term loan ¹	\$ 200,000	2.9%	1.3 years
February 2027 term loan ¹	430,000	2.4%	4.1 years
January 2028 term loan ¹	400,000	4.6%	5.1 years
Senior unsecured notes due July 2031	400,000	3.1%	8.5 years
Revolving credit facility ²	—	—%	3.1 years
Total unsecured debt	1,430,000	3.3%	5.2 years
Gross debt	1,430,000		
Less: cash & cash equivalents	(62,345)		
Less: restricted cash available for future investment	(9,155)		
Net debt	1,358,500		
Equity:			
Preferred stock	—		
Common stock & OP units (142,933,502 shares @ \$23.47/share as of 12/31/22) ³	3,341,651		
Total equity	3,341,651		
Total enterprise value ("TEV")	\$ 4,700,151		
Pro forma adjustments to Net Debt and TEV:⁴			
Net debt	\$ 1,358,500		
Less: cash received — Forward ATM settlement	(22,217)		
Pro forma net debt	1,336,283		
Total equity	3,341,651		
Common stock — Forward ATM settlement (957,453 shares @ \$23.47/share as of 12/31/22)	22,471		
Pro forma TEV	\$ 4,700,405		
Gross Debt / Undepreciated Gross Assets		33.4 %	
Net Debt / TEV		28.9 %	
Net Debt / Annualized Adjusted EBITDAre		4.6x	
Pro Forma Gross Debt / Undepreciated Gross Assets		33.3 %	
Pro Forma Net Debt / Pro Forma TEV		28.4 %	
Pro Forma Net Debt / Annualized Adjusted EBITDAre		4.5x	

1. Rates presented for the Company's term loans are fixed at the stated rates after giving effect to its interest rate swaps, applicable margin of 85bps and SOFR premium of 10bps.
2. The Company's revolving credit facility provides a maximum aggregate initial original principal amount of up to \$600 million and includes an accordion feature to increase, subject to certain conditions, the maximum availability of the facility by up to \$600 million. Borrowings bear interest at Term SOFR plus applicable margin of 77.5bps and SOFR premium of 10bps.
3. Common equity & units as of December 31, 2022, based on 142,379,655 common shares outstanding (including unvested restricted share awards) and 553,847 OP units held by non-controlling interests.
4. Pro forma adjustments have been made to reflect 957,453 shares sold on a forward basis through the Company's ATM program as if they had been physically settled for cash as of December 31, 2022.

Investor/Media:

Essential Properties Realty Trust, Inc.
Daniel Donlan, Senior Vice President, Capital Markets
609-436-0619
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Source: Essential Properties Realty Trust, Inc.

Exhibit 99.2



ESSENTIAL PROPERTIES



Supplemental Operating & Financial Data

Fourth Quarter Ended December 31, 2022

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Financial Summary

Consolidated Statements of Operations

(in thousands, except share and per share data)	Three Months Ended December 31,		Year Ended December 31,	
	2022 (unaudited)	2021 (unaudited)	2022 (unaudited)	2021 (unaudited)
Revenues:				
Rental revenue ^{1,2}	\$ 70,101	\$ 59,816	\$ 269,827	\$ 213,327
Interest on loans and direct financing lease receivables	4,009	4,152	15,499	15,710
Other revenue, net	166	1,047	1,180	1,197
Total revenues	74,276	65,015	286,506	230,234
Expenses:				
General and administrative	6,508	5,832	29,464	24,329
Property expenses ³	784	1,816	3,452	5,762
Depreciation and amortization	24,121	18,961	88,562	69,146
Provision for impairment of real estate	9,623	—	20,164	6,120
Change in provision for credit losses	(48)	(92)	88	(204)
Total expenses	40,988	26,517	141,730	105,153
Other operating income:				
Gain on dispositions of real estate, net	12,565	497	30,647	9,338
Income from operations	45,853	38,995	175,423	134,419
Other (expense)/income:				
Loss on debt extinguishment ⁴	—	—	(2,138)	(4,461)
Interest expense	(12,128)	(9,170)	(40,370)	(33,614)
Interest income	2,025	20	2,825	94
Income before income tax expense	35,750	29,845	135,740	96,438
Income tax expense	229	55	998	227
Net income	35,521	29,790	134,742	96,211
Net income attributable to non-controlling interests	(171)	(151)	(612)	(486)
Net income attributable to stockholders	\$ 35,350	\$ 29,639	\$ 134,130	\$ 95,725
Basic weighted-average shares outstanding	142,378,451	122,691,874	134,941,188	116,358,059
Basic net income per share	\$ 0.25	\$ 0.24	\$ 0.99	\$ 0.82
Diluted weighted-average shares outstanding	143,375,819	123,777,032	135,851,079	117,466,338
Diluted net income per share	\$ 0.25	\$ 0.24	\$ 0.99	\$ 0.82

1. Includes contingent rent (based on a percentage of the tenant's gross sales at the leased property) of \$156, \$257, \$682 and \$721 for the three months and year ended December 31, 2022 and 2021, respectively.

2. Includes reimbursable income from our tenants of \$497, \$1,058, \$2,081 and \$2,293 for the three months and year ended December 31, 2022 and 2021, respectively.

3. Includes reimbursable expenses from our tenants \$497, \$1,058, \$2,081 and \$2,293 for the three months and year ended December 31, 2022 and 2021, respectively.

4. During the year ended December 31, 2022, includes debt extinguishment costs associated with the restructuring of our credit and term loan facilities and, during the year ended December 31, 2021, includes debt extinguishment costs associated with the full repayment of our remaining secured debt.

Financial Summary

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,	
	2022	2021	2022	2021
Net income	\$ 35,521	\$ 29,790	\$ 134,742	\$ 96,211
Depreciation and amortization of real estate	24,096	18,935	88,459	69,043
Provision for impairment of real estate	9,623	—	20,164	6,120
Gain on dispositions of real estate, net	(12,565)	(497)	(30,647)	(9,338)
Funds from Operations	56,675	48,228	212,718	162,036
Non-core expenses ^{1,2}	—	—	2,388	4,461
Core Funds from Operations	56,675	48,228	215,106	166,497
Adjustments:				
Straight-line rental revenue, net	(4,005)	(5,166)	(20,615)	(19,116)
Non-cash interest expense	621	1,147	2,616	2,554
Non-cash compensation expense	2,232	1,129	9,489	5,683
Other amortization expense	735	188	2,912	2,675
Other non-cash charges	(52)	(94)	74	(212)
Capitalized interest expense	(394)	(26)	(757)	(81)
Adjusted Funds from Operations	\$ 55,812	\$ 45,406	\$ 208,825	\$ 158,000
Net income per share ³ :				
Basic	\$ 0.25	\$ 0.24	\$ 0.99	\$ 0.82
Diluted	\$ 0.25	\$ 0.24	\$ 0.99	\$ 0.82
FFO per share ³ :				
Basic	\$ 0.40	\$ 0.39	\$ 1.57	\$ 1.38
Diluted	\$ 0.39	\$ 0.39	\$ 1.56	\$ 1.38
Core FFO per share ³ :				
Basic	\$ 0.40	\$ 0.39	\$ 1.58	\$ 1.42
Diluted	\$ 0.39	\$ 0.39	\$ 1.58	\$ 1.41
AFFO per share ³ :				
Basic	\$ 0.39	\$ 0.37	\$ 1.54	\$ 1.35
Diluted	\$ 0.39	\$ 0.37	\$ 1.53	\$ 1.34

1. Includes \$0.2 million of fees incurred in conjunction with the August 2022 amendment to our 2027 Term Loan and our \$2.1 million loss on debt extinguishment during the year ended December 31, 2022 and our \$4.5 million of loss on debt extinguishment during the year ended December 31, 2021.

2. Calculations exclude \$94, \$63, \$374 and \$311 from the numerator for the three months and year ended December 31, 2022 and 2021, respectively, related to dividends paid on unvested restricted share awards and restricted share units.

Financial Summary

Consolidated Balance Sheets

(in thousands, except share and per share amounts)

	December 31, 2022 (unaudited)	December 31, 2021 (audited)
ASSETS		
Investments:		
Real estate investments, at cost:		
Land and improvements	\$ 1,228,687	\$ 1,004,154
Building and improvements	2,440,630	2,035,919
Lease incentive	18,352	13,950
Construction in progress	34,537	8,858
Intangible lease assets	88,364	87,959
Total real estate investments, at cost	3,810,570	3,150,840
Less: accumulated depreciation and amortization	(276,307)	(200,152)
Total real estate investments, net	3,534,263	2,950,688
Loans and direct financing lease receivables, net	240,035	189,287
Real estate investments held for sale, net	4,780	15,434
Net investments	3,779,078	3,155,409
Cash and cash equivalents	62,345	59,758
Restricted cash	9,155	—
Straight-line rent receivable, net	78,587	57,990
Derivative assets	47,877	—
Rent receivables, prepaid expenses and other assets, net	22,991	25,638
Total assets	\$ 4,000,033	\$ 3,298,795
LIABILITIES AND EQUITY		
Unsecured term loans, net of deferred financing costs	\$ 1,025,492	\$ 626,983
Senior unsecured notes, net	395,286	394,723
Revolving credit facility	—	144,000
Intangible lease liabilities, net	11,551	12,693
Dividend payable	39,398	32,610
Derivative liabilities	2,274	11,838
Accrued liabilities and other payables	29,261	32,145
Total liabilities	1,503,262	1,254,992
Commitments and contingencies	—	—
Stockholders' equity:		
Preferred stock, \$0.01 par value; 150,000,000 authorized; none issued and outstanding as of 12/31/22 and 12/31/21	—	—
Common stock, \$0.01 par value; 500,000,000 authorized; 142,379,655 and 124,649,053 issued and outstanding as of 12/31/22 and 12/31/21, respectively	1,424	1,246
Additional paid-in capital	2,563,305	2,151,088
Distributions in excess of cumulative earnings	(117,187)	(100,982)
Accumulated other comprehensive loss	40,719	(14,786)
Total stockholders' equity	2,488,261	2,036,566
Non-controlling interests	8,510	7,237
Total equity	2,496,771	2,043,803
Total liabilities and equity	\$ 4,000,033	\$ 3,298,795

Financial Summary

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

(unaudited, in thousands)	Three Months Ended December 31, 2022
Net income	\$ 35,521
Depreciation and amortization	24,121
Interest expense	12,128
Interest income	(2,025)
Income tax expense	229
EBITDA	69,974
Provision for impairment of real estate	9,623
Gain on dispositions of real estate, net	(12,565)
EBITDAre	67,032
Adjustment for current quarter re-leasing, acquisition and disposition activity ¹	6,546
Adjustment to exclude other non-core and non-recurring activity ²	312
Adjustment to exclude termination/prepayment fees and certain percentage rent ³	(181)
Adjusted EBITDAre - Current Estimated Run Rate	73,709
General and administrative	6,316
Adjusted net operating income ("NOI")	80,025
Straight-line rental revenue, net ¹	(7,382)
Other amortization expense	1,187
Adjusted Cash NOI	\$ 73,830
Annualized EBITDAre	\$ 268,128
Annualized Adjusted EBITDAre	\$ 294,836
Annualized Adjusted NOI	\$ 320,100
Annualized Adjusted Cash NOI	\$ 295,320

1. Adjustment is made to reflect EBITDAre, NOI and Cash NOI as if all re-leasing activity, investments in and dispositions of real estate and loan repayments completed during the three months ended December 31, 2022 had occurred on October 1, 2022.

2. Adjustment is made to exclude non-core expenses added back to compute Core FFO, to exclude changes in our provision for credit losses and to eliminate the impact of seasonal fluctuation in certain non-cash compensation expense recorded in the period.

3. Adjustment excludes lease termination or loan prepayment fees and contingent rent (based on a percentage of the tenant's gross sales at the leased property) where payment is subject to exceeding a sales threshold specified in the lease, if any.

Financial Summary

Market Capitalization, Debt Summary and Leverage Metrics

(dollars in thousands, except share and per share amounts)	December 31, 2022	Rate	Wtd. Avg. Maturity
Unsecured debt:			
April 2024 term loan ¹	\$ 200,000	2.9%	1.3 years
February 2027 term loan ¹	430,000	2.4%	4.1 years
January 2028 term loan ¹	400,000	4.6%	5.1 years
Senior unsecured notes due July 2031	400,000	3.1%	8.5 years
Revolving credit facility ²	—	—%	3.1 years
Total unsecured debt	1,430,000	3.3%	5.2 years
Gross debt	1,430,000		
Less: cash & cash equivalents	(62,345)		
Less: restricted cash available for future investment	(9,155)		
Net debt	1,358,500		
Equity:			
Preferred stock	—		
Common stock & OP units (142,933,502 shares @ \$23.47/share as of 12/31/22) ³	3,341,651		
Total equity	3,341,651		
Total enterprise value ("TEV")	\$ 4,700,151		
Pro forma adjustments to Net Debt and TEV:⁴			
Net debt	\$ 1,358,500		
Less: cash received — January 2023 ATM settlements	(22,217)		
Pro forma net debt	1,336,283		
Total equity	3,341,651		
Common stock — Forward ATM settlement (957,453 shares @ \$23.47/share as of 12/31/22)	22,471		
Pro forma TEV	\$ 4,700,405		
Gross Debt / Undepreciated Gross Assets	33.4%		
Net Debt / TEV	28.9%		
Net Debt / Annualized Adjusted EBITDAre	4.6x		
Pro Forma Gross Debt / Undepreciated Gross Assets	33.3%		
Pro Forma Net Debt / Pro Forma TEV	28.4%		
Pro Forma Net Debt / Annualized Adjusted EBITDAre	4.5x		

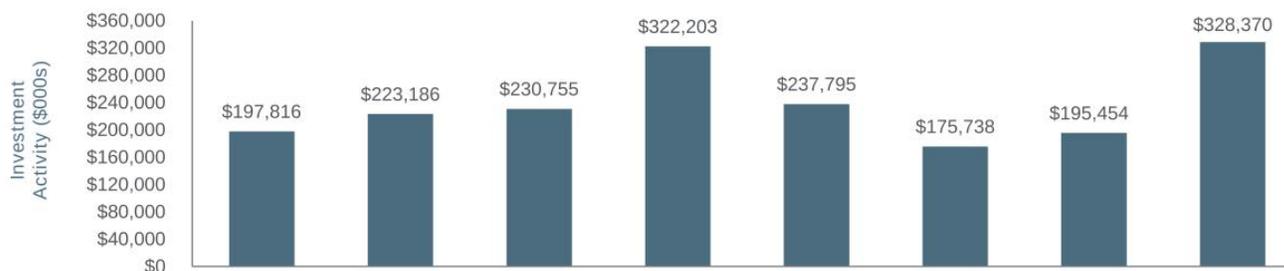
1. Rates presented for our term loans are fixed at the stated rates after giving effect to our interest rate swaps, applicable margin of 85bps and SOFR premium of 10bps.

2. Our revolving credit facility provides a maximum aggregate initial original principal amount of up to \$600 million and includes an accordion feature to increase, subject to certain conditions, the maximum availability of the facility by up to \$600 million. Borrowings bear interest at Term SOFR plus applicable margin of 77.5bps and SOFR premium of 10bps.

3. Common equity & units as of December 31, 2022, based on 142,379,655 common shares outstanding (including unvested restricted share awards) and 553,847 OP units held by non-controlling interests.

4. Pro forma adjustments have been made to reflect 957,453 shares sold on a forward basis through the Company's ATM program as if they had been physically settled for cash as of December 31, 2022..

Net Investment Activity Investment Summary



Investments ¹	1Q'21	2Q'21	3Q'21	4Q'21	1Q'22	2Q'22	3Q'22	4Q'22
Number of Transactions	22	34	31	55	23	23	27	39
Property Count	74	94	85	96	105	39	40	115
Average Investment per Unit (in 000s)	\$2,650	\$2,354	\$2,676	\$3,230	\$2,187	\$3,870	\$3,750	\$2,782
Cash Cap Rates ²	7.0%	7.1%	7.0%	6.9%	7.0%	7.0%	7.1%	7.5%
GAAP Cap Rates ³	7.9%	7.8%	7.9%	7.8%	7.8%	8.0%	8.2%	8.8%
Weighted Average Lease Escalation	1.8%	1.4%	1.6%	1.6%	1.4%	1.5%	1.6%	1.8%
Master Lease % ^{4,5}	79%	83%	80%	59%	83%	86%	68%	90%
Sale-Leaseback % ^{4,6}	85%	88%	84%	96%	100%	100%	89%	99%
Existing Relationship % ⁴	81%	97%	81%	89%	83%	79%	94%	95%
% of Financial Reporting ⁴	100%	100%	100%	98%	100%	100%	100%	100%
Rent Coverage Ratio	3.0x	2.7x	2.8x	3.0x	3.3x	2.7x	4.4x	3.2x
Lease Term Years	16.1	13.5	16.4	16.3	15.0	17.2	16.5	18.7

1. Includes investments in mortgage loans receivable.

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

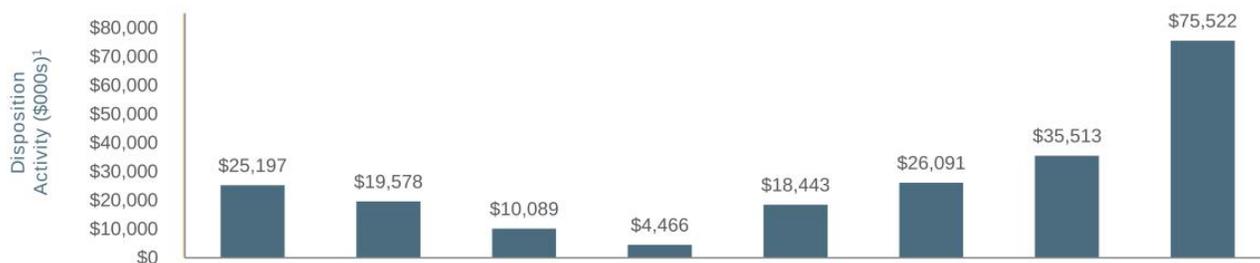
3. GAAP rent and interest income for the first twelve months after the investment divided by the gross investment in the property plus transaction costs.

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

5. Includes investments in mortgage loans receivable collateralized by more than one property.

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

Net Investment Activity Disposition Summary



Dispositions	1Q'21	2Q'21	3Q'21	4Q'21	1Q'22	2Q'22	3Q'22	4Q'22
Realized Gain/(Loss) ^{1,2}	4.5%	(7.3%)	29.8% ⁵	7.5%	0.4%	38.6%	11.1%	7.2%
Cash Cap Rate on Leased Assets ³	7.1%	7.1%	6.5% ⁵	6.0%	7.1% ⁵	6.2%	6.2% ⁵	6.9%
Leased Properties Sold ⁴	15	6	11	2	6	8	12	25
Vacant Properties Sold ⁴	1	1	--	--	--	--	--	1
Rent Coverage Ratio	1.8x	1.8x	1.2x	0.0x	2.5x ⁵	1.1x	1.2x	2.1x

1. Includes the impact of transaction costs.

2. Gains/(losses) based on our initial 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 of undeveloped land parcels or dispositions where only a portion of the owned parcel is sold.

5. Excludes properties sold pursuant to an existing tenant purchase option or properties purchased by the tenant.

Portfolio Summary

Portfolio Highlights

As of December 31, 2022

Investment Properties (#) ¹	1,653
Square Footage (mm)	16.1
Tenants (#)	350
Concepts (#)	538
Industries (#)	16
States (#)	48
Weighted Average Remaining Lease Term (Years)	13.9
Triple-Net Leases (% of Cash ABR)	94.9%
Master Leases (% of Cash ABR)	65.0%
Sale-Leaseback (% of Cash ABR) ^{2,3}	87.6%
Unit-Level Rent Coverage	4.0x
Unit-Level Financial Reporting (% of Cash ABR)	98.6%
Leased (%)	99.9%
Top 10 Tenants (% of Cash ABR)	18.0%
Average Investment Per Property (\$mm)	\$2.4
Total Cash ABR (\$mm)	\$297.2



1. Includes 153 properties that secure mortgage loans receivable.

2. Exclusive of our Initial Portfolio.

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

Portfolio Summary

Tenant and Industry Diversification

Top 10 Tenants

Top 10 Tenants ¹	Properties ²	% of Cash ABR
 Equipment Share	33	3.4%
 Chicken N Pickle	6	1.9%
 Captain D's	75	1.8%
 Whitewater Rafting	16	1.7%
 Cadence Education	23	1.7%
 Festival Foods	5	1.6%
 Five Star Parks & Attractions	9	1.6%
 Mammoth Holdings	17	1.5%
 Mister Donut	13	1.5%
 Spare Time Entertainment	6	1.5%
Top 10 Tenants	203	18.0%
Total	1,651	100.0%

Diversification by Industry

Tenant Industry	Type of Business	Cash ABR (\$'000s)	% of Cash ABR	# of Properties ²	Building SqFt	Rent Per SqFt ³
Car Washes	Service	\$ 39,192	13.2%	137	697,050	\$ 56.23
Early Childhood Education	Service	37,905	12.8%	170	1,825,083	20.77
Quick Service	Service	34,468	11.6%	397	1,095,609	31.47
Medical / Dental	Service	32,902	11.1%	193	1,379,947	23.84
Automotive Service	Service	25,455	8.6%	195	1,256,845	20.06
Casual Dining	Service	21,237	7.1%	102	801,106	25.83
Convenience Stores	Service	14,664	4.9%	131	491,449	30.25
Equipment Rental and Sales	Service	13,993	4.7%	57	1,013,151	13.10
Other Services	Service	7,541	2.5%	35	438,901	17.18
Pet Care Services	Service	5,142	1.7%	46	371,069	14.44
Family Dining	Service	4,746	1.6%	32	179,942	26.38
Service Subtotal		\$ 237,245	79.8%	1,495	9,550,152	\$ 24.78
Entertainment	Experience	23,459	7.9%	46	1,416,208	17.18
Health and Fitness	Experience	11,495	3.9%	29	1,125,329	9.44
Movie Theatres	Experience	4,301	1.4%	6	293,206	14.67
Experience Subtotal		\$ 39,255	13.2%	81	2,834,743	\$ 13.81
Grocery	Retail	9,747	3.3%	28	1,341,200	7.27
Home Furnishings	Retail	2,048	0.7%	4	217,339	9.42
Retail Subtotal		\$ 11,795	4.0%	32	1,558,539	\$ 7.57
Other Industrial	Industrial	5,008	1.7%	20	852,888	5.87
Building Materials	Industrial	3,855	1.3%	23	1,257,017	3.07
Industrial Subtotal		\$ 8,863	3.0%	43	2,109,905	\$ 4.20
Total		\$ 297,158	100.0%	1,651	16,053,339	\$ 18.46

1. Represents tenant, guarantor or parent company.

2. Property count includes 153 properties that secure mortgage loans receivable and excludes two vacant properties.

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

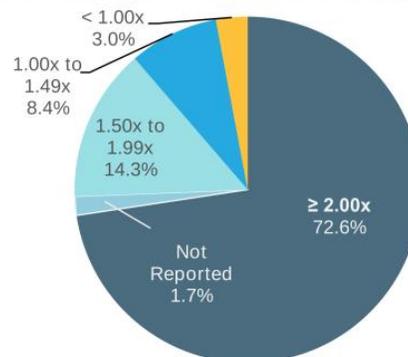
Portfolio Summary

Portfolio Health

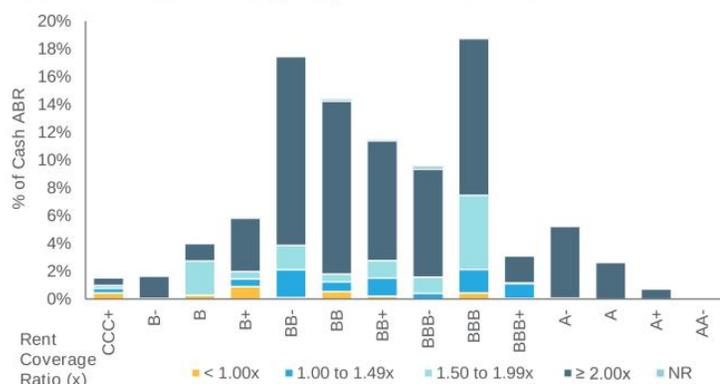
Tenant Financial Reporting Requirements

Reporting Requirements	% of Cash ABR
Unit-Level Financial Information	98.6%
Corporate-Level Financial Reporting	98.9%
Both Unit-Level and Corporate-Level Financial Information	98.1%
No Financial Information	1.0%

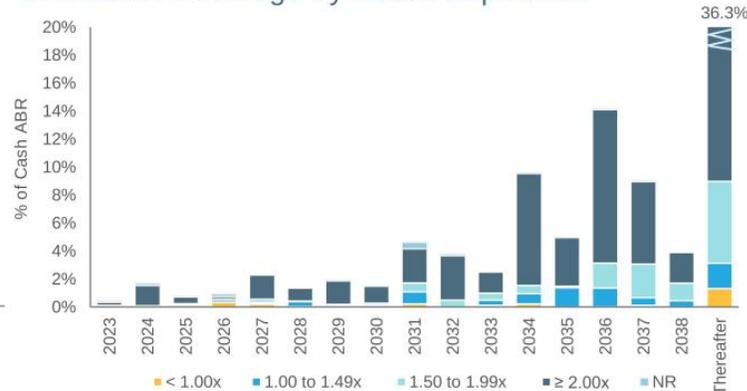
% of Cash ABR by Unit-Level Coverage Tranche¹



Unit-Level Coverage by Tenant Credit²



Unit-Level Coverage by Lease Expiration



Note: 'NR' means not reported.

- 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.
- The chart illustrates the portions of annualized base rent as of December 31, 2022, 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.

Leasing Summary

Leasing Expiration Schedule, Leasing Activity and Statistics

Annual Lease Expiration by Cash ABR

Year ¹	Cash ABR (\$'000)s	% of Cash ABR	# of Properties ²	Wgt. Avg. Coverage ³
2023	1,306	0.4%	14	3.1x
2024	5,076	1.7%	49	5.8x
2025	2,246	0.8%	19	2.1x
2026	2,790	0.9%	19	4.5x
2027	6,852	2.3%	66	2.5x
2028	4,056	1.4%	13	2.2x
2029	5,671	1.9%	78	3.9x
2030	4,495	1.5%	49	6.2x
2031	13,773	4.6%	80	2.9x
2032	11,295	3.8%	46	3.8x
2033	7,446	2.5%	25	2.9x
2034	28,544	9.6%	206	5.8x
2035	14,916	5.0%	101	6.7x
2036	42,248	14.2%	176	3.7x
2037	26,486	8.9%	129	7.3x
2038	11,451	3.9%	77	2.4x
2039	19,157	6.4%	94	3.8x
2040	29,976	10.1%	140	2.7x
2041	22,841	7.7%	113	2.4x
2042	34,316	11.5%	155	3.3x
Thereafter	2,217	0.7%	2	2.3x
Total	\$297,158	100.0%	1,651	4.0x

Leasing Activity – Trailing 12 Months

\$(000)s	Lease Renewals	Terminated Leases Re-Leased		Total Leasing
		Without Vacancy	After Vacancy	
Prior Cash ABR	\$ 298	\$ 4,155	1,629	\$ 6,081
New Cash ABR ⁴	305	3,939	829	5,073
Recovery Rate	102.3%	94.8%	50.9%	83.4%
Number of Leases	2	17	6	25
Average Months Vacant	-	-	4.6	-
% of Total Cash ABR ⁵	0.1%	1.3%	0.3%	1.7%

Leasing Statistics

Vacant Properties at September 30, 2022	3
Expiration Activity	-
Properties Subject to Lease Termination	+6
Vacant Property Sales	-1
Properties Leased	-6
Vacant Properties at December 31, 2022	2

1. Expiration year of contracts in place as of December 31, 2022, excluding any tenant option renewal periods that have not been exercised.

2. Property count includes 153 properties that secure mortgage loans receivable but excludes two vacant properties.

3. Weighted by cash ABR as of December 31, 2022.

4. New cash ABR reflects full lease rental rate without giving effect to free rent or discounted rent periods.

5. New cash ABR divided by total cash ABR as of December 31, 2022.

Leasing Summary

Same-Store Analysis

Defined Terms

Same-Store Portfolio:

All properties owned, excluding new sites under construction, for the entire same-store measurement period, which is September 30, 2021 through December 31, 2022. The same-store portfolio for 4Q'22 is comprised of 1,347 properties and represents 77% of our total portfolio as measured by contractual cash rent and interest divided by our cash ABR at December 31, 2022.

Contractual Cash Rent:

The amount of cash rent and interest our tenants are contractually obligated to pay per the in-place lease or mortgage as of December 31, 2022; excludes 1.) percentage rent that is subject to sales breakpoints per the lease and 2.) redevelopment properties in a free rent period.

Same-Store Portfolio Performance

Type of Business	Contractual Cash Rent (\$000s)		% Change
	4Q'22	4Q'21	
Service	\$ 47,361	\$ 46,534	1.8%
Experience	5,828	5,816	0.2%
Retail	2,706	2,671	1.3%
Industrial	1,519	1,502	1.1%
Total Same-Store Rent	\$ 57,414	\$ 56,523	1.6%



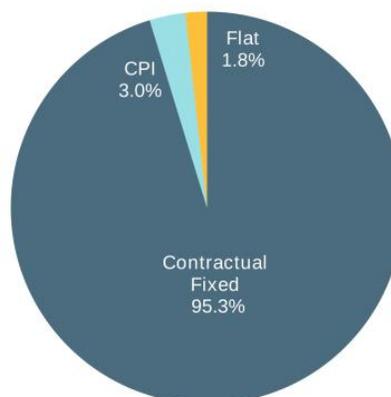
Leasing Summary

Lease Escalations

Lease Escalation Frequency

Lease Escalation Frequency	% of Cash ABR	Weighted Average
		Annual Escalation Rate ^{1,2}
Annually	80.6%	1.6%
Every 2 years	1.4	1.5
Every 3 years	0.3	0.0
Every 4 years	0.2	1.0
Every 5 years	10.9	1.7
Other escalation frequencies	4.9	1.1
Flat	1.8	0.0
Total / Weighted Average	100.0%	1.6%

Lease Escalation Type



1. Based on cash ABR as of December 31, 2022.

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.

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 available for future investment.

We believe excluding cash and cash equivalents and restricted cash available for future investment, 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 or loan prepayment 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.

Initial Portfolio

Initial 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.

