GNL
GLOBAL NET LEASE

January 2020

Dear Fellow Shareholders,

2019 was very busy for Global Net Lease, Inc. (NYSE: GNL) as we acquired $576 million of high-quality real estate, refinanced most of our European debt, recast and upsized our corporate credit facility, accessed capital markets at opportune times and continued increasing our portfolio focus on industrial and distribution assets.

We remain committed to executing on our investment strategy, leveraging our proven access and unique capacity to acquire assets globally and negotiating long-term net lease and select sale-leaseback transactions with established international companies. GNL's ability to transact internationally provides the company a distinct competitive advantage. It allows us to be opportunistic both in the types of real estate and tenants we identify for investment and in the geographic markets which fit within our strategy. Investing globally allows us to be patient and opportunistic in identifying property types for potential investment and to capitalize on our expanded reach into a universe of high-quality tenants who operate businesses inside and outside the US. We remain well-positioned to take advantage of evolving real estate markets and macro-economic conditions here and in Europe and benefit from the added diversification that comes with holding a balanced portfolio of global assets located in strong economic regions.

We are excited about the progress made over the past few years and the path we continue to pursue in executing our strategy. As we enter 2020, we are positioned for steady and deliberate growth. In fact, we just closed on the first part of a $180 million US and European sale-leaseback transaction with a Fortune 150 company as a result of our advisor's breadth of experience, corporate relationships and familiarity with both the US and European real estate markets. We expect to close on the second part of this transaction in early 2020. During the year, we closed on 39 acquisitions, well balanced between industrial and office properties in the United States and Canada. The weighted average cap rate for these acquisitions was 7.4% and they had a weighted average remaining lease term of 12.5 years at closing.

We believe the quality and stability of our earnings is critically important to our long-term performance and the stability of our dividend. We have a $3.5 billion, 264 property 28.9 million square foot portfolio comprised of the highest quality industrial and office properties. As of the third quarter, the portfolio was 99.6% leased with an 8.0 year weighted average remaining lease term and more than 70% of straight-line rent coming from actual or implied investment grade tenants. Over 92.5% of leases in the portfolio have embedded contractual rent growth.

Our excellent team of professionals continue to identify, negotiate, finance and close domestic and international transactions swiftly and diligently. It takes significant time and attention to understand and properly underwrite each of these acquisitions and our experienced teams based in the US, London and Luxembourg are the key to successfully executing on our strategy. The high-quality work across numerous transactions completed during 2019 is exemplary of these efforts.

During 2019, we also refinanced much of our European debt, in many cases extending the weighted-average maturity and reducing our borrowing rates. As you may know, part of our strategy includes financing European assets locally, in the same currency in which rent is paid. Refinancing these various loans required an international effort which directly resulted in decreased costs for the company and our shareholders. In the third quarter, we also expanded our corporate credit facility by $300 million, bringing total commitments to $1.2 billion at a lower weighted average interest rate while extending the maturity of the revolving portion to 2023, with the option to extend to 2024. Overall, we strengthened our balance sheet by extending our weighted average debt maturity to 5.7 years as of the end of the third quarter, up from 3.8 years at the same time last year, achieved an overall 3.0% weighted average interest rate and increased the size of the Company's corporate credit facilities.

In capital markets, we raised over $384 million for general corporate purposes, including the acquisition of new real estate, through the sale of Common Stock, Series A Preferred stock, and the launch of our Series B Preferred stock. Our ability to access the capital markets on favorable terms allows us to pursue attractive acquisition opportunities and to close transactions in an efficient manner.

In closing, I am very proud of all that GNL achieved in 2019. We believe the consistent execution of our business plan will continue to benefit GNL's shareholders as we continue this work in 2020 and beyond. As always, thank you for your continued support.

Sincerely,

Jim Nelson
Chief Executive Officer
Global Net Lease, Inc.