Section 1: 8-K (8-K)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): **November 8, 2019**

Global Net Lease, Inc.

(Exact Name of Registrant as Specified in Charter)

Maryland	**001-37390**	**45-2771978**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

405 Park Avenue, 3rd Floor
New York, New York 10022
(Address, including zip code, of Principal Executive Offices)

Registrant's telephone number, including area code: (212) 415-6500

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to section 12(b) of the Act:

Title of each class	Trading Symbols	Name of each exchange on which registered
Common Stock, $0.01 par value	GNL	New York Stock Exchange
7.25% Series A Cumulative Redeemable Preferred Stock, $0.01 par value	GNL PR A	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 November 8, 2019, Global Net Lease, Inc. (the “Company”) issued a press release announcing its results of operations for the quarter ended September 30, 2019, and supplemental financial information for the quarter ended September 30, 2019, attached hereto as Exhibits 99.1 and 99.2, respectively.

Item 7.01. Regulation FD Disclosure.

Press Release and Supplemental Information

As disclosed in Item 2.02 above, on November 8, 2019, the Company issued a press release announcing its results of operations for the quarter ended September 30, 2019, and supplemental financial information for the quarter ended September 30, 2019, attached hereto as Exhibits 99.1 and 99.2, respectively. The information set forth in Item 7.01 of this Current Report on Form 8-K and in the attached Exhibits 99.1 and 99.2 is deemed to be “furnished” and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section. The information set forth in Items 2.02 and 7.01 of this Current Report on Form 8-K, including Exhibits 99.1 and 99.2, shall not be deemed incorporated by reference into any filing under the Exchange Act or the Securities Act of 1933, as amended, regardless of any general incorporation language in such filing.

The statements in this Current Report on Form 8-K include statements regarding the intent, belief or current expectations of the Company and members of its management team, as well as the assumptions on which such statements are based, and generally are identified by the use of words such as “may,” “will,” “seeks,” “strives,” “anticipates,” “believes,” “estimates,” “expects,” “plans,” “intends,” “should” or similar expressions. Actual results may differ materially from those contemplated by such forward-looking statements, including as a result of those factors set forth in the Risk Factors section of the Company’s Annual Report on Form 10-K for the year ended December 31, 2018 filed on February 28, 2019 and all other filings with the SEC after that date. Forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time, or revise forward-looking unless required by law.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press release dated November 8, 2019
99.2	Quarterly supplemental information for the quarter ended November 8, 2019
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL Document.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Global Net Lease, Inc.

Date: November 8, 2019	By:	/s/ James L. Nelson
		Name: James L. Nelson
		Title: *Chief Executive Officer and President*

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Section 2: EX-99.1 (EXHIBIT 99.1 GNL EARNINGS RELEASE 9.30.19)

EXHIBIT 99.1

GNL GLOBAL NET LEASE

FOR IMMEDIATE RELEASE

GLOBAL NET LEASE REPORTS THIRD QUARTER 2019 RESULTS
Company to Host Investor Conference Call Today at 11 AM Eastern

New York, November 8, 2019 - Global Net Lease, Inc. (NYSE: GNL) ("GNL" or the "Company"), a real estate investment trust focused on the acquisition and management of industrial and office properties leased long-term to high quality corporate tenants in select markets in the United States and Europe, announced today its financial and operating results for the quarter ended September 30, 2019.

Third Quarter 2019 Highlights

- Revenue increased 8.4% to $77.9 million from $71.9 million in third quarter 2018
- Net income attributable to common stockholders was $6.9 million or $0.08 per share as compared to $0.2 million or less than $0.01 per share in third quarter 2018
- Core Funds from Operations ("Core FFO") was $38.6 million or $0.45 per share as compared to $37.8 million or $0.54 per share in third quarter 2018
- Adjusted Funds from Operations ("AFFO") improved to $40.2 million as compared to $39.6 million in the prior year third quarter
- AFFO per share was $0.47 as compared to $0.57 in third quarter 2018
- Acquired nine industrial and office properties for a contract purchase price of $102.0 million at a 7.68% weighted average capitalization rate[1]
- $697.6 million of closed and pipeline acquisitions in 2019[2] at a weighted average capitalization rate of 7.76% with 13.6 years of remaining lease term[3]
- Reduced retail exposure from 9% in the third quarter 2018 to only 5% of portfolio with the sale of 33 properties, 32 of which were Family Dollar stores, for $53.0 million and a gain of $7.0 million
- Portfolio 99.6% leased with an 8.0 year weighted average remaining lease term[4]
- Net debt to annualized adjusted EBITDA improved to 6.7x from 6.9x in third quarter 2018[5]
- Strengthened balance sheet by extending weighted-average debt maturity to 5.7 years from 3.8 years at the close of the 2018 third quarter while weighted average interest rate remained flat at 3.0%.

James Nelson, Chief Executive Officer of GNL commented, “By continuing to execute on our investment strategy we recorded yet another quarter of year over year increased rental revenue, cash NOI, adjusted EBITDA and AFFO. The third quarter was extremely active for GNL, as we closed on $102 million of industrial and office acquisitions at a going-in cap rate of 6.64% and weighted average cap rate of 7.68%. Our forward looking $373 million pipeline will bring our year to date acquisitions to $697.6 million, including a $182 million portfolio of US and European assets in a sale leaseback transaction with a Fortune 150 tenant that we expect to close in the fourth quarter.”

(In thousands, except per share data)	Three Months Ended September 30, 2019		Three Months Ended September 30, 2018	
Revenue from tenants	$	77,942	$	71,924
Net income attributable to common stockholders	$	6,860	$	177
Net income per diluted common share	$	0.08	$	—
NAREIT defined FFO attributable to common stockholders	$	37,878	$	32,305
NAREIT defined FFO per diluted common share	$	0.44	$	0.47
Core FFO attributable to common stockholders	$	38,633	$	37,752
Core FFO per diluted common share	$	0.45	$	0.54
AFFO attributable to common stockholders	$	40,235	$	39,598
AFFO per diluted common share	$	0.47	$	0.57

Property Portfolio

The Company's portfolio consisted of 264 net lease properties located in seven countries and is comprised of 28.9 million rentable square feet leased to 120 tenants across 45 industries at September 30, 2019. The real estate portfolio metrics include:

- 99.6% leased with a remaining weighted-average lease term of 8.0 years
- 92.5% of the portfolio contains contractual rent increases based on square footage
- 70.7% of portfolio annualized straight-line rent derived from investment grade and implied investment grade rated tenants[6]
- 59% U.S. and 41% Europe (based on annualized straight-line rent)
- 52% Office, 43% Industrial / Distribution and 5% Retail (based on an annualized straight-line rent)

Acquisition and Disposition Activity

During the third quarter 2019, the Company acquired nine net leased assets totaling approximately 0.9 million square feet for a contract sales price of approximately $102.0 million. These assets were purchased at a weighted average going-in capitalization rate of 6.64%[7], and an overall weighted average capitalization rate of 7.68%[1], with a weighted average remaining lease term of 17.1 years.

During the three months ended September 30, 2019, the Company sold 33 properties located in the United States (32 Family Dollar retail stores and one industrial property) for a total contract sales price of $53.0 million, resulting in a gain of $7.0 million.

Capital Structure and Liquidity Resources

As of September 30, 2019, the Company had $306.0 million of cash and cash equivalents. The Company's net debt to enterprise value was 45.0% with an enterprise value of $3.5 billion based on the quarter end closing share price of $19.50 for common stock and $25.60 for the Series A preferred stock, with net debt of $1.6 billion[8], including $1.4 billion of mortgage debt.

As of September 30, 2019, the percentage of fixed rate debt (including variable rate debt fixed with swaps) increased to 93.0% from 73.8% as of September 30, 2018. The Company's total combined debt had a weighted average interest rate of 3.0% resulting in an interest coverage ratio of 4.1 times[9]. Debt maturity increased to 5.7 years as of September 30, 2019 from 3.8 years at September 30, 2018.

Credit Facility

The Company entered into an expansion of its credit facility with KeyBank to add over $300 million of additional commitments with total commitments of $1.235 billion on August 1, 2019. The expanded facility improved pricing by 15 bps on the revolving credit facility and by 20 bps on the term loan. Simultaneously, the term of the revolving credit facility was extended from 2021 to 2023, with the option to extend to 2024, and the term loan facility was extended from 2022 to 2024.

Subsequent Events

Acquisitions

The Company has signed four definitive purchase and sale agreements ("PSAs") to acquire 12 net lease properties in the United States, for approximately $93.5 million at a weighted average capitalization rate of 7.65%. The Company has signed four letters of intent ("LOIs") to acquire a total of 17 net lease properties, all located in the United States, Italy and Canada for an aggregate purchase price of $280.0 million at a weighted average capitalization rate of 7.82%. The PSAs are subject to conditions and the LOIs may not lead to a definitive agreement. There can be no assurance that the Company will complete any of these transactions, or any future acquisitions or other investments, on a timely basis or on acceptable terms and conditions, if at all.

Dispositions

The Company has entered into definitive agreements to dispose of three net lease properties located in Germany for €130.5 million and are expected to generate €68.0 million after repayment of associated debt. The agreements are subject to conditions. There can be no assurance the Company will complete any of these transactions, or any future dispositions or other investments, on a timely basis or on acceptable terms and conditions, if at all.

Footnotes/Definitions

[1] Capitalization rate is a rate of return on a real estate investment property based on the expected, annualized straight-lined rental income that the property will generate under its existing lease. Capitalization rate is calculated by dividing the average annualized straight-line rental income the property will generate (before debt service and depreciation and after fixed costs and variable costs) and the purchase price of the property. The weighted average capitalization rate is based upon square feet as of the date of acquisition.

[2] Closed and pipeline acquisitions of $697.6 million during the period from January 1, 2019 to November 4, 2019 include: (i) two acquisitions for $23.4 million in purchase price completed in the first quarter of 2019; (ii) nine acquisitions for $187.3 million in purchase price completed in the second quarter of 2019; (iii) nine acquisitions for $102 million in purchase price completed in the third quarter of 2019 (iv) amendments to four leases whereby annual rent was increased at closing in exchange for the Company funding an aggregate amount of approximately $11.4 million in capital expenditures to expand and remodel four properties of a single tenant; (v) four definitive purchase and sale agreements (“PSA”) to acquire a total of 12 net lease properties located in the United States, for an aggregate purchase price of approximately $93.5 million; and (vi) four LOIs to acquire a total of 17 properties, eleven of which are located in the United States, for an aggregate purchase price of $280.0 million. The PSAs are subject to conditions and the LOIs may not lead to a definitive agreement. There can be no assurance the Company will complete any of these pending transactions on their contemplated terms, or at all.

[3] The weighted average remaining lease term in years is based upon square feet as of the date of acquisition.

[4] Weighted-average remaining lease term in years is based on square feet as of September 30, 2019.

[5] Adjusted Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA"). Annualized based on third quarter 2019 Adjusted EBITDA multiplied by four.

[6] As used herein, “Investment Grade Rating” includes both actual investment grade ratings of the tenant or guarantor, if available, or implied investment grade. Implied Investment Grade may include actual ratings of tenant parent, guarantor parent (regardless of whether or not the parent has guaranteed the tenant’s obligation under the lease) or by using a proprietary Moody's analytical tool, which generates an implied rating by measuring a company's probability of default. Ratings information is as of September 30, 2019. Comprised of 39.3% leased to tenants with an actual investment grade rating and 31.4% leased to tenants with an Implied Investment Grade rating as of September 30, 2019.

[7] Going-in capitalization rate is a rate of return on a real estate investment property based on the expected, cash rental income that the property will generate under its existing lease during the first year of the lease. Going-in capitalization rate is calculated by dividing the cash rental income the property will generate during the first year of the lease (before debt service and depreciation and after fixed costs and variable costs) and the purchase price of the property. The weighted average going-in capitalization rate is based upon square feet of the date of acquisition.

[8] Comprised of the principal amount of GNL's debt totaling $1.9 billion less cash and cash equivalents totaling $306.0 million, as of September 30, 2019.

[9] The interest coverage ratio is calculated by dividing adjusted EBITDA by cash paid for interest (interest expense less non-cash portion of interest expense and amortization of mortgage (discount) premium, net) for the quarter ended September 30, 2019. Adjusted EBITDA and cash paid for interest are Non-GAAP metrics and are reconciled below.

Conference Call

GNL will host a conference call on November 8, 2019 at 11:00 a.m. ET to discuss its financial and operating results.

Dial-in instructions for the conference call and the replay are outlined below. This conference call will also be broadcast live over the Internet and can be accessed by all interested parties through the GNL website, www.globalnetlease.com, in the "Investor Relations" section.

To listen to the live call, please go to GNL's "Investor Relations" section of the website at least 15 minutes prior to the start of the call to register and download any necessary audio software. For those who are not able to listen to the live broadcast, a replay will be available shortly after the call on the GNL website at www.globalnetlease.com.

Conference Call Details

Live Call

Dial-In (Toll Free): 1-888-317-6003
International Dial-In: 1-412-317-6061
Canada Dial-In (Toll Free): 1-866-284-3684
Participant Elite Entry Number: 4252341

*Conference Replay**

Domestic Dial-In (Toll Free): 1-877-344-7529
International Dial-In: 1-412-317-0088
Canada Dial-In (Toll Free): 1-855-669-9658
Conference Number: 10136148

*Available one hour after the end of the conference call through February 8, 2020.

Supplemental Schedules

The Company will file supplemental information packages with the Securities and Exchange Commission (the "SEC") to provide additional disclosure and financial information. Once posted, the supplemental package can be found under the "Presentations" tab in the Investor Relations section of GNL's website at www.globalnetlease.com and on the SEC website at www.sec.gov.

About Global Net Lease, Inc.

Global Net Lease, Inc. (NYSE: GNL) is a publicly traded real estate investment trust listed on the NYSE focused on acquiring a diversified global portfolio of commercial properties, with an emphasis on sale-leaseback transactions involving single tenant, mission critical income producing net-leased assets across the United States, Western and Northern Europe. Additional information about GNL can be found on its website at www.globalnetlease.com.

Important Notice

The statements in this press release that are not historical facts may be forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause actual results or events to be materially different. In addition, words such as "may," "will," "seeks," "anticipates," "believes," "estimates," "expects," "plans," "intends," "would," or similar expressions indicate a forward-looking statement, although not all forward-looking statements contain these identifying words. Any statements referring to the future value of an investment in GNL, as well as the success that GNL may have in executing its business plan, are also forward-looking statements. There are a number of risks, uncertainties and other important factors that could cause GNL's actual results to differ materially from those contemplated by such forward-looking statements, including those risks, uncertainties and other important factors set forth in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of GNL's Annual Report on Form 10-K for the year ended December 31, 2018 filed on February 28, 2019 and all other filings with the SEC after that date, as such risks, uncertainties and other important factors may be updated from time to time in GNL's subsequent reports. Further, forward looking statements speak only as of the date they are made, and GNL undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time, except as required by law.

Contacts:

Investors and Media:
Email: investorrelations@globalnetlease.com
Phone: (212) 415-6510

Global Net Lease, Inc.
Consolidated Balance Sheets
(In thousands)

	September 30, 2019	December 31, 2018
ASSETS	**(Unaudited)**	
Real estate investments, at cost:		
Land	$ 388,269	$ 398,911
Buildings, fixtures and improvements	2,463,275	2,345,202
Construction in progress	8,185	1,235
Acquired intangible lease assets	641,307	675,551
Total real estate investments, at cost	3,501,036	3,420,899
Less accumulated depreciation and amortization	(499,507)	(437,974)
Total real estate investments, net	3,001,529	2,982,925
Assets held for sale	107,868	112,902
Cash and cash equivalents	305,962	100,324
Restricted cash	3,950	3,369
Derivative assets, at fair value	7,473	8,730
Unbilled straight-line rent	51,195	47,183
Operating lease right-of-use asset	49,274	—
Prepaid expenses and other assets	41,827	22,245
Due from related parties	20	16
Deferred tax assets	3,254	3,293
Goodwill and other intangible assets, net	21,595	22,180
Deferred financing costs, net	14,652	6,311
Total Assets	$ 3,608,599	$ 3,309,478
LIABILITIES AND EQUITY		
Mortgage notes payable, net	$ 1,366,818	$ 1,129,807
Revolving credit facility	101,405	363,894
Term loan, net	389,885	278,727
Acquired intangible lease liabilities, net	31,559	35,757
Derivative liabilities, at fair value	10,638	3,886
Due to related parties	299	790
Accounts payable and accrued expenses	20,741	31,529
Operating lease liability	23,547	—
Prepaid rent	20,338	16,223
Deferred tax liability	14,603	15,227
Taxes payable	3	2,228
Dividends payable	3,416	2,664
Total Liabilities	1,983,252	1,880,732
Commitments and contingencies		
Stockholders' Equity:		
7.25% Series A cumulative redeemable preferred shares	67	54
Common stock	2,225	2,091
Additional paid-in capital	2,322,419	2,031,981
Accumulated other comprehensive (loss) income	(14,618)	6,810
Accumulated deficit	(694,714)	(615,448)
Total Stockholders' Equity	1,615,379	1,425,488
Non-controlling interest	9,968	3,258
Total Equity	1,625,347	1,428,746

Total Liabilities and Equity	$ 3,608,599	$ 3,309,478

Global Net Lease, Inc.
Consolidated Statements of Operations (Unaudited)
(In thousands, except share and per share data)

	Three Months Ended September 30,	
	2019	**2018**
Revenue from tenants	$ 77,942	$ 71,924
Expenses:		
Property operating	8,205	5,301
Fire recovery	—	31
Operating fees to related parties	8,220	6,956
Impairment charges	6,375	—
Acquisition, transaction and other costs	192	2,804
General and administrative	3,250	3,215
Equity-based compensation	2,501	2,053
Depreciation and amortization	31,620	30,195
Total expenses	60,363	50,555
Operating income before gain on dispositions of real estate investments	17,579	21,369
Gain (loss) on dispositions of real estate investments	6,977	(1,933)
Operating income	24,556	19,436
Other income (expense):		
Interest expense	(16,154)	(15,104)
Loss on extinguishment of debt	(563)	(2,612)
Gain on derivative instruments	3,044	1,290
Unrealized loss on undesignated foreign currency advances and other hedge ineffectiveness	—	108
Other income	(2)	44
Total other expense, net	(13,675)	(16,274)
Net income before income taxes	10,881	3,162
Income tax expense	(940)	(530)
Net income	9,941	2,632
Preferred stock dividends	(3,081)	(2,455)
Net income attributable to common stockholders	$ 6,860	$ 177
Basic and Diluted Earnings Per Share:		
Basic and diluted net income per share attributable to common stockholders	$ 0.08	$ —
Basic weighted average shares outstanding	85,255	69,442
Diluted weighted average shares outstanding	86,203	69,442

Global Net Lease, Inc.
Quarterly Reconciliation of Non-GAAP Measures (Unaudited)
(In thousands)

	Three Months Ended September 30,	
	2019	**2018**
Adjusted EBITDA		
Net income	$ 9,941	$ 2,632
Depreciation and amortization	31,620	30,195
Interest expense	16,154	15,104
Income tax expense	940	530
Impairment charges	6,375	—
Equity-based compensation	2,501	2,053
Non-cash portion of incentive fee	—	180
Acquisition and transaction related	192	2,804
(Gain) loss on dispositions of real estate investments	(6,977)	1,933
Fire recovery	—	31
Gain on derivative instruments	(3,044)	(1,290)
Unrealized income on undesignated foreign currency advances and other hedge ineffectiveness	—	(108)
Loss on extinguishment of debt	563	2,612
Other loss (income)	2	(44)
Adjusted EBITDA	**58,267**	**56,632**
Net operating income (NOI)		
Operating fees to related parties	8,220	6,956
General and administrative	3,250	3,215
NOI	**69,737**	**66,803**
Amortization of above- and below- market leases and ground lease assets and liabilities, net	341	488
Straight-line rent	(1,506)	(1,492)
Cash NOI	**$ 68,572**	**$ 65,799**
Cash Paid for Interest:		
Interest Expense	$ 16,154	$ 15,104
Non-cash portion of interest expense	(1,906)	(1,339)
Amortization of mortgage (discount) premium, net	(30)	(601)
Total cash paid for interest	**$ 14,218**	**$ 13,164**

Global Net Lease, Inc.
Quarterly Reconciliation of Non-GAAP Measures (Unaudited)
(In thousands)

	Three Months Ended September 30,	
	2019	**2018**
Net income attributable to stockholders (in accordance with GAAP)	$ 6,860	$ 177
Impairment charges	6,375	—
Depreciation and amortization	31,620	30,195
(Gain) loss on dispositions of real estate investments	(6,977)	1,933
FFO (defined by NAREIT) [1]	**37,878**	**32,305**
Acquisition, transaction and other costs [2]	192	2,804
Loss on extinguishment of debt [3]	563	2,612
Fire loss [4]	—	31
Core FFO attributable to common stockholders [1]	**38,633**	**37,752**
Non-cash equity-based compensation	2,501	2,053
Non-cash portion of incentive fee	—	180
Non-cash portion of interest expense	1,906	1,339
Amortization of above- and below-market leases and ground lease assets and liabilities, net	341	488
Straight-line rent	(1,506)	(1,492)
Unrealized income on undesignated foreign currency advances and other hedge ineffectiveness	—	(108)
Eliminate unrealized gains on foreign currency transactions [5]	(1,670)	(1,215)
Amortization of mortgage discounts and premiums, net	30	601
Adjusted funds from operations (AFFO) attributable to common stockholders [1]	**$ 40,235**	**$ 39,598**

Footnotes:

[1] For the three months ended September 30, 2018 includes income from a lease termination fee of $3.0 million, which is recorded in rental income in the unaudited consolidated statements of operations, related to a real estate asset sold during the three months ended September 30, 2018.

[2] For the three months ended September 30, 2019, primarily includes litigation costs resulting from the termination of the Former Service Provider. For the three months ended September 30, 2018, primarily includes litigation costs resulting from the termination of the Former Service Provider, costs to refinance foreign debt and fees associated with the exploration of a potential equity offering.

[3] For the three months ended September 30, 2018, includes non-cash write-off of deferred financing costs of $1.5 million and prepayment penalties paid on early extinguishment of debt of $1.1 million.

[4] Recovery arising from clean-up costs related to a fire sustained at one of our office properties.

[5] For AFFO purposes, we add back unrealized (gain) loss. For the three months ended September 30, 2019, gains on derivative instruments were $3.0 million, which consisted of unrealized gains of $1.7 million and realized gains of $1.3 million. For the three months ended September 30, 2018, gains on derivative instruments were $1.3 million, which consisted of unrealized gains of $1.2 million and realized gains of $0.1 million.

Caution on Use of Non-GAAP Measures

Funds from Operations (“FFO”), Core Funds from Operations (“Core FFO”), Adjusted Funds from Operations (“AFFO”), Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (“Adjusted EBITDA”), and Net Operating Income (“NOI”) should not be construed to be more relevant or accurate than the current GAAP methodology in calculating net income or in its applicability in evaluating our operating performance. The method utilized to evaluate the value and performance of real estate under GAAP should be construed as a more relevant measure of operational performance and considered more prominently than the non-GAAP measures.

Other REITs may not define FFO in accordance with the current National Association of Real Estate Investment Trusts (“NAREIT”) definition (as we do), or may interpret the current NAREIT definition differently than we do, or may calculate Core FFO or AFFO differently than we do. Consequently, our presentation of FFO, Core FFO and AFFO may not be comparable to other similarly-titled measures presented by other REITs.

We consider FFO, Core FFO and AFFO useful indicators of our performance. Because FFO, Core FFO and AFFO calculations exclude such factors as depreciation and amortization of real estate assets and gain or loss from sales of operating real estate assets (which can vary among owners of identical assets in similar conditions based on historical cost accounting and useful-life estimates), FFO, Core FFO and AFFO presentations facilitate comparisons of operating performance between periods and between other REITs.

As a result, we believe that the use of FFO, Core FFO and AFFO, together with the required GAAP presentations, provide a more complete understanding of our operating performance including relative to our peers and a more informed and appropriate basis on which to make decisions involving operating, financing, and investing activities. However, FFO, Core FFO and AFFO are not indicative of cash available to fund ongoing cash needs, including the ability to make cash distributions. Investors are cautioned that FFO, Core FFO and AFFO should only be used to assess the sustainability of our operating performance excluding these activities, as they exclude certain costs that have a negative effect on our operating performance during the periods in which these costs are incurred. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect the proportionate share of adjustments for non-controlling interest to arrive at FFO, Core FFO and AFFO, as applicable.

Funds from Operations, Core Funds from Operations and Adjusted Funds from Operations

Funds from Operations

Due to certain unique operating characteristics of real estate companies, as discussed below, NAREIT, an industry trade group, has promulgated a measure known as FFO, which we believe to be an appropriate supplemental measure to reflect the operating performance of a REIT. FFO is not equivalent to net income or loss as determined under GAAP.

We calculate FFO, a non-GAAP measure, consistent with the standards established over time by the Board of Governors of NAREIT, as restated in a White Paper approved by the Board of Governors of NAREIT effective in December 2018 (the "White Paper"). The White Paper defines FFO as net income or loss computed in accordance with GAAP, excluding depreciation and amortization related to real estate, gain and loss from the sale of certain real estate assets, gain and loss from change in control and impairment write-downs of certain real estate assets and investments in entities when the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity. Our FFO calculation complies with NAREIT's definition.

The historical accounting convention used for real estate assets requires straight-line depreciation of buildings and improvements, and straight-line amortization of intangibles, which implies that the value of a real estate asset diminishes predictably over time, especially if not adequately maintained or repaired and renovated as required by relevant circumstances or as requested or required by lessees for operational purposes in order to maintain the value disclosed. We believe that, because real estate values historically rise and fall with market conditions, including inflation, interest rates, unemployment and consumer spending, presentations of operating results for a REIT using historical accounting for depreciation and certain other items may be less informative. Historical accounting for real estate involves the use of GAAP. Any other method of accounting for real estate such as the fair value method cannot be construed to be any more accurate or relevant than the comparable methodologies of real estate valuation found in GAAP. Nevertheless, we believe that the use of FFO, which excludes the impact of real estate related depreciation and amortization, among other things, provides a more complete understanding of our performance to investors and to management, and when compared year over year, reflects the impact on our operations from trends in occupancy rates, rental rates, operating costs, general and administrative expenses, and interest costs, which may not be immediately apparent from net income.

Core Funds from Operations

In calculating Core FFO, we start with FFO, then we exclude certain non-core items such as acquisition, transaction and other costs, as well as certain other costs that are considered to be non-core, such as debt extinguishment costs, fire loss and other costs related to damages at our properties. The purchase of properties, and the corresponding expenses associated with that process, is a key operational feature of our core business plan to generate operational income and cash flows in order to make dividend payments to stockholders. In evaluating investments in real estate, we differentiate the costs to acquire the investment from the operations derived from the investment. We also add back non-cash write-offs of deferred financing costs and prepayment penalties incurred with the early extinguishment of debt which are included in net income but are considered financing cash flows when paid in the statement of cash flows. We consider these write-offs and prepayment penalties to be capital transactions and not indicative of operations. By excluding expensed acquisition, transaction and other costs as well as non-core costs, we believe Core FFO provides useful supplemental information that is comparable for each type of real estate investment and is consistent with management's analysis of the investing and operating performance of our properties.

Adjusted Funds from Operations

In calculating AFFO, we start with Core FFO, then we exclude certain income or expense items from AFFO that we consider more reflective of investing activities, other non-cash income and expense items and the income and expense effects of other activities that are not a fundamental attribute of our business plan. These items include early extinguishment of debt (adjustment included in Core FFO) and unrealized gain and loss, which may not ultimately be realized, such as gain or loss on derivative instruments, gain or loss on foreign currency transactions, and gain or loss on investments. In addition, by excluding non-cash income and expense items such as amortization of above-market and below-market leases intangibles, amortization of deferred financing costs, straight-line rent and equity-based compensation from AFFO, we believe we provide useful information regarding income and expense items which have a direct impact on our ongoing operating performance. We also include the realized gain or loss on foreign currency exchange contracts for AFFO as such items are part of our ongoing operations and affect our current operating performance. By providing AFFO, we believe we are presenting useful information that can be used to better assess the sustainability of our ongoing operating performance without the impact of transactions or other items that are not related to the ongoing performance of our portfolio of properties. AFFO presented by us may not be comparable to AFFO reported by other REITs that define AFFO differently.

In calculating AFFO, we exclude certain expenses which under GAAP are characterized as operating expenses in determining operating net income. All paid and accrued merger, acquisition, transaction and other costs (including prepayment penalties for debt extinguishments) and certain other expenses negatively impact our operating performance during the period in which expenses are incurred or properties are acquired will also have negative effects on returns to investors, but are not reflective of on-going performance. Further, under GAAP, certain contemplated non-cash fair value and other non-cash adjustments are considered operating non-cash adjustments to net income. In addition, as discussed above, we view gain and loss from fair value adjustments as items which are unrealized and may not ultimately be realized and not reflective of ongoing operations and are therefore typically adjusted for when assessing operating performance. Excluding income and expense items detailed above from our calculation of AFFO provides information consistent with management's analysis of our operating performance. Additionally, fair value adjustments, which are based on the impact of current market fluctuations and underlying assessments of general market conditions, but can also result from operational factors such as rental and occupancy rates, may not be directly related or attributable to our current operating performance. By excluding such changes that may reflect anticipated and unrealized gain or loss, we believe AFFO provides useful supplemental information. We believe that in order to facilitate a clear understanding of our operating results, AFFO should be examined in conjunction with net income (loss) as presented in our consolidated financial statements. AFFO should not be considered as an alternative to net income (loss) as an indication of our performance or to cash flows as a measure of our liquidity or ability to make distributions.

Adjusted Earnings before Interest, Taxes, Depreciation and Amortization, and Net Operating Income

We believe that Adjusted EBITDA, which is earnings before interest, taxes, depreciation and amortization adjusted for acquisition, transaction and other costs, other non- cash items and including our pro-rata share from unconsolidated joint ventures, is an appropriate measure of our ability to incur and service debt. Adjusted EBITDA should not be considered as an alternative to cash flows from operating activities, as a measure of our liquidity or as an alternative to net income as an indicator of our operating activities. Other REITs may calculate Adjusted EBITDA differently and our calculation should not be compared to that of other REITs. NOI is a non-GAAP financial measure equal to net income (loss), the most directly comparable GAAP financial measure, less discontinued operations, interest, other income and income from preferred equity investments and investment securities, plus corporate general and administrative expense, acquisition, transaction and other costs, depreciation and amortization, other non-cash expenses and interest expense. We use NOI internally as a performance measure and believe NOI provides useful information to investors regarding our financial condition and results of operations because it reflects only those income and expense items that are incurred at the property level. Therefore, we believe NOI is a useful measure for evaluating the operating performance of our real estate assets and to make decisions about resource allocations. Further, we believe NOI is useful to investors as a performance measure because, when compared across periods, NOI reflects the impact on operations from trends in occupancy rates, rental rates, operating costs and acquisition activity on an unlevered basis, providing perspective not immediately apparent from net income. NOI excludes certain components from net income in order to provide results that are more closely related to a property's results of operations. For example, interest expense is not necessarily linked to the operating performance of a real estate asset and is often incurred at the corporate level as opposed to the property level. In addition, depreciation and amortization, because of historical cost accounting and useful life estimates, may distort operating performance at the property level. NOI presented by us may not be comparable to NOI reported by other REITs that define NOI differently. We believe that in order to facilitate a clear understanding of our operating results, NOI should be examined in conjunction with net income (loss) as presented in our consolidated financial statements. NOI should not be considered as an alternative to net income (loss) as an indication of our performance or to cash flows as a measure of our liquidity.

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Section 3: EX-99.2 (EXHIBIT 99.2 GNL SUPPLEMENTAL 9.30.19)

EXHIBIT 99.2

Global Net Lease, Inc.

Supplemental Information

Quarter ended September 30, 2019 (unaudited)

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Please note that totals may not add due to rounding.

Forward-looking Statements:

This supplemental package includes “forward looking statements”. These forward-looking statements involve risks and uncertainties that could cause actual results or events to be materially different. In addition, words such as “may,” “will,” “seeks,” “anticipates,” “believes,” “estimates,” “expects,” “plans,” “intends,” “would,” or similar expressions indicate a forward-looking statement, although not all forward-looking statements contain these identifying words. Any statements referring to the future value of an investment in GNL, as well as the success that GNL may have in executing its business plan, are also forward-looking statements. There are a number of risks, uncertainties and other important factors that could cause GNL’s actual results to differ materially from those contemplated by such forward-looking statements, including those risks, uncertainties and other important factors set forth in the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of GNL’s Annual Report on Form 10-K for the year ended December 31, 2018 filed on February 28, 2019 and all other filings with the SEC after that date, as such risks, uncertainties and other important factors may be updated from time to time in GNL’s subsequent reports. Further, forward looking statements speak only as of the date they are made, and GNL undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time, except as required by law. Prospective investors should not place undue reliance on any forward-looking statements, which are based only on information currently available to the Company (or to third parties making the forward-looking statements).

Non-GAAP Financial Measures

This section includes non-GAAP financial measures, including Funds from Operations ("FFO"), Core Funds from Operations ("Core FFO") and Adjusted Funds from Operations ("AFFO"), Adjusted Earnings before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA"), Net Operating Income ("NOI"), and Cash Net Operating Income ("Cash NOI"). A description of these non-GAAP measures and reconciliations to the most directly comparable GAAP measure, which is net income, is provided below.

Caution on Use of Non-GAAP Measures

FFO, Core FFO, AFFO, Adjusted EBITDA, NOI, and Cash NOI should not be construed to be more relevant or accurate than the current GAAP methodology in calculating net income or in its applicability in evaluating our operating performance. The method utilized to evaluate the value and performance of real estate under GAAP should be construed as a more relevant measure of operational performance and considered more prominently than the non-GAAP measures.

Other REITs may not define FFO in accordance with the current National Association of Real Estate Investment Trusts ("NAREIT") definition (as we do), or may interpret the current NAREIT definition differently than we do, or may calculate Core FFO or AFFO differently than we do. Consequently, our presentation of FFO, Core FFO and AFFO may not be comparable to other similarly-titled measures presented by other REITs.

We consider FFO, Core FFO and AFFO useful indicators of our performance. Because FFO, Core FFO and AFFO calculations exclude such factors as depreciation and amortization of real estate assets and gain or loss from sales of operating real estate assets (which can vary among owners of identical assets in similar conditions based on historical cost accounting and useful-life estimates), FFO, Core FFO and AFFO presentations facilitate comparisons of operating performance between periods and between other REITs.

As a result, we believe that the use of FFO, Core FFO and AFFO, together with the required GAAP presentations, provide a more complete understanding of our operating performance including relative to our peers and a more informed and appropriate basis on which to make decisions involving operating, financing, and investing activities. However, FFO, Core FFO and AFFO are not indicative of cash available to fund ongoing cash needs, including the ability to make cash distributions. Investors are cautioned that FFO, Core FFO and AFFO should only be used to assess the sustainability of our operating performance excluding these activities, as they exclude certain costs that have a negative effect on our operating performance during the periods in which these costs are incurred. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect the proportionate share of adjustments for non-controlling interest to arrive at FFO, Core FFO and AFFO, as applicable.

Funds from Operations, Core Funds from Operations and Adjusted Funds from Operations

Funds From Operations

Due to certain unique operating characteristics of real estate companies, as discussed below, NAREIT, an industry trade group, has promulgated a measure known as FFO, which we believe to be an appropriate supplemental measure to reflect the operating performance of a REIT. FFO is not equivalent to net income or loss as determined under GAAP.

We calculate FFO, a non-GAAP measure, consistent with the standards established over time by the Board of Governors of NAREIT, as restated in a White Paper approved by the Board of Governors of NAREIT effective in December 2018 (the "White Paper"). The White Paper defines FFO as net income or loss computed in accordance with GAAP, excluding depreciation and amortization related to real estate, gain and loss from the sale of certain real estate assets, gain and loss from change in control and impairment write-downs of certain real estate assets and investments in entities when the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect FFO. Our FFO calculation complies with NAREIT's definition.

The historical accounting convention used for real estate assets requires straight-line depreciation of buildings and improvements, and straight-line amortization of intangibles, which implies that the value of a real estate asset diminishes predictably over time, especially if not adequately maintained or repaired and renovated as required by relevant circumstances or as requested or required by lessees for operational purposes in order to maintain the value disclosed. We believe that, because real estate values historically rise and fall with market conditions, including inflation, interest rates, unemployment and consumer spending, presentations of operating results for a REIT using historical accounting for depreciation and certain other items may be less informative. Historical accounting for real estate involves the use of GAAP. Any other method of accounting for real estate such as the fair value method cannot be construed to be any more accurate or relevant than the comparable methodologies of real estate valuation found in GAAP. Nevertheless, we believe that the use of FFO, which excludes the impact of real estate related depreciation and amortization, among other things, provides a more complete understanding of our performance to investors and to management, and when compared year over year, reflects the impact on our operations from trends in occupancy rates, rental rates, operating costs, general and administrative expenses, and interest costs, which may not be immediately apparent from net income.

Core Funds From Operations

In calculating Core FFO, we start with FFO, then we exclude certain non-core items such as acquisition, transaction and other costs, as well as certain other costs that are considered to be non-core, such as debt extinguishment costs, fire loss and other costs related to damages at our properties. The purchase of properties, and the corresponding expenses associated with that process, is a key operational feature of our core business plan to generate operational income and cash flows in order to make dividend payments to stockholders. In evaluating investments in real estate, we differentiate the costs to acquire the investment from the operations derived from the investment. We also add back non-cash write-offs of deferred financing costs and prepayment penalties incurred with the early extinguishment of debt which are included in net income but are considered financing cash flows when paid in the statement of cash flows. We consider these write-offs and prepayment penalties to be capital transactions and not indicative of operations. By excluding expensed acquisition, transaction and other costs as well as non-core costs, we believe Core FFO provides useful supplemental information that is comparable for each type of real estate investment and is consistent with management’s analysis of the investing and operating performance of our properties.

Adjusted Funds From Operations

In calculating AFFO, we start with Core FFO, then we exclude certain income or expense items from AFFO that we consider more reflective of investing activities, other non-cash income and expense items and the income and expense effects of other activities that are not a fundamental attribute of our business plan. These items include early extinguishment of debt (adjustment included in Core FFO) and unrealized gain and loss, which may not ultimately be realized, such as gain or loss on derivative instruments, gain or loss on foreign currency transactions, and gain or loss on investments. In addition, by excluding non-cash income and expense items such as amortization of above-market and below-market leases intangibles, amortization of deferred financing costs, straight-line rent and equity-based compensation from AFFO, we believe we provide useful information regarding income and expense items which have a direct impact on our ongoing operating performance. We also include the realized gain or loss on foreign currency exchange contracts for AFFO as such items are part of our ongoing operations and affect our current operating performance. By providing AFFO, we believe we are presenting useful information that can be used to better assess the sustainability of our ongoing operating performance without the impact of transactions or other items that are not related to the ongoing performance of our portfolio of properties. AFFO presented by us may not be comparable to AFFO reported by other REITs that define AFFO differently.

In calculating AFFO, we exclude certain expenses which under GAAP are characterized as operating expenses in determining operating net income. All paid and accrued merger, acquisition, transaction and other costs (including prepayment penalties for debt extinguishments) and certain other expenses negatively impact our operating performance during the period in which expenses are incurred or properties are acquired will also have negative effects on returns to investors, but are not reflective of on-going performance. Further, under GAAP, certain contemplated non-cash fair value and other non-cash adjustments are considered operating non-cash adjustments to net income. In addition, as discussed above, we view gain and loss from fair value adjustments as items which are unrealized and may not ultimately be realized and not reflective of ongoing operations and are therefore typically adjusted for when assessing operating performance. Excluding income and expense items detailed above from our calculation of AFFO provides information consistent with management’s analysis of our operating performance. Additionally, fair value adjustments, which are based on the impact of current market fluctuations and underlying assessments of general market conditions, but can also result from operational factors such as rental and occupancy rates, may not be directly related or attributable to our current operating performance. By excluding such changes that may reflect anticipated and unrealized gain or loss, we believe AFFO provides useful supplemental information.

Adjusted Earnings before Interest, Taxes, Depreciation and Amortization, Net Operating Income, and Cash Net Operating Income.

We believe that Adjusted EBITDA, which is defined as earnings before interest, taxes, depreciation and amortization adjusted for acquisition, transaction and other costs, other non-cash items and including our pro-rata share from unconsolidated joint ventures, is an appropriate measure of our ability to incur and service debt. Adjusted EBITDA should not be considered as an alternative to cash flows from operating activities, as a measure of our liquidity or as an alternative to net income as an indicator of our operating activities. Other REITs may calculate Adjusted EBITDA differently and our calculation should not be compared to that of other REITs.

NOI is a non-GAAP financial measure equal to net income (loss), the most directly comparable GAAP financial measure, less discontinued operations, interest, other income and income from preferred equity investments and investment securities, plus corporate general and administrative expense, acquisition, transaction and other costs, depreciation and amortization, other non-cash expenses and interest expense. We use NOI internally as a performance measure and believe NOI provides useful information to investors regarding our financial condition and results of operations because it reflects only those income and expense items that are incurred at the property level. Therefore, we believe NOI is a useful measure for evaluating the operating performance of our real estate assets and to make decisions about resource allocations. Further, we believe NOI is useful to investors as a performance measure because, when compared across periods, NOI reflects the impact on operations from trends in occupancy rates, rental rates, operating costs and acquisition activity on an unlevered basis, providing perspective not immediately apparent from net income. NOI excludes certain components from net income in order to provide results that are more closely related to a property's results of operations. For example, interest expense is not necessarily linked to the operating performance of a real estate asset and is often incurred at the corporate level as opposed to the property level. In addition, depreciation and amortization, because of historical cost accounting and useful life estimates, may distort operating performance at the property level. NOI presented by us may not be comparable to NOI reported by other REITs that define NOI differently. We believe that in order to facilitate a clear understanding of our operating results, NOI should be examined in conjunction with net income (loss) as presented in our consolidated financial statements. NOI should not be considered as an alternative to net income (loss) as an indication of our performance or to cash flows as a measure of our liquidity.

Cash NOI, is a non-GAAP financial measure that is intended to reflect the performance of our properties. We define Cash NOI as net operating income (which is separately defined herein) excluding amortization of above/below market lease intangibles and straight-line adjustments that are included in GAAP lease revenues. We believe that Cash NOI is a helpful measure that both investors and management can use to evaluate the current financial performance of our properties and it allows for comparison of our operating performance between periods and to other REITs. Cash NOI should not be considered as an alternative to net income, as an indication of our financial performance, or to cash flows as a measure of liquidity or our ability to fund all needs. The method by which we calculate and present Cash NOI may not be directly comparable to the way other REITs present Cash NOI.

Key Metrics
As of and for the three months ended September 30, 2019
Amounts in thousands, except per share data, ratios and percentages

Financial Results		
Revenue from tenants	$	77,942
Net income attributable to common stockholders	$	6,860
Basic and diluted net income per share attributable to common stockholders [1]	$	0.08
Cash NOI [2]	$	68,572
Adjusted EBITDA [2]	$	58,267
AFFO attributable to common stockholders [2]	$	40,235
Dividends per share - second quarter [3]	$	0.53
Dividend yield - annualized, based on quarter end share price		10.9%

Balance Sheet and Capitalization		
Equity market capitalization - based on quarter end share price of $19.50 for common shares and $25.60 for preferred shares	$	1,915,509
Net debt [4] [5]		1,570,343
Enterprise value		3,485,852
Total capitalization		3,791,814
Total consolidated debt [5]		1,876,305
Total assets		3,608,599
Liquidity [6]		407,149
Common shares outstanding as of September 30, 2019 (thousands)		89,458
Share price, end of quarter	$	19.50
Net debt to enterprise value		45.0%
Net debt to adjusted EBITDA (annualized)		6.7x
Weighted-average interest rate cost [7]		3.0%
Weighted-average debt maturity (years) [8]		5.7
Interest Coverage Ratio [9]		4.1x

Real Estate Portfolio	
Number of properties	264
Number of tenants	120
Square footage (millions)	28.9
Leased	99.6%
Weighted-average remaining lease term (years) [10]	8.0

Footnotes:

[1] Adjusted for net income (loss) attributable to common stockholders for common share equivalents.

[2] This Non-GAAP metric is reconciled below.

[3] Represents quarterly dividend per share rate based off the annualized dividend rate of $2.13.

[4] Includes the effect of cash and cash equivalents.

[5] Excludes the effect of deferred financing costs, net and mortgage (discount) premium, net.

[6] Liquidity includes $101.2 million of availability under the credit facility and cash and cash equivalents.

[7] The weighted average interest rate cost is based on the outstanding principal balance of the debt.

[8] The weighted average debt maturity is based on the outstanding principal balance of the debt.

[9] The interest coverage ratio is calculated by dividing adjusted EBITDA by cash paid for interest (interest expense less non cash portion of interest expense and amortization of mortgage (discount) premium, net) for the quarter ended September 30, 2019. Adjusted EBITDA and cash paid for interest are Non-GAAP metrics and are reconciled below.
[10] The weighted-average remaining lease term (years) is based on square feet.

Consolidated Balance Sheets
Amounts in thousands

	September 30, 2019 (Unaudited)	December 31, 2018
ASSETS		
Real estate investments, at cost:		
Land	$ 388,269	$ 398,911
Buildings, fixtures and improvements	2,463,275	2,345,202
Construction in progress	8,185	1,235
Acquired intangible lease assets	641,307	675,551
Total real estate investments, at cost	3,501,036	3,420,899
Less accumulated depreciation and amortization	(499,507)	(437,974)
Total real estate investments, net	3,001,529	2,982,925
Assets held for sale	107,868	112,902
Cash and cash equivalents	305,962	100,324
Restricted cash	3,950	3,369
Derivative assets, at fair value	7,473	8,730
Unbilled straight-line rent	51,195	47,183
Operating lease right-of-use asset	49,274	—
Prepaid expenses and other assets	41,827	22,245
Due from related parties	20	16
Deferred tax assets	3,254	3,293
Goodwill and other intangible assets, net	21,595	22,180
Deferred financing costs, net	14,652	6,311
Total Assets	$ 3,608,599	$ 3,309,478
LIABILITIES AND EQUITY		
Mortgage notes payable, net	$ 1,366,818	$ 1,129,807
Revolving credit facility	101,405	363,894
Term loan, net	389,885	278,727
Acquired intangible lease liabilities, net	31,559	35,757
Derivative liabilities, at fair value	10,638	3,886
Due to related parties	299	790
Accounts payable and accrued expenses	20,741	31,529
Operating lease liability	23,547	—
Prepaid rent	20,338	16,223
Deferred tax liability	14,603	15,227
Taxes payable	3	2,228
Dividends payable	3,416	2,664
Total Liabilities	1,983,252	1,880,732
Commitments and contingencies	—	—
Stockholders' Equity:		
7.25% Series A cumulative redeemable preferred shares	67	54
Common stock	2,225	2,091
Additional paid-in capital	2,322,419	2,031,981
Accumulated other comprehensive (loss) income	(14,618)	6,810
Accumulated deficit	(694,714)	(615,448)
Total Stockholders' Equity	1,615,379	1,425,488

Non-controlling interest	9,968	3,258
Total Equity	1,625,347	1,428,746
Total Liabilities and Equity	$ 3,608,599	$ 3,309,478

Global Net Lease, Inc.

Supplemental Information

Quarter ended September 30, 2019 (Unaudited)

Consolidated Statements of Operations
Amounts in thousands, except per share data

	Three Months Ended			
	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
Revenue from tenants	$ 77,942	$ 76,119	$ 75,468	$ 71,226
Expenses:				
Property operating	8,205	7,049	7,359	7,750
Fire (recovery) loss	—	—	—	(1)
Operating fees to related parties	8,220	8,162	8,043	7,309
Impairment charges and related lease intangible write-offs	6,375	—	—	5,000
Acquisition, transaction and other costs	192	847	262	8,607
General and administrative	3,250	2,318	3,206	2,617
Equity-based compensation	2,501	2,429	2,109	1,451
Depreciation and amortization	31,620	31,084	31,303	30,078
Total expenses	60,363	51,889	52,282	62,811
Operating income before loss on dispositions of real estate investments	17,579	24,230	23,186	8,415
Gain (loss) on dispositions of real estate investments	6,977	6,923	892	—
Operating income	24,556	31,153	24,078	8,415
Other income (expense):				
Interest expense	(16,154)	(15,689)	(15,162)	(15,479)
Loss on extinguishment of debt	(563)	(765)	—	—
Gain on derivative instruments	3,044	1,390	240	2,950
Unrealized gain (loss) on undesignated foreign currency advances and other hedge ineffectiveness	—	—	76	(452)
Other income (expense)	(2)	19	4	(90)
Total other expense, net	(13,675)	(15,045)	(14,842)	(13,071)
Net income (loss) before income taxes	**10,881**	**16,108**	**9,236**	**(4,656)**
Income tax (expense) benefit	(940)	(780)	(960)	366
Net income (loss)	9,941	15,328	8,276	(4,290)
Preferred stock dividends	(3,081)	(2,707)	(2,485)	(2,454)
Net income (loss) attributable to common stockholders	**$ 6,860**	**$ 12,621**	**$ 5,791**	**$ (6,744)**
Basic and Diluted Earnings Per Share:				
Basic and diluted net income (loss) per share attributable to common stockholders	$ 0.08	$ 0.15	$ 0.07	$ (0.09)
Weighted average shares outstanding:				
Basic	85,255	83,847	81,475	73,554
Diluted	86,203	85,166	82,798	74,001

Non-GAAP Measures
Amounts in thousands, except per share data

	Three Months Ended			
	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
EBITDA:				
Net income (loss)	$ 9,941	$ 15,328	$ 8,276	$ (4,290)
Depreciation and amortization	31,620	31,084	31,303	30,078
Interest expense	16,154	15,689	15,162	15,479
Income tax expense (benefit)	940	780	960	(366)
EBITDA	**58,655**	**62,881**	**55,701**	**40,901**
Impairment charges and related lease intangible write-offs	6,375	—	—	5,000
Equity-based compensation	2,501	2,429	2,109	1,451
Non-cash portion of incentive fee	—	—	—	(180)
Acquisition, transaction and other costs	192	847	262	8,607
Gain on dispositions of real estate investments	(6,977)	(6,923)	(892)	—
Fire (recovery) loss	—	—	—	(1)
Gain on derivative instruments	(3,044)	(1,390)	(240)	(2,950)
Unrealized (income) loss on undesignated foreign currency advances and other hedge ineffectiveness	—	—	(76)	452
Loss on extinguishment of debt	563	765	—	—
Other loss (income)	2	(19)	(4)	90
Adjusted EBITDA	**58,267**	**58,590**	**56,860**	**53,370**
Operating fees to related parties	8,220	8,162	8,043	7,309
General and administrative	3,250	2,318	3,206	2,617
NOI	**69,737**	**69,070**	**68,109**	**63,296**
Amortization of above- and below- market leases and ground lease assets and liabilities, net	341	344	337	590
Straight-line rent	(1,506)	(1,931)	(1,626)	(1,482)
Cash NOI	**$ 68,572**	**$ 67,483**	**$ 66,820**	**$ 62,404**

Cash Paid for Interest:				
Interest Expense	$ 16,154	$ 15,689	$ 15,162	$ 15,479
Non-cash portion of interest expense	(1,906)	(1,177)	(1,742)	(1,454)
Amortization of mortgage (discount) premium, net	(30)	(100)	(102)	(118)
Total cash paid for interest	**$ 14,218**	**$ 14,412**	**$ 13,318**	**$ 13,907**

Global Net Lease, Inc.
Supplemental Information
Quarter ended September 30, 2019 (Unaudited)

Non-GAAP Measures
Amounts in thousands, except per share data

	Three Months Ended			
	September 30, 2019	**June 30, 2019**	**March 31, 2019**	**December 31, 2018**
Funds from operations (FFO):				
Net income (loss) attributable to common stockholders (in accordance with GAAP)	$ 6,860	$ 12,621	$ 5,791	$ (6,744)
Impairment charges and related lease intangible write-offs	6,375	—	—	5,000
Depreciation and amortization	31,620	31,084	31,303	30,078
Gain on dispositions of real estate investments	(6,977)	(6,923)	(892)	—
FFO (as defined by NAREIT) attributable to common stockholders	**37,878**	**36,782**	**36,202**	**28,334**
Acquisition, transaction and other costs [1]	192	847	262	8,607
Loss on extinguishment of debt [2]	563	765	—	—
Fire recovery [3]	—	—	—	(1)
Core FFO attributable to common stockholders	**38,633**	**38,394**	**36,464**	**36,940**
Non-cash equity-based compensation	2,501	2,429	2,109	1,451
Non-cash portion of incentive fee	—	—	—	(180)
Non-cash portion of interest expense	1,906	1,177	1,742	1,454
Amortization of above and below-market leases and ground lease assets and liabilities, net	341	344	337	590
Straight-line rent	(1,506)	(1,931)	(1,626)	(1,482)
Unrealized (income) loss on undesignated foreign currency advances and other hedge ineffectiveness	—	—	(76)	452
Eliminate unrealized (gains) losses on foreign currency transactions [4]	(1,670)	(455)	452	(2,206)
Amortization of mortgage discounts and premiums, net	30	100	102	118
Adjusted funds from operations (AFFO) attributable to common stockholders	**$ 40,235**	**$ 40,058**	**$ 39,504**	**$ 37,137**
Weighted average common shares outstanding - Basic	**85,255**	**83,847**	**81,475**	**73,554**
Weighted average common shares outstanding - Diluted	**86,203**	**85,166**	**82,798**	**74,001**
Net income (loss) per share attributable to common shareholders	$ 0.08	$ 0.15	$ 0.07	$ (0.09)
FFO per diluted common share	$ 0.44	$ 0.43	$ 0.44	$ 0.38
Core FFO per diluted common share	$ 0.45	$ 0.45	$ 0.44	$ 0.50
AFFO per diluted common share	$ 0.47	$ 0.47	$ 0.48	$ 0.50
Dividends declared [5]	$ 45,028	$ 14,940	$ 43,297	$ 39,119

Footnotes:

[1] Primarily includes litigation costs resulting from the termination of the Former Service Provider and fees associated with the exploration of a potential equity offering.

[2] For the three months ended September 30, 2019 and June 30, 2019, primarily includes non-cash write-off of deferred financing costs.

[3] Recovery arising from clean-up costs related to a fire sustained at one of our office properties.

[4] For AFFO purposes, we add back unrealized (gain) loss. For the three months ended September 30, 2019, gains on derivative instruments were $3.0 million which consisted of unrealized gains of $1.7 million and realized gains of $1.3 million. For the three months ended June 30, 2019, gains on derivative instruments were $1.4 million which consisted of unrealized gains of $0.5 million and realized gains of $0.9 million. For the three months ended March 31, 2019, gains on derivative instruments were $0.2 million which consisted of unrealized losses of $0.5 million and realized gains of $0.7 million. For the three months ended December 31, 2018, gains on derivative instruments were $3.0 million, which were comprised of unrealized gains of $2.2 million and realized gains of $0.8 million.

[5] Dividends declared to common stockholders only, and do not include distributions to non-controlling interest holders or holders of Series A Preferred Stock.

Debt Overview
As of September 30, 2019

Year of Maturity	Number of Encumbered Properties	Weighted-Average Debt Maturity (Years)	Weighted-Average Interest Rate [1]	Total Outstanding Balance [2] *(In thousands)*	Percent
Non-Recourse Debt					
2019 (remainder)	6	0.2	1.7%	$ 122,816	
2020	2	1.1	1.6%	15,830	
2021	2	1.7	1.3%	11,463	
2022	—	—	—%	—	
2023	47	3.9	3.0%	330,734	
2024	8	4.6	1.5%	211,789	
Thereafter	56	9.2	4.3%	689,749	
Total Non-Recourse Debt	**121**	**6.2**	**3.3%**	**1,382,381**	**74%**
Recourse Debt					
Revolving Credit Facility		2.6	3.3%	101,405	
Term Loan		4.8	1.9%	392,519	
Total Recourse Debt		**4.4**	**2.2%**	**493,924**	**26%**
Total Debt		**5.7**	**3.0%**	**$ 1,876,305**	**100%**

Total Debt by Currency	Percent
USD	40%
EUR	43%
GBP	17%
Total	**100%**

Footnotes:

[1] As of September 30, 2019, the Company's total combined debt was 93.0% fixed rate or swapped to a fixed rate and 7.0% floating rate.

[2] Excludes the effect of deferred financing costs, net and mortgage (discount) premium, net. Current balances as of September 30, 2019 are shown in the year the debt matures.

Future Minimum Lease Rents
As of September 30, 2019
Amounts in thousands

	Future Minimum Base Rent Payments [1]
2019 (remainder)	$ 71,010
2020	285,409
2021	286,619
2022	277,834
2023	255,818
2024	213,361
Thereafter	788,523
Total	$ 2,178,574

Footnotes:

[1] Base rent assumes exchange rates of £1.00 to $1.23 for GBP and €1.00 to $1.09 for EUR as of September 30, 2019 for illustrative purposes, as applicable.

Top Ten Tenants
As of September 30, 2019
Amounts in thousands, except percentages

Tenant / Lease Guarantor	Property Type	Tenant Industry	Annualized SL Rent [1]	SL Rent Percent
FedEx	Distribution	Freight	$ 13,495	5%
Government Services Administration (GSA)	Office	Government	12,041	4%
Foster Wheeler	Office	Engineering	10,448	4%
RWE AG	Office	Utilities	10,404	4%
ING Bank	Office	Financial Services	8,881	3%
Finnair	Industrial	Aerospace	8,673	3%
Penske	Distribution	Logistics	8,500	3%
Contractors Steel	Industrial	Metal Processing	7,936	3%
Trinity Health	Office	Healthcare	6,584	2%
Harper Collins	Distribution	Publishing	6,312	2%
Subtotal			93,274	33%
Remaining portfolio			196,603	67%
Total Portfolio			**$ 289,877**	**100%**

Footnotes:

[1] SL Rent (Straight-line rent) is on an annualized basis and assumes exchange rates of £1.00 to $1.23 for GBP and €1.00 to $1.09 for EUR as of September 30, 2019 for illustrative purposes, as applicable.

Diversification by Property Type
As of September 30, 2019
Amounts in thousands, except percentages

	Total Portfolio				Unencumbered Portfolio [2]			
Property Type	**Annualized SL Rent [1]**	**SL Rent Percent**	**Square Feet**	**Sq. ft. Percent**	**Annualized SL Rent [1]**	**SL Rent Percent**	**Square Feet**	**Sq. ft. Percent**
Office	$ 149,313	52%	8,749	30%	$ 30,770	33%	1,814	19%
Industrial	78,981	27%	12,118	42%	47,437	52%	6,590	67%
Distribution	46,342	16%	6,747	23%	8,669	9%	1,039	11%
Retail	15,241	5%	1,325	5%	5,063	6%	265	3%
Total	$ 289,877	100%	28,939	100%	$ 91,939	100%	9,708	100%

Footnotes:

[1] SL Rent (Straight-line rent) is on an annualized basis and assumes exchange rates of £1.00 to $1.23 for GBP and €1.00 to $1.09 for EUR as of September 30, 2019 for illustrative purposes, as applicable.

[2] Includes properties on the credit facility borrowing base.

Diversification by Tenant Industry
As of September 30, 2019
Amounts in thousands, except percentages

	Total Portfolio				Unencumbered Portfolio [3]			
Industry Type	**Annualized SL Rent [1]**	**SL Rent Percent**	**Square Feet**	**Sq. ft. Percent**	**Annualized SL Rent [1]**	**SL Rent Percent**	**Square Feet**	**Sq. ft. Percent**
Financial Services	$ 32,886	11%	2,316	8%	$ 3,025	3%	190	2%
Technology	19,851	7%	1,038	4%	1,820	2%	132	1%
Healthcare	18,997	7%	846	3%	7,372	8%	423	4%
Aerospace	16,441	6%	1,416	5%	4,606	5%	293	3%
Freight	14,433	5%	1,446	5%	6,505	7%	725	8%
Government	14,344	5%	536	2%	11,645	13%	424	4%
Metal Processing	14,283	5%	2,472	9%	10,858	12%	1,852	19%
Logistics	14,024	5%	2,269	8%	1,132	1%	170	2%
Telecommunications	13,239	5%	865	3%	—	—%	—	—%
Auto Manufacturing	12,856	4%	2,400	8%	7,487	8%	1,102	11%
Energy	12,621	4%	1,169	4%	8,761	10%	801	8%
Utilities	11,977	4%	673	2%	—	—%	—	—%
Pharmaceuticals	10,808	4%	476	2%	1,020	1%	86	1%
Engineering	10,448	4%	366	1%	—	—%	—	—%
Discount Retail	7,474	3%	1,001	3%	1,851	2%	200	2%
Retail Food Distribution	7,088	2%	1,128	4%	825	1%	170	2%
Metal Fabrication	7,040	2%	1,013	3%	2,338	3%	301	3%
Publishing	6,312	2%	873	3%	—	—%	—	—%
Specialty Retail	5,057	2%	486	2%	2,240	2%	206	2%
Food Manufacturing	3,979	1%	598	2%	3,979	4%	598	6%
Automotive Parts Supplier	3,793	1%	469	2%	1,631	2%	149	2%
Consumer Goods	3,642	1%	940	3%	1,049	1%	96	1%
Restaurant - Quick Service	3,384	1%	74	—%	3,212	3%	65	1%
Other [2]	24,900	9%	4,069	14%	10,583	12%	1,725	18%
Total	$ 289,877	100%	28,939	100%	$ 91,939	100%	9,708	100%

Footnotes:

[1] SL Rent (Straight-line rent) is on an annualized basis and assumes exchange rates of £1.00 to $1.23 for GBP and €1.00 to $1.09 for EUR as of September 30, 2019 for illustrative purposes, as applicable.

[2] Other includes 25 industry types as of September 30, 2019.

[3] Includes properties on the credit facility borrowing base.

Diversification by Geography

As of September 30, 2019
Amounts in thousands, except percentages

	Total Portfolio				Unencumbered Portfolio [2]			
Region	Annualized SL Rent [1]	SL Rent Percent	Square Feet	Sq. ft. Percent	Annualized SL Rent [1]	SL Rent Percent	Square Feet	Sq. ft. Percent
United States	**$ 167,757**	**57.9%**	**18,381**	**63.7%**	**$ 83,462**	**90.8%**	**9,246**	**95.2%**
Michigan	40,129	13.9%	4,605	15.9%	22,093	24.1%	2,467	25.2%
Texas	23,174	8.0%	1,871	6.5%	10,115	11.0%	915	9.4%
California	13,587	4.7%	627	2.2%	3,109	3.4%	238	2.5%
New Jersey	8,326	2.9%	349	1.2%	—	—%	—	—%
Ohio	8,004	2.8%	1,545	5.3%	3,884	4.2%	504	5.2%
Indiana	6,828	2.4%	1,490	5.2%	3,592	3.9%	634	6.5%
Tennessee	6,459	2.2%	725	2.5%	4,726	5.1%	262	2.7%
Alabama	5,637	1.9%	257	0.9%	320	0.3%	58	0.6%
Illinois	5,109	1.8%	950	3.3%	4,533	4.9%	874	9.0%
South Carolina	4,912	1.7%	801	2.8%	4,912	5.3%	801	8.3%
Kentucky	4,287	1.5%	523	1.8%	3,379	3.7%	446	4.6%
Pennsylvania	3,995	1.4%	447	1.5%	1,686	1.8%	110	1.1%
New York	3,959	1.4%	677	2.3%	450	0.5%	63	0.6%
Missouri	3,197	1.1%	292	1.0%	1,227	1.3%	202	2.1%
Colorado	2,703	0.9%	87	0.3%	2,703	2.9%	87	0.9%
Massachusetts	2,453	0.9%	192	0.7%	2,453	2.7%	192	2.0%
Florida	2,435	0.8%	163	0.6%	2,435	2.6%	163	1.7%
Minnesota	2,143	0.7%	150	0.5%	691	0.8%	103	1.1%
Kansas	2,093	0.7%	292	1.0%	1,896	2.1%	277	2.9%
Maine	1,889	0.7%	50	0.2%	1,889	2.1%	50	0.5%
North Carolina	1,863	0.6%	182	0.6%	1,118	1.2%	153	1.6%
Georgia	1,557	0.5%	492	1.7%	—	—%	—	—%
Mississippi	1,297	0.5%	300	1.0%	—	—%	—	—%
South Dakota	1,289	0.4%	54	0.2%	1,289	1.4%	54	0.6%
Vermont	1,166	0.4%	213	0.7%	—	—%	—	—%
Nebraska	1,150	0.4%	101	0.4%	278	0.3%	27	0.3%
West Virginia	980	0.3%	104	0.4%	—	—%	—	—%
Louisiana	923	0.3%	103	0.4%	247	0.3%	27	0.3%
North Dakota	884	0.3%	47	0.2%	884	1.0%	47	0.5%
Iowa	848	0.3%	225	0.8%	848	0.9%	225	2.3%
Maryland	785	0.3%	120	0.4%	785	0.9%	120	1.2%
Oklahoma	699	0.2%	79	0.3%	699	0.8%	79	0.8%
New Mexico	556	0.2%	46	0.2%	556	0.6%	46	0.5%
Wyoming	498	0.2%	37	0.1%	—	—%	—	—%
Montana	441	0.2%	58	0.2%	—	—%	—	—%
Idaho	441	0.2%	22	0.1%	—	—%	—	—%
New Hampshire	399	0.1%	83	0.3%	—	—%	—	—%
Delaware	362	0.1%	10	—%	362	0.4%	10	0.1%
Utah	303	0.1%	12	—%	303	0.3%	12	0.1%
United Kingdom	50,850	17.5%	4,031	13.9%	—	—%	—	—%
Germany	19,789	6.8%	2,178	7.5%	—	—%	—	—%
The Netherlands	16,376	5.7%	1,039	3.6%	5,265	5.7%	397	4.1%
Finland	14,296	4.9%	1,457	5.0%	—	—%	—	—%

France		12,294	4.2%	1,632	5.6%		—	—%	—	—%
Luxembourg		5,303	1.8%	156	0.5%		—	—%	—	—%
Puerto Rico		3,212	1.1%	65	0.2%		3,212	3.5%	65	0.7%
Total	$	289,877	100%	28,939	100%	$	91,939	100%	9,708	100%

Footnotes:

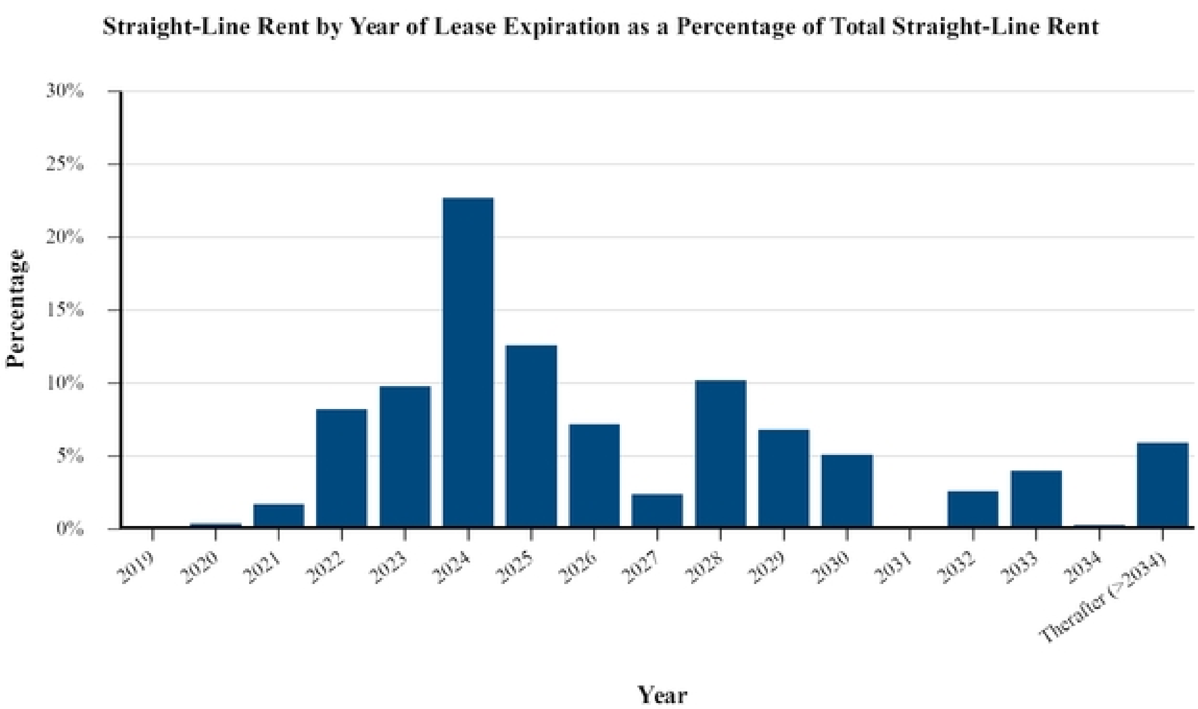
[1] SL Rent (Straight-line rent) is on an annualized basis and assumes exchange rates of £1.00 to $1.23 for GBP and €1.00 to $1.09 for EUR as of September 30, 2019 for illustrative purposes, as applicable.

[2] Includes properties on the credit facility borrowing base.

Lease Expirations
As of September 30, 2019

Year of Expiration	Number of Leases Expiring	Annualized SL Rent [1]	Annualized SL Rent Percent	Leased Rentable Square Feet	Percent of Rentable Square Feet Expiring
		(In thousands)		*(In thousands)*	
2019 (Remaining)	—	$ —	—%	—	—%
2020	1	1,055	0.4%	100	0.3%
2021	2	4,944	1.7%	323	1.1%
2022	16	23,706	8.2%	1,553	5.4%
2023	31	28,406	9.8%	2,510	8.7%
2024	46	65,868	22.7%	5,976	20.7%
2025	38	36,537	12.6%	3,237	11.2%
2026	16	20,762	7.2%	2,042	7.1%
2027	16	7,044	2.4%	745	2.6%
2028	41	29,577	10.2%	4,171	14.5%
2029	16	19,729	6.8%	2,484	8.6%
2030	14	14,697	5.1%	982	3.4%
2031	1	320	0.1%	58	0.2%
2032	8	7,593	2.6%	809	2.8%
2033	3	11,685	4.0%	1,029	3.6%
2034	1	923	0.3%	228	0.8%
Thereafter (>2034)	13	17,031	5.9%	2,565	9.0%
Total	263	$ 289,877	100%	28,813	100%

[1] Annualized rental income converted from local currency into USD as of September 30, 2019 for the in-place lease in the property on a straight-line basis, which includes tenant concessions such as free rent, as applicable.



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