REFINITIV

DELTA REPORT

10-Q

GNL PR E - GLOBAL NET LEASE, INC.

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	1199
CHANGES	427
DELETIONS	303
ADDITIONS	469

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2024 June 30, 2024

OR

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

For the transition period from _________ to __________

Commission file number: 001-37390

image3a31.gif

Global Net Lease, Inc.

(Exact name of registrant as specified in its charter)

Maryland	**45-2771978**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

650 Fifth Ave., 30th Floor, New York, NY	**10019**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(332) 265-2020**

Former name, former address and former fiscal year, if changed since last report: Not Applicable

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, $0.01 par value per share	GNL	New York Stock Exchange
7.25% Series A Cumulative Redeemable Preferred Stock, $0.01 par value per share	GNL PR A	New York Stock Exchange
6.875% Series B Cumulative Redeemable Perpetual Preferred Stock, $0.01 par value per share	GNL PR B	New York Stock Exchange
7.50% Series D Cumulative Redeemable Perpetual Preferred Stock, $0.01 par value per share	GNL PR D	New York Stock Exchange
7.375% Series E Cumulative Redeemable Perpetual Preferred Stock, $0.01 par value per share	GNL PR E	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

As of May 3, 2024 August 5, 2024, the registrant had 230,383,756 230,469,621 shares of common stock outstanding.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements.

GLOBAL NET LEASE, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)

(Unaudited)

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
ASSETS		
Real estate investments, at cost (Note 4):		
Real estate investments, at cost (Note 4):		
Real estate investments, at cost (Note 4):		

Land
Land
Land
Buildings, fixtures and improvements
Construction in progress
Acquired intangible lease assets
Total real estate investments, at cost
Less accumulated depreciation and amortization
Total real estate investments, net
Assets held for sale
Cash and cash equivalents
Restricted cash
Derivative assets, at fair value (Note 9)
Unbilled straight-line rent
Operating lease right-of-use asset (Note 11)
Prepaid expenses and other assets
Deferred tax assets
Goodwill
Deferred financing costs, net
Total Assets
LIABILITIES AND EQUITY
LIABILITIES AND EQUITY
LIABILITIES AND EQUITY
Mortgage notes payable, net (Note 5)
Revolving credit facility (Note 6)
Senior notes, net (Note 7)
Senior notes, net (Note 7)
Senior notes, net (Note 7)
Acquired intangible lease liabilities, net
Derivative liabilities, at fair value (Note 9)
Accounts payable and accrued expenses
Operating lease liability (Note 11)
Prepaid rent
Deferred tax liability
Dividends payable
Dividends payable
Dividends payable
Total Liabilities
Commitments and contingencies (Note 11)
Stockholders' Equity (Note 10):
7.25% Series A cumulative redeemable preferred stock, $0.01 par value, liquidation preference $25.00 per share, 9,959,650 shares authorized, 6,799,467 shares issued and outstanding as of March 31, 2024 and December 31, 2023
7.25% Series A cumulative redeemable preferred stock, $0.01 par value, liquidation preference $25.00 per share, 9,959,650 shares authorized, 6,799,467 shares issued and outstanding as of March 31, 2024 and December 31, 2023
7.25% Series A cumulative redeemable preferred stock, $0.01 par value, liquidation preference $25.00 per share, 9,959,650 shares authorized, 6,799,467 shares issued and outstanding as of March 31, 2024 and December 31, 2023
6.875% Series B cumulative redeemable perpetual preferred stock, $0.01 par value, liquidation preference $25.00 per share, 11,450,000 shares authorized, 4,695,887 shares issued and outstanding as of March 31, 2024 and December 31, 2023
7.500% Series D cumulative redeemable perpetual preferred stock, $0.01 par value, liquidation preference $25.00 per share, 7,933,711 shares authorized, issued and outstanding as of March 31, 2024 and December 31, 2023
7.375% Series E cumulative redeemable perpetual preferred stock, $0.01 par value, liquidation preference $25.00 per share, 4,595,175 shares authorized, issued and outstanding as of March 31, 2024 and December 31, 2023
Common Stock, $0.01 par value, 250,000,000 shares authorized, 230,846,571 and 230,885,197 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively
7.25% Series A cumulative redeemable preferred stock, $0.01 par value, liquidation preference $25.00 per share, 9,959,650 shares authorized, 6,799,467 shares issued and outstanding as of June 30, 2024 and December 31, 2023
7.25% Series A cumulative redeemable preferred stock, $0.01 par value, liquidation preference $25.00 per share, 9,959,650 shares authorized, 6,799,467 shares issued and outstanding as of June 30, 2024 and December 31, 2023

7.25% Series A cumulative redeemable preferred stock, $0.01 par value, liquidation preference $25.00 per share, 9,959,650 shares authorized, 6,799,467 shares issued and outstanding as of June 30, 2024 and December 31, 2023	
6.875% Series B cumulative redeemable perpetual preferred stock, $0.01 par value, liquidation preference $25.00 per share, 11,450,000 shares authorized, 4,695,887 shares issued and outstanding as of June 30, 2024 and December 31, 2023	
7.500% Series D cumulative redeemable perpetual preferred stock, $0.01 par value, liquidation preference $25.00 per share, 7,933,711 shares authorized, issued and outstanding as of June 30, 2024 and December 31, 2023	
7.375% Series E cumulative redeemable perpetual preferred stock, $0.01 par value, liquidation preference $25.00 per share, 4,595,175 shares authorized, issued and outstanding as of June 30, 2024 and December 31, 2023	
Common Stock, $0.01 par value, 250,000,000 shares authorized, 230,805,375 and 230,885,197 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively	
Additional paid-in capital	
Accumulated other comprehensive loss	
Accumulated deficit	
Total Stockholders' Equity	
Non-controlling interest	
Total Equity	
Total Liabilities and Equity	

The accompanying notes are an integral part of these consolidated financial statements.

GLOBAL NET LEASE, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except share and per share data)
(Unaudited)

		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	**2024**	**2023**	**2024**	**2023**
	2024				
	2024				
Revenue from tenants					
Revenue from tenants					
Revenue from tenants					
Expenses:					
Expenses:					
Expenses:					
Property operating					
Property operating					
Property operating					
Operating fees to related parties					
Operating fees to related parties					
Operating fees to related parties					
Impairment charges					
Impairment charges					
Impairment charges					
Merger, transaction and other costs					
Merger, transaction and other costs					
Merger, transaction and other costs					
Settlement costs					
Settlement costs					
Settlement costs					
General and administrative					
General and administrative					
General and administrative					
Equity-based compensation					

Equity-based compensation
Equity-based compensation
Depreciation and amortization
Depreciation and amortization
Depreciation and amortization
Total expenses
Total expenses
Total expenses
Operating income before gain on dispositions of real estate investments
Operating income before gain on dispositions of real estate investments
Operating income before gain on dispositions of real estate investments
Gain on dispositions of real estate investments
Gain on dispositions of real estate investments
Gain on dispositions of real estate investments
Operating income
Operating income
Operating income
Other income (expense):
Other income (expense):
Other income (expense):
Interest expense
Interest expense
Interest expense
Loss on extinguishment of debt
Loss on extinguishment of debt
Loss on extinguishment of debt
Gain (loss) on derivative instruments
Gain (loss) on derivative instruments
Gain (loss) on derivative instruments
Unrealized income on undesignated foreign currency advances and other hedge ineffectiveness
Unrealized income on undesignated foreign currency advances and other hedge ineffectiveness
Unrealized income on undesignated foreign currency advances and other hedge ineffectiveness
Other (expense) income
Other (expense) income
Other (expense) income
Unrealized gains on undesignated foreign currency advances and other hedge ineffectiveness
Other income
Total other expense, net
Total other expense, net
Total other expense, net
Net (loss) income before income tax
Net (loss) income before income tax
Net (loss) income before income tax
Net loss before income tax
Income tax expense
Income tax expense
Income tax expense
Net loss
Net loss
Net loss

Preferred stock dividends
Preferred stock dividends
Preferred stock dividends
Net loss attributable to common stockholders
Net loss attributable to common stockholders
Net loss attributable to common stockholders
Basic and Diluted Loss Per Share:
Basic and Diluted Loss Per Share:
Basic and Diluted Loss Per Share:
Net loss per share attributable to common stockholders — Basic and Diluted
Net loss per share attributable to common stockholders — Basic and Diluted
Net loss per share attributable to common stockholders — Basic and Diluted
Weighted average common shares outstanding:
Weighted average common shares outstanding:
Weighted average common shares outstanding:
Weighted average shares outstanding — Basic and Diluted
Weighted average shares outstanding — Basic and Diluted
Weighted average shares outstanding — Basic and Diluted

The accompanying notes are an integral part of these consolidated financial statements.

GLOBAL NET LEASE, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands)
(Unaudited)

		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	**2024**	**2023**	**2024**	**2023**
	2024				
	2024				
Net loss					
Net loss					
Net loss					
Other comprehensive income (loss)					
Other comprehensive income (loss)					
Other comprehensive income (loss)					
Cumulative translation adjustment					
Cumulative translation adjustment					
Cumulative translation adjustment					
Designated derivatives, fair value adjustments					
Designated derivatives, fair value adjustments					
Designated derivatives, fair value adjustments					
Other comprehensive (loss) income					
Other comprehensive (loss) income					
Other comprehensive (loss) income					
Other comprehensive income					
Comprehensive (loss) income					
Comprehensive (loss) income					
Comprehensive (loss) income					
Comprehensive loss					

Comprehensive loss
Comprehensive loss
Preferred Stock dividends
Preferred Stock dividends
Preferred Stock dividends
Comprehensive loss attributable to common stockholders
Comprehensive loss attributable to common stockholders
Comprehensive loss attributable to common stockholders

The accompanying notes are an integral part of these consolidated financial statements.

GLOBAL NET LEASE, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In thousands, except share data)
(Unaudited)

\	Three Months Ended March 31, 2024																									
	Six Months Ended June 30, 2024																									
	Series A Preferred Stock																									
	Number of Shares	Par Value	Number of Shares	Par Value	Number of Shares	Par Value	Number of Shares	Par Value	Number of Shares	Par Value	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Equity	Non-controlling interest	Total Equity	Number of Shares	Par Value	Number of Shares	Par Value	Number of Shares	Par Value	Number of Shares	Pa Val
Balance, December 31, 2023																								
Dividends declared:																								
Dividends declared:																								
Dividends declared:																								
Dividends declared:																								
Common Stock, $0.40 per share																								
Common Stock, $0.40 per share																								
Common Stock, $0.40 per share																								
Series A Preferred Stock, $0.45 per share																								
Series B Preferred Stock, $0.43 per share																								
Series D Preferred Stock, $0.47 per share																								
Series E Preferred Stock, $0.46 per share																								
Common Stock, $0.675 per share																								

Common Stock, $0.675 per share
Common Stock, $0.675 per share
Series A Preferred Stock, $0.90 per share
Series B Preferred Stock, $0.86 per share
Series D Preferred Stock, $0.94 per share
Series E Preferred Stock, $0.92 per share
Equity-based compensation, net of forfeitures
Common stock shares withheld upon vesting of restricted stock
Distributions to non-controlling interest holders
Net loss
Cumulative translation adjustment
Designated derivatives, fair value adjustments
Balance, March 31, 2024
Balance, June 30, 2024

The accompanying notes are an integral part of these consolidated financial statements.

GLOBAL NET LEASE, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In thousands, except share data)
(Unaudited)

Three Months Ended March 31, 2023													Three Months Ended June 30, 2024									
Series A Preferred Stock																						
Number of Shares	Par Value	Number of Shares	Par Value	Number of Shares	Par Value	Additional Paid-in Capital	Accumulated Other Comprehensive (Loss) Income	Accumulated Deficit	Total Stockholders' Equity	Non-controlling interest	Total Equity	Number of Shares	Par Value	Number of Shares	Par Value	Number of Shares	Par Value	Number of Shares	Par Value	Number of Shares	P Va

Balance, December 31, 2022
Common stock issuance costs
Balance, March 31, 2024
Dividends declared:
Dividends declared:
Dividends declared:
Common Stock, $0.40 per share
Common Stock, $0.40 per share
Common Stock, $0.40 per share
Series A Preferred Stock, $0.45 per share
Series B Preferred Stock, $0.43 per share
Series D Preferred Stock, $0.47 per share
Series E Preferred Stock, $0.46 per share
Equity-based compensation, net of forfeitures
Common stock shares withheld upon vesting of restricted stock
Distributions to non-controlling interest holders
Net loss
Cumulative translation adjustment
Designated derivatives, fair value adjustments
Balance, March 31, 2023
Balance, June 30, 2024

The accompanying notes are an integral part of these consolidated financial statements.

GLOBAL NET LEASE, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In thousands, except share data)
(Unaudited)

	Six Months Ended June 30, 2023											
	Series A Preferred Stock		Series B Preferred Stock		Common Stock							
	Number of Shares	Par Value	Number of Shares	Par Value	Number of Shares	Par Value	Additional Paid-in Capital	Accumulated Other Comprehensive (Loss) Income	Accumulated Deficit	Total Stockholders' Equity	Non-controlling interest	Total Equity
Balance, December 31, 2022	6,799,467	$ 68	4,695,887	$ 47	104,141,899	$ 2,371	$ 2,683,169	$ 1,147	$ (1,247,781)	$ 1,439,021	$ 14,898	$ 1,453,919
Settlement costs to be paid with Common Stock (Note 10)	—	—	—	—	—	—	6,252	—	—	6,252	—	6,252
Common Stock issuance costs	—	—	—	—	—	—	(25)	—	—	(25)	—	(25)
Dividends declared:										—		—
Common Stock, $0.80 per share	—	—	—	—	—	—	—	—	(83,351)	(83,351)	—	(83,351)
Series A Preferred Stock, $0.90 per share	—	—	—	—	—	—	—	—	(6,162)	(6,162)	—	(6,162)
Series B Preferred Stock, $0.86 per share	—	—	—	—	—	—	—	—	(4,036)	(4,036)	—	(4,036)
Equity-based compensation, net of forfeitures	—	—	—	—	293,514	3	1,300	—	—	1,303	4,492	5,795
Common stock shares withheld upon vesting of restricted stock	—	—	—	—	(29,057)	—	(321)	—	—	(321)	—	(321)
Distributions to non-controlling interest holders	—	—	—	—	—	—	—	—	(200)	(200)	—	(200)
Net loss	—	—	—	—	—	—	—	—	(27,148)	(27,148)	—	(27,148)
Cumulative translation adjustment	—	—	—	—	—	—	—	17,332	—	17,332	—	17,332
Designated derivatives, fair value adjustments	—	—	—	—	—	—	—	(6,886)	—	(6,886)	—	(6,886)
Balance, June 30, 2023	6,799,467	$ 68	4,695,887	$ 47	104,406,356	$ 2,374	$ 2,690,375	$ 11,593	$ (1,368,678)	$ 1,335,779	$ 19,390	$ 1,355,169

	Three Months Ended June 30, 2023											
	Series A Preferred Stock		Series B Preferred Stock		Common Stock							
	Number of Shares	Par Value	Number of Shares	Par Value	Number of Shares	Par Value	Additional Paid-in Capital	Accumulated Other Comprehensive (Loss) Income	Accumulated Deficit	Total Stockholders' Equity	Non-controlling interest	Total Equity
Balance, March 31, 2023	6,799,467	$ 68	4,695,887	$ 47	104,157,910	$ 2,371	$ 2,683,827	$ 3,702	$ (1,295,547)	$ 1,394,468	$ 17,144	$ 1,411,612
Settlement costs to be paid with Common Stock (Note 10)	—	—	—	—	—	—	6,252	—	—	6,252	—	6,252
Common Stock issuance costs	—	—	—	—	—	—	(4)	—	—	(4)	—	(4)
Dividends declared:												
Common Stock, $0.40 per share	—	—	—	—	—	—	—	—	(41,674)	(41,674)	—	(41,674)
Series A Preferred Stock, $0.45 per share	—	—	—	—	—	—	—	—	(3,081)	(3,081)	—	(3,081)
Series B Preferred Stock, $0.43 per share	—	—	—	—	—	—	—	—	(2,018)	(2,018)	—	(2,018)
Redemption of OP Units	—	—	—	—	—	—	—	—	—	—	—	—
Equity-based compensation	—	—	—	—	277,503	3	621	—	—	624	2,246	2,870
Common stock shares withheld upon vesting of restricted stock	—	—	—	—	(29,057)	—	(321)	—	—	(321)	—	(321)
Distributions to non-controlling interest holders	—	—	—	—	—	—	—	—	(100)	(100)	—	(100)
Net loss	—	—	—	—	—	—	—	—	(26,258)	(26,258)	—	(26,258)
Cumulative translation adjustment	—	—	—	—	—	—	—	10,812	—	10,812	—	10,812
Designated derivatives, fair value adjustments	—	—	—	—	—	—	—	(2,921)	—	(2,921)	—	(2,921)

Balance, June 30, 2023	6,799,467	$ 68	4,695,887	$ 47	104,406,356	$ 2,374	$ 2,690,375	$ 11,593	$ (1,368,678)	$ 1,335,779	$ 19,390	$ 1,355,169

The accompanying notes are an integral part of these consolidated financial statements.

GLOBAL NET LEASE, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

		Three Months Ended March 31,		Six Months Ended June 30,	
	2024	**2024**	**2023**	**2024**	**2023**
Cash flows from operating activities:					
Net loss					
Net loss					
Net loss					
Adjustments to reconcile net loss to net cash provided by operating activities:					
Depreciation					
Depreciation					
Depreciation					
Amortization of intangibles					
Amortization of deferred financing costs					
Amortization of discounts on mortgages and senior notes					
Amortization of below-market lease liabilities					
Amortization of above-market lease assets					
Amortization related to right-of-use assets					
Amortization of lease incentives and commissions					
Unbilled straight-line rent					
Equity-based compensation					
Unrealized (gains) losses on foreign currency transactions, derivatives, and other					
Unrealized income on undesignated foreign currency advances and other hedge ineffectiveness					
Unrealized (gains) on undesignated foreign currency advances and other hedge ineffectiveness					
Loss on extinguishment of debt					
Gain on dispositions of real estate investments					
Lease incentive and commission payments					
Impairment charges					
Changes in operating assets and liabilities, net:					
Changes in operating assets and liabilities, net:					
Settlement and consulting costs paid with common stock					
Changes in operating assets and liabilities, net:					
Prepaid expenses and other assets					
Prepaid expenses and other assets					
Prepaid expenses and other assets					
Accounts payable and accrued expenses					
Accounts payable and accrued expenses					
Accounts payable and accrued expenses					
Prepaid rent					
Net cash provided by operating activities					
Net cash provided by operating activities					
Net cash provided by operating activities					
Cash flows from investing activities:					
Investment in real estate and real estate related assets					

Investment in real estate and real estate related assets
Investment in real estate and real estate related assets
Capital expenditures
Capital expenditures
Capital expenditures
Net proceeds from dispositions of real estate investments
Net cash provided by (used in) investing activities
Cash flows from financing activities:
Borrowings under revolving credit facilities
Borrowings under revolving credit facilities
Borrowings under revolving credit facilities
Repayments on revolving credit facilities
Proceeds from mortgage notes payable
Principal payments on mortgage notes payable
Common shares repurchased upon vesting of restricted stock
Common shares repurchased upon vesting of restricted stock
Penalties and charges related to repayments and early repayments of debt
Common shares repurchased upon vesting of restricted stock
Common Stock issuance costs
Payments of financing costs
Dividends paid on Common Stock
Dividends paid on Series A Preferred Stock
Dividends paid on Series B Preferred Stock
Dividends paid on Series D Preferred Stock
Dividends paid on Series E Preferred Stock
Distributions to non-controlling interest holders
Net cash (used in) provided by financing activities
Net change in cash, cash equivalents and restricted cash
Effect of exchange rate changes on cash
Cash, cash equivalents and restricted cash, beginning of period
Cash, cash equivalents and restricted cash, end of period

GLOBAL NET LEASE, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

		Three Months Ended March 31,		Six Months Ended June 30,	
	2024	**2024**	**2023**	**2024**	**2023**
Cash and cash equivalents, end of period					
Restricted cash, end of period					
Cash, cash equivalents and restricted cash, end of period					
Non-Cash Activity:					
Non-Cash Activity:					
Non-Cash Activity:					
Accrued capital expenditures					
Loss on extinguishment of debt					
Accrued capital expenditures					
Loss on extinguishment of debt					
Loss on extinguishment of debt					
Accrued capital expenditures					

The accompanying notes are an integral part of these consolidated financial statements.

GLOBAL NET LEASE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, June 30, 2024
(Unaudited)

Note 1 — Organization

Global Net Lease, Inc. (the "Company") is a real estate investment trust for United States ("U.S.") federal income tax purposes ("REIT") that focuses on acquiring and managing a global portfolio of income producing net lease assets across the U.S., and Western and Northern Europe. Historically, the Company focused on acquiring and managing a globally diversified portfolio of strategically-located commercial real estate properties, which consisted primarily of mission-critical, single tenant net-lease assets. As a result of acquiring The Necessity Retail REIT, Inc. ("RTL") in the quarter ended September 30, 2023, as further discussed below, the Company acquired a diversified portfolio of 989 properties consisting of primarily necessity-based retail single-tenant and multi-tenant properties located in the U.S. Until September 12, 2023, the Company was managed by Global Net Lease Advisors, LLC ("Advisor"), who managed the Company's day-to-day business with the assistance of our property manager, Global Net Lease Properties, LLC ("Property Manager"), who managed and leased our properties to third parties. Prior to September 12, 2023, the former Advisor and the Property Manager were under common control with AR Global Investments, LLC ("AR Global"), and these related parties had historically received compensation and fees for various services provided to the Company. On September 12, 2023, the Company internalized its advisory and property management functions as well as the advisory and property management functions of RTL as a result of the Internalization Merger (as defined in *NoteNote 3* — *The Mergers*) in the quarter ended September 30, 2023.

As of March 31, 2024 June 30, 2024, the Company owned 1,277 1,242 properties consisting of 66.9 million 64.3 million rentable square feet, which were 92.8% 94.0% leased, with a weighted-average remaining lease term of 6.5 years. Based on the percentage of annualized rental income on a straight-line basis as of March 31, 2024 June 30, 2024, approximately 80% of the Company's properties were located in the U.S. and Canada and approximately 20% were located in Europe. In addition, as of March 31, 2024 June 30, 2024, the Company's portfolio was comprised of 32% 31% Industrial & Distribution properties, 28% Multi-Tenant retail Retail properties, 21% Single-Tenant Retail properties and 19% 20% Office properties. These represent the Company's four reportable segments and the percentages are calculated using annualized straight-line rent converted from local currency into the U.S. Dollar ("USD") as of March 31, 2024 June 30, 2024. The straight-line rent includes amounts for tenant concessions.

Substantially all of our business is conducted through Global Net Lease Operating Partnership, L.P. (the "OP"), a Delaware limited partnership, and The Necessity Retail REIT Operating Partnership, L.P. ("RTL OP," and together with the OP, the "OPs") and each of their wholly-owned subsidiaries.

The Company's properties are leased primarily to "Investment Grade" tenants, which 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 the tenant parent, guarantor parent (regardless of whether or not the parent has guaranteed the tenant's obligation under the lease) or tenants that are identified as investment grade by using a proprietary Moody's Analytics tool, which generates an implied rating by measuring an entity's probability of default.

Note 2 — Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited consolidated financial statements of the Company included herein were prepared in accordance with accounting principles generally accepted in the U.S. ("GAAP") for interim financial information and with the instructions to this Quarterly Report on Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. The information furnished includes all adjustments and accruals of a normal recurring nature, which, in the opinion of management, are necessary for a fair statement of results for the interim periods. All intercompany accounts and transactions have been eliminated in consolidation. The results of operations for the three six months ended March 31, 2024 June 30, 2024 are not necessarily indicative of the results for the entire year or any subsequent interim period.

These unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto as of and for the year ended December 31, 2023, which are included in the Company's Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC") on February 27, 2024. Except for those required by new accounting pronouncements discussed below, there have been no significant changes to the Company's significant accounting policies during the three six months ended March 31, 2024 June 30, 2024 *(see "—Recently Issued Accounting Pronouncements"* section below).

Principles of Consolidation

The accompanying unaudited consolidated financial statements include the accounts of the Company, the OP and its subsidiaries. All intercompany accounts and transactions are eliminated in consolidation. In determining whether the Company has a controlling financial interest in a joint venture and the requirement to consolidate the accounts of that entity, management considers factors such as ownership interest, authority to make decisions and contractual and substantive participating rights of

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the other partners or members as well as whether the entity is a variable interest entity for which the Company is the primary beneficiary. Substantially all of the Company's assets and liabilities are held by the OP.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management makes significant estimates regarding revenue recognition, purchase price allocations to record investments in real estate, derivative financial instruments, hedging activities, equity-based compensation expenses, income taxes and fair value measurements, as applicable.

Noncontrolling Interests

The non-controlling interests represent the portion of the equity in the OP that is not owned by the Company. Noncontrolling interests are presented as a separate component of equity on the consolidated balance sheets and presented as net loss attributable to non-controlling interests on the consolidated statements of operations and comprehensive loss. Noncontrolling interests are allocated a share of net income or loss based on their share of equity ownership. The Company did not allocate any net loss to non-controlling interests as the amount was not significant.

Revenue Recognition

The Company's revenues, which are derived primarily from lease contracts, include rents that each tenant pays in accordance with the terms of each lease reported on a straight-line basis over the non-cancelable term of the lease. As of March 31, 2024 June 30, 2024, the Company's leases had a weighted-average remaining lease term of 6.5 years. Because many of the Company's leases provide for rental increases at specified intervals, straight-line basis accounting requires the Company to record a receivable for, and include in revenue from tenants, unbilled rent receivables that the Company will only receive if the tenant makes all rent payments required through the expiration of the initial term of the lease.

For new leases after acquisition of a property, the commencement date is considered to be the date the lease is executed and the tenant has access to the space. The Company defers the revenue related to lease payments received from tenants in advance of their due dates. When the Company acquires a property, the acquisition date is considered to be the commencement date for purposes of this calculation for all leases in place at the time of acquisition. In the Company's Industrial & Distribution, Single-Tenant Retail and Office segments, in addition to base rent, the Company's lease agreements generally require tenants to pay for their property operating expenses or reimburse the Company for property operating expenses that the Company incurs (primarily insurance costs and real estate taxes). However, some limited property operating expenses that are not the responsibility of the tenant are absorbed by the Company. In the Company's Multi-Tenant Retail segment, the Company owns, manages and leases multi-tenant properties where the Company generally pays for the property operating expenses for those properties and most of the Company's tenants are required to pay their pro rata share of property operating expenses. Under ASC 842, the Company has elected to report combined lease and non-lease components in a single line "Revenue from tenants." For expenses paid directly by the tenant, under ASC 842, the Company has reflected them on a net basis.

The Company continually reviews receivables related to rent and unbilled rent receivables and determines collectability by taking into consideration the tenant's payment history, the credit worthiness and financial condition of the tenant, business conditions in the industry in which the tenant operates and economic conditions in the area in which the property is located. Under lease accounting rules, the Company is required to assess, based on credit risk only, if it is probable that it will collect virtually all of the lease payments at the lease commencement date and it must continue to reassess collectability periodically thereafter based on new facts and circumstances affecting the credit risk of the tenant. Partial reserves, or the ability to assume partial recovery are not permitted. If the Company determines that it is probable it will collect virtually all of the lease payments (rent and contractually reimbursable property operating expenses), the lease will continue to be accounted for on an accrual basis (i.e. straight-line). However, if the Company determines it is not probable that it will collect virtually all of the lease payments, the lease will be accounted for on a cash basis and the straight-line rent receivable would be written off where it was subsequently concluded that collection was not probable. Cost recoveries from tenants are included in revenue from tenants on the accompanying consolidated statements of operations in the period the related costs are incurred, as applicable.

Accounting for Leases

Lessor Accounting

As a lessor of real estate, the Company has elected, by class of underlying assets, to account for lease and non-lease components (such as tenant reimbursements of property operating expenses) as a single lease component as an operating lease because (a) the non-lease components have the same timing and pattern of transfer as the associated lease component; and (b) the lease component, if accounted for separately, would be classified as an operating lease. Additionally, only incremental

direct leasing costs may be capitalized under the accounting guidance. Indirect leasing costs in connection with new or extended tenant leases, if any, are being expensed as incurred.

As of March 31, 2024 June 30, 2024, the Company had two parcels of land leased to tenants that qualify as financing leases which were acquired in the REIT Merger. The carrying value of these leases was $6.6 million as of March 31, 2024 June 30, 2024 and the amounts are included in prepaid expenses and other assets on the Company's consolidated balance sheet as of March 31, 2024 June 30, 2024. Income of $0.2 million and $0.3 million relating to these two leases is included in revenue from tenants in the Company's consolidated statement of operations for the three and six months ended March 31, 2024. June 30, 2024, respectively.

Lessee Accounting

For lessees, the accounting standard requires the application of a dual lease classification approach, classifying leases as either operating or finance leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. Lease expense for operating leases is recognized on a straight-line basis over the term of the lease, while lease expense for finance leases is recognized based on an effective interest method over the term of the lease. Also, lessees must recognize a right-of-use asset ("ROU") and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Further, certain transactions where at inception of the lease the buyer-lessor accounted for the transaction as a purchase of real estate and a new lease may now be required to have symmetrical accounting to the seller-lessee if the transaction was not a qualified sale-leaseback and accounted for as a financing transaction. For additional information and disclosures related to the Company's operating leases, see *Note 11 — Commitments and Contingencies.*

Impairment of Long Lived Assets

If circumstances indicate the carrying value of a property may not be recoverable, the Company reviews the asset for impairment. This review is based on an estimate of the future undiscounted cash flows, excluding interest charges, expected to result from the property's use and eventual disposition. These estimates consider factors such as expected future operating income, market and other applicable trends and residual value, as well as the effects of leasing demand, competition and other factors. If impairment exists due to the inability to recover the carrying value of a property, an impairment loss is recorded to the extent that the carrying value exceeds the estimated fair value of the property for properties to be held and used. For properties held for sale, the impairment loss is the adjustment to fair value less estimated cost to dispose of the asset. These assessments have a direct impact on net income because recording an impairment loss results in an immediate negative adjustment to net earnings.

Goodwill

The Company evaluates goodwill for impairment at least annually or upon the occurrence of a triggering event. A triggering event is an event or circumstance that would more likely than not reduce the fair value of a reporting unit below its carrying amount. The Company performed its annual impairment evaluation in the fourth quarter of 2023 to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying value. Based on this assessment, the Company determined that the goodwill was not impaired as of December 31, 2023. The goodwill impairment test is applied to each of the Company's reporting units. For purposes of this assessment, a reporting unit is an operating segment.

There were no material changes to this assessment as of March 31, 2024June 30, 2024. We will continue to assess for triggering events. Should any triggering event occur, we would evaluate the carrying value of our goodwill by segment through an impairment test. If impairment is warranted, the charge would be recorded through the consolidated income statement as a reduction to earnings.

Reportable Segments

As of March 31, 2024June 30, 2024, the Company has determined that it has four reportable segments based on property type: (1) Industrial & Distribution, (2) Multi-Tenant Retail, (3) Single-Tenant Retail and (4) Office (see *Note 15 — Segment Reporting* for additional information).

Derivative Instruments

The Company may use derivative financial instruments, including interest rate swaps, caps, options, floors and other interest rate derivative contracts to hedge all or a portion of the interest rate risk associated with its borrowings. In addition, all foreign currency denominated borrowings under the Company's Revolving Credit Facility (as defined in *Note 6 — Revolving Credit Facility*) are designated as net investment hedges. Certain of the Company's foreign operations expose the Company to fluctuations of foreign interest rates and exchange rates. These fluctuations may impact the value of the Company's cash receipts and payments in the Company's functional currency, the USD. The Company enters into derivative financial instruments in an effort to protect the value or fix the amount of certain obligations in terms of its functional currency.

The Company records all derivatives on the consolidated balance sheets at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in

a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to changes in the fair value of an

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asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. Derivatives may also be designated as hedges of the foreign currency exposure of a net investment in foreign operations. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the recognition of the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk in a fair value hedge or the earnings effect of the hedged forecasted transactions in a cash flow hedge. The Company may enter into derivative contracts that are intended to economically hedge certain risk, even though hedge accounting does not apply or the Company elects not to apply hedge accounting.

The accounting for subsequent changes in the fair value of these derivatives depends on whether each has been designated and qualifies for hedge accounting treatment. If the Company elects not to apply hedge accounting treatment (or for derivatives that do not qualify as hedges), any changes in the fair value of these derivative instruments is recognized immediately in gains (losses) on derivative instruments in the consolidated statements of operations. If a derivative is designated and qualifies for cash flow hedge accounting treatment, the change in the estimated fair value of the derivative is recorded in other comprehensive income (loss) in the consolidated statements of comprehensive income (loss) to the extent that it is effective.

Equity-Based Compensation

The Company has stock-based incentive plans under which its directors, officers, employees, consultants or entities that provide services to the Company are, or have historically been, eligible to receive awards. Awards granted thereunder are accounted for under the guidance for employee share based payments. The cost of services received in exchange for a stock award is measured at the grant date fair value of the award and the expense for such awards is included in equity-based compensation on consolidated statements of operations and is recognized over the vesting period or when the requirements for exercise of the award have been met.

The Company has historically issued restricted shares of Common Stock ("Restricted Shares"), restricted stock units in respect of shares of Common Stock ("RSUs"), and performance stock units ("PSUs"). Also, although none remain outstanding as of March 31, 2024June 30, 2024 or December 31, 2023, the Company historically had issued long-term incentive plan units of limited partner interest in the OP ("GNL LTIP Units") (see below for more information). For additional information on all of the equity-based compensation awards issued by the Company, see *Note 13 — Equity-Based Compensation.*

Multi-Year Outperformance Agreement With Former Advisor

On June 2, 2021, the Company entered into the multi-year outperformance agreement in June 2021 with the former Advisor (the "2021 OPP").In connection with the Internalization Merger Agreement, the parties agreed to modify the terms of the existing 2021 OPP to accelerate the timing for determining whether the award is vested and earned, which changed the end date of the performance period to September 11, 2023, the day prior to Acquisition Date (as defined below) of the Mergers. Due to the modification noted above, all of the remaining unrecognized compensation expense was accelerated and recorded in the quarter ended September 30, 2023 (through September 11, 2023). For additional information on the 2021 OPP and the ultimate determination of the vesting of the award on September 11, 2023, see *Note 13 — Equity-Based Compensation.*

Income Taxes

The Company elected to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the "Code"), beginning with the taxable year ended December 31, 2013. Commencing with such taxable year, the Company was organized to operate in such a manner as to qualify for taxation as a REIT under the Code and believes it has so qualified. The Company intends to continue to operate in such a manner to continue to qualify for taxation as a REIT, but no assurance can be given that it will operate in a manner to remain qualified as a REIT. After the REIT Merger, the asset and income tests for REIT qualification apply to all of GNL's assets, including the assets that GNL acquired from RTL, and to all of GNL's income, including the income derived from the assets that GNL acquired from RTL. As a result, the nature of the assets that GNL acquired from RTL and the income that GNL derived from those assets may have an effect on GNL's tax qualification as a REIT. As a REIT, the Company generally will not be subject to federal corporate income tax to the extent it distributes annually all of its REIT taxable income. REITs are subject to a number of other organizational and operational requirements.

The Company conducts business in various states and municipalities within the U.S., Canada, Puerto Rico, the United Kingdom and Western Europe and, as a result, the Company or one of its subsidiaries file income tax returns in the U.S. federal jurisdiction and various states and certain foreign jurisdictions. As a result, the Company may be subject to certain federal, state, local and foreign taxes on its income and assets, including alternative minimum taxes, taxes on any undistributed income and state, local or foreign income, franchise, property and transfer taxes. Any of these taxes decrease the Company's earnings and available cash. In addition, the Company's international assets and operations, including those owned through direct or

indirect subsidiaries that are disregarded entities for U.S. federal income tax purposes, continue to be subject to taxation in the foreign jurisdictions where those assets are held or those operations are conducted.

Significant judgment is required in determining the Company's tax provision and in evaluating its tax positions. The Company establishes tax reserves based on a benefit recognition model, which the Company believes could result in a greater amount of benefit (and a lower amount of reserve) being initially recognized in certain circumstances. Provided that the tax position is deemed more likely than not of being sustained, the Company recognizes the largest amount of tax benefit that is

greater than 50 percent likely of being ultimately realized upon settlement. The Company derecognizes the tax position when the likelihood of the tax position being sustained is no longer more likely than not.

The Company recognizes deferred income taxes in certain of its subsidiaries taxable in the U.S. or in foreign jurisdictions. Deferred income taxes are generally the result of temporary differences (items that are treated differently for tax purposes than for GAAP purposes). In addition, deferred tax assets arise from unutilized tax net operating losses, generated in prior years. The Company provides a valuation allowance against its deferred income tax assets when it believes that it is more likely than not that all or some portion of the deferred income tax asset may not be realized. Whenever a change in circumstances causes a change in the estimated realizability of the related deferred income tax asset, the resulting increase or decrease in the valuation allowance is included in deferred income tax expense (benefit).

The Company derives most of its REIT taxable income from its real estate operations in the U.S. and has historically distributed all of its REIT taxable income to its shareholders. As such, the Company's real estate operations are generally not subject to U.S. federal tax, and accordingly, no provision has been made for U.S. federal income taxes in the consolidated financial statements for these operations. These operations may be subject to certain state, local, and foreign taxes, as applicable.

The Company's deferred tax assets and liabilities are primarily the result of temporary differences related to the following:

- Basis differences between tax and GAAP for certain international real estate investments. For income tax purposes, in certain acquisitions, the Company assumes the seller's basis, or the carry-over basis, in the acquired assets. The carry-over basis is typically lower than the purchase price, or the GAAP basis, resulting in a deferred tax liability with an offsetting increase to goodwill or the acquired tangible or intangible assets;
- Timing differences generated by differences in the GAAP basis and the tax basis of assets such as those related to capitalized acquisition costs and depreciation expense; and
- Tax net operating losses in certain subsidiaries, including those domiciled in foreign jurisdictions that may be realized in future periods if the respective subsidiary generates sufficient taxable income.

The Company recognizes current income tax expense for state and local income taxes and taxes incurred in its foreign jurisdictions. The Company's current income tax expense fluctuates from period to period based primarily on the timing of its taxable income.

Recently Issued Accounting Pronouncements

Pending Adoption as of March 31, 2024 June 30, 2024:

In November 2023, the FASB issued *ASU 2023-07, Segment Reporting (Topic 80) — Improvements to Reportable Segment Disclosures*. The new standard requires additional disclosures regarding a company's segments, including enhanced disclosures about significant segment expenses on an annual and interim basis. However, the new standard does not change how a public entity identifies its operating segments, aggregates those operating segments, or applies the quantitative thresholds to determine its reportable segments. The new standard is effective for public entities for fiscal years beginning after December 15, 2023, and interim periods in fiscal years beginning after December 15, 2024, with early adoption permitted. The Company will adopt the new guidance in its Form 10-K for the year ended December 31, 2024 and we don't expect this to have an impact on its consolidated financial statements as the provisions are related to disclosure only.

In December 2023, the FASB issued *ASU 2023-09, Income Taxes (Topic 740) — Improvements to Income Tax Disclosures.* The new standard expands the disclosure requirements for income taxes, specifically related to the rate reconciliation and income taxes paid. Public entities must apply the new standard to annual periods beginning after

December 15, 2024. The Company will adopt the new guidance in its Form 10-K for the year ended December 31, 2025 and we don't expect this to have an impact on its consolidated financial statements as the provisions are related to disclosure only.

Note 3 — The Mergers

On September 12, 2023 (the "Acquisition Date"), the REIT Merger (as defined below) and the Internalization Merger (as defined below) were both consummated (collectively, the "Mergers"). The REIT Merger and Internalization Merger were conditioned upon each other and accordingly are considered "related" and treated as a single transaction for accounting and reporting purposes.

The REIT Merger

The REIT Merger

Pursuant to the terms and conditions of the Agreement and Plan of Merger dated May 23, 2023 (the "REIT Merger Agreement"), on the Acquisition Date, RTL merged with and into Osmosis Sub I, LLC, a wholly-owned subsidiary of GNL ("REIT Merger Sub"), with REIT Merger Sub continuing as the surviving entity (the "REIT Merger") and a wholly-owned subsidiary of GNL, followed by Osmosis Sub II, LLC, a wholly-owned subsidiary of the OP, merging with and into the RTL OP, with RTL OP continuing as the surviving entity (the "OP Merger" and collectively with the REIT Merger, the "REIT Mergers").

On the Acquisition Date, pursuant to the REIT Merger Agreement, each issued and outstanding share of RTL's (i) Class A Common Stock, par value $0.01 per share (the "RTL Class A Common Stock"), was converted into 0.670 shares (the "Exchange Ratio") of GNL's Common Stock, par value $0.01 per share ("Common Stock"), (ii) 7.50% Series A Cumulative Redeemable Preferred Stock, par value $0.01 per share ("RTL Series A Preferred Stock"), was automatically converted into one share of newly created 7.50% Series D Cumulative Redeemable Perpetual Preferred Stock, par value $0.01 per share (the "Series D Preferred Stock"), and (iii) 7.375% Series C Cumulative Redeemable Perpetual Preferred Stock, par value $0.01 per share ("RTL Series C Preferred Stock"), was automatically converted into one share of newly created 7.375% Series E Cumulative Redeemable Perpetual Preferred Stock, par value $0.01 per share (the "Series E Preferred Stock").

Also, pursuant to the REIT Merger Agreement:

- The Company issued Common Stock (adjusted for the Exchange Ratio) for certain shares of restricted RTL Class A Common Stock ("RTL Restricted Shares") (see table below for details).
- The Company issued Class A Units (adjusted for the Exchange Ratio) to the previous holder of RTL Class A Units (see table below for details).

The Internalization Merger

Pursuant to the terms and conditions of the Agreement and Plan of Merger dated May 23, 2023 (the "Internalization Merger Agreement") to internalize the advisory and property management functions of the combined companies, on the Acquisition Date, (i) GNL Advisor Merger Sub LLC, a wholly-owned subsidiary of the OP merged with and into the former Advisor, with the former Advisor continuing in existence; (ii) GNL PM Merger Sub LLC, a wholly-owned subsidiary of the OP merged with and into the Property Manager, with the Property Manager continuing in existence; (iii) RTL Advisor Merger Sub LLC merged with and into Necessity Retail Advisors, LLC ("RTL Advisor"), with RTL Advisor continuing in existence; and (iv) RTL PM Merger Sub LLC, a wholly-owned subsidiary of the OP merged with and into Necessity Retail Properties, LLC ("RTL Property Manager"), with RTL Property Manager continuing in existence (collectively, the "Internalization Merger"). As a result of the consummation of the Internalization Merger, the advisory agreements were terminated for both the Company and RTL and the Company assumed both of the Company's and RTL's property management agreements and the Company was no longer externally managed. The Company internalized these functions with its own dedicated workforce (see *Note 12 — Related Party Transactions and Arrangements* for additional information on the Internalization Merger).

As consideration for the Internalization Merger, the Company issued 29,614,825 shares of its Common Stock valued in the aggregate at $325.0 million to AR Global and paid cash in an amount equal to $50.0 million to AR Global. The number of shares issued in respect of the Internalization Merger was valued based on the Company's 5-day volume-weighted average price as of market close on May 11, 2023 of $10.97 per share of Common Stock. The Company registered these shares for resale under the Securities Act, pursuant to the terms and conditions (including limitations) thereof.

Fair Value of Consideration Transferred

The following table presents the fair value of the consideration transferred to affect the acquisition:

	Fair Value Calculation			
	Shares or Units	Price Used to Calculate Fair Value	Fair Value of Consideration Transferred *(In thousands)*	Consideration Type
Fair value of Common Stock issued to holders of RTL Class A Common Stock (1)	93,432,946	$ 11.11 (2)	$ 1,038,040	Common Stock
Fair value of Common Stock issued upon vesting of certain RTL Restricted Shares	209,906	$ 11.11 (2)	2,332	Common Stock
Fair value of Common Stock issued to AR Global for the Internalization Merger	29,614,825 (3)	$ 11.11 (2)	329,021	Common Stock

Fair value of Class A Units issued by the OP to holder of RTL Class A Units	115,857	$	11.11 (2)	1,287	Class A Units
Fair value of GNL Series D Preferred Stock issued to holders of RTL Series A Preferred Stock (6)	7,933,711 (4)	$	19.61 (4)	155,580	Series D Preferred Stock
Fair value of GNL Series E Preferred Stock to be issued to holders of RTL Series C Preferred Stock (6)	4,595,175 (5)	$	19.75 (5)	90,755	Series E Preferred Stock
Total equity consideration				1,617,015	
Cash consideration paid to AR Global				50,000	Cash
Cash used to repay RTL's credit facility at closing of the REIT Merger				466,000	Cash
Total consideration transferred				$ 2,133,015	

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(1) Includes RTL LTIP Units earned and converted to RTL Class A Common Stock and certain vested shares of RTL Restricted Shares, both of which occurred prior to the Acquisition Date (see Note 13 — *Equity-Based Compensation).*

(2) Represents the closing price of GNL's Common Stock on the Acquisition Date.

(3) The considered value of Common Stock to be issued to AR Global was $325.0 million for the Internalization Merger, and the number of shares issued was valued based on the Company's 5-day volume-weighted average price as of market close on May 11, 2023. The price used to calculate fair value represents the closing price of GNL's Common Stock on the Acquisition Date.

(4) Each share of the RTL Series A Preferred Stock was exchanged for one new share of Series D Preferred Stock respectively. The price used to calculate fair value represents the closing price of the RTL Series A Preferred Stock on the Acquisition Date.

(5) Each share of the RTL Series C Preferred Stock was exchanged for one new share of Series E Preferred Stock respectively. The price used to calculate fair value represents the closing price of the RTL Series C Preferred Stock on the Acquisition Date.

Purchase Price Allocation

The Mergers were all conditioned upon each other and accordingly are considered "related" and treated as a single transaction for accounting and reporting purposes. The Mergers are accounted for under the acquisition method for business combinations pursuant to GAAP, with the Company as the accounting acquirer of RTL. The consideration transferred by the Company in the Mergers establishes a new accounting basis for the assets acquired, liabilities assumed and any non-controlling interests, measured at their respective fair value as of the Acquisition Date. To the extent fair value of the consideration paid exceeds fair value of net assets acquired, any such excess represents goodwill.

The Company provided a provisional allocation of the fair value of the assets acquired and liabilities assumed in the Mergers in the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023. During the three months ended June 30, 2024, March 31, 2024 and December 31, 2023, measurement period adjustments were determined and recorded as if they had been completed at the Acquisition Date. Future adjustments to the provisional allocation of the fair value of the assets and liabilities acquired in the Mergers, as well as adjustments to the consideration paid may change the determination and amount of goodwill and may impact depreciation, amortization and accretion based on revised fair value of assets acquired and liabilities assumed. The finalization of the Company's fair value assessments could result in changes in the valuation of assets acquired and liabilities assumed up to a year after the Acquisition Date.

The following table summarizes the provisional amounts recognized for the assets acquired and liabilities assumed as of Acquisition Date, as well as adjustments made in the three months ended June 30, 2024, March 31, 2024 and December 31, 2023 (measurement period adjustments) to the amounts previously reported in the three months ended September 30, 2023.

(in thousands)	*(in thousands)*	**Amounts Recognized as of the Acquisition Date (as previously reported)**	**Measurement Period Adjustments**	**Amounts Recognized as of the Acquisition Date (as adjusted)**	*(in thousands)*	**Amounts Recognized as of the Acquisition Date (as previously reported)**	**Measurement Period Adjustments**	**Amounts Recognized as of the Acquisition Date (as adjusted)**
Assets Acquired:								
Land								
Land								
Land								
Buildings, fixtures and improvements								
Total tangible assets								
Acquired intangible assets:								
In-place leases								
In-place leases								
In-place leases								
Above-market lease assets								
Total acquired intangible lease assets								
Cash								

Operating lease right-of-use assets
Prepaid expenses and other assets
Goodwill
Total assets acquired
Liabilities Assumed:
Liabilities Assumed:
Liabilities Assumed:
Mortgage notes payable, net
Mortgage notes payable, net
Mortgage notes payable, net
Senior notes, net
Acquired intangible lease liabilities
Accounts payable and accrued expenses
Operating lease liabilities
Prepaid rent
Total liabilities assumed
Total consideration transferred
Total consideration transferred
Total consideration transferred

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(1) These adjustments were recorded to reflect changes in the estimated fair value of tangible and intangible assets, from the initial provisional estimates, due to the receipt of new information.

(2) The decrease in cash was due to the receipt of new information, subsequent to the initial provisional estimates, related to cash acquired as of the Acquisition Date.

(3) The net increase in prepaid expenses and other assets was due to the receipt of new information, subsequent to the initial provisional estimates, primarily related to receivables that had previously been deemed uncollectible as of the Acquisition Date.

(4) The net decrease in goodwill from the initial provisional valuation reflects the net impact of all measurement period adjustments to the assets acquired and liabilities assumed.

(5) The net decrease in accounts payable and accrued expenses was due to the receipt of new information, subsequent to the initial provisional estimates, related to accrued expenses that were estimated as of the Acquisition Date.

Goodwill

Goodwill is calculated as the excess of the consideration transferred over the net assets recognized and represents the future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. Specifically, the goodwill recorded as part of the Mergers includes the expected synergies and other benefits that we believe will result from the Internalization Merger and any intangible assets that do not qualify for separate recognition. Goodwill is not amortized and the Company has allocated the goodwill to its segments.

Note 4 — Real Estate Investments, Net

Property Acquisitions

The following table presents the allocation of the assets acquired and liabilities assumed during the three six months ended March 31, 2023 June 30, 2023, and, in the case of assets located outside of the U.S., based on the applicable exchange rate at the time of purchase. The Company did not acquire any properties during the three six months ended March 31, 2024 June 30, 2024. All of the acquisitions in the three six months ended March 31, 2023 June 30, 2023 were considered asset acquisitions for accounting purposes.

(Dollar amounts in thousands)		Three Six Months Ended March 31, June 30, 2023
Assets Acquired:		
Real estate investments, at cost:		
Land	$	4,757
Buildings, fixtures and improvements		30,087
Total tangible assets		34,844
Intangibles acquired:		
In-place leases		4,128
Above-market lease assets		40,964
Total Intangible assets		45,092
Right-of -use asset		1,426
Cash paid for acquired real estate investments	$	81,362
Number of properties purchased		8

The following table summarizes the acquisitions by property type, listed by reportable segment, during the three six months ended March 31, 2023 June 30, 2023:

Property Type	Number of Properties	Square Feet (unaudited)
Properties Acquired in 2023:		
Industrial & Distribution	—	—
Multi-Tenant Retail	—	—
Single-Tenant Retail	8	323,730
Office	—	—
	8	323,730

Acquired Intangible Lease Assets

The Company allocates a portion of the fair value of real estate acquired to identified intangible assets and liabilities, consisting of the value of origination costs (tenant improvements, leasing commissions, and legal and marketing costs), the value of above-market and below-market leases, and the value of tenant relationships, if applicable, based in each case on their relative fair values. The Company periodically assesses whether there are any indicators that the value of the intangible assets may be impaired by performing a net present value analysis of future cash flows, discounted for the inherent risk associated with each investment. The Company did not record any impairment charges on its acquired intangible assets during the three and six months ended March 31, 2024 June 30, 2024 or 2023.

Impairment Charges

The Company recorded aggregate impairment charges of $4.3 $27.4 million and $31.7 million during the three and six months ended March 31, 2024 June 30, 2024, respectively, and did not record any impairment charges during the three and six months ended March 31, 2023 June 30, 2023.

- During the three months ended June 30, 2024, the Company determined that six of its properties located in the U.S. (three of which were acquired in the REIT Merger) had an estimated fair value that was lower than the carrying value of the properties, based on the estimated selling price of such properties, and as a result, the Company recorded an

impairment charge of approximately $27.4 million. The majority of the impairment charge was due to legacy GNL properties.

- During the three months ended March 31, 2024, the Company determined that six of its properties located in the U.S. (all of which were acquired in the REIT Merger) had an estimated fair value that was lower than the carrying value of the properties, based on the estimated selling price of such properties, and as a result, the Company recorded an impairment charge of approximately $4.3 million.

Dispositions

During the three and six months ended March 31, 2024 June 30, 2024, the Company sold 19 36 and 55 properties, 17 respectively, 34 and 51 of which were acquired in the REIT Merger, respectively. As a result, the Company recorded net gains of $34.1 million and recorded a net gain of $5.9 $40.0 million during the three and six months ended March 31, 2024. June 30, 2024, respectively. During the three and six months ended March 31, 2023 June 30, 2023, the Company did not sell any properties. The following table summarizes the aforementioned properties sold:

Portfolio	Portfolio	Country/States	Disposition Month(s)	Number of Properties	Square Feet (unaudited)	Portfolio	Country/States	Disposition Month(s)	Number of Properties	Square Feet (unaudited)
Properties Sold in 2024:										
O'Charley's										
O'Charley's										
O'Charley's										
Truist Bank										
Fife Council										
TOMs King										
FedEx										
			19							
Amazon										
American Car Center										
AmeriCold										
CVS										
Decatur Commons										
Diebold										
Klaussner										
Shippensburg Marketplace										
Springfield Commons										
			55							
			55							
			55							

Assets Held for Sale

When assets are identified by management as held for sale, the Company stops recognizing depreciation and amortization expense on the identified assets and estimates the sales price, net of costs to sell, of those assets. If the carrying amount of the assets classified as held for sale exceeds the estimated net sales price, the Company records an impairment charge equal to the amount by which the carrying amount of the assets exceeds the Company's estimate of the net sales price of the assets.

As of March 31, 2024 June 30, 2024, the Company evaluated its assets for held for sale classification and determined that six three properties, all of which were acquired in the Merger, qualified for held for sale treatment based on the Company's accounting policies. treatment. Because these assets are considered held for sale, the operating results remain classified within continuing operations for all periods presented.

The following table details the major classes of the assets associated with the property that the Company determined to be classified as held for sale as of March 31, 2024 June 30, 2024 and December 31, 2023: . For assets held for sale as of June 30, 2024, the accumulated depreciation was collapsed against the assets prior to recording impairments on those assets and prior to their reclass to assets held for sale.

(Dollar amounts in thousands)	March 31, 2024	December 31, 2023
Real estate investments held for sale, at cost:		
Land	$ 3,185	$ 860
Buildings, fixtures and improvements	9,751	2,349
Acquired intangible lease assets	1,201	—
Total real estate assets held for sale, at cost	14,137	3,209
Less accumulated depreciation and amortization	(90)	(21)
Total real estate investments held for sale, net	$ 14,047	$ 3,188

(Unaudited)

(Dollar amounts in thousands)	June 30, 2024	December 31, 2023
Real estate investments held for sale, at cost:		
Land	$ 1,110	$ 860
Buildings, fixtures and improvements	3,144	2,349
Total real estate assets held for sale, at cost	4,254	3,209
Less accumulated depreciation and amortization	—	(21)
Total real estate investments held for sale, net	$ 4,254	$ 3,188

Significant Tenants

There were no tenants whose annualized rental income on a straight-line basis represented 10.0% or greater of consolidated annualized rental income on a straight-line basis for all properties as of March 31, 2024 June 30, 2024 and December 31, 2023. The termination, delinquency or non-renewal of leases by any major tenant may have a material adverse effect on revenues.

Geographic Concentration

The following table lists the countries where the Company has concentrations of properties where annualized rental income on a straight-line basis represented greater than 10.0% of consolidated annualized rental income on a straight-line basis as of March 31, 2024 June 30, 2024 and December 31, 2023. No U.S. state had a concentration over 10% as of March 31, 2024 June 30, 2024 and December 31, 2023.

Country / U.S. State	Country / U.S. State	March 31, 2024	December 31, 2023	Country / U.S. State	June 30, 2024	December 31, 2023
United States	United States	79.7%		United States	79.6%	79.7%
United Kingdom						
United Kingdom						
United Kingdom		11.0%	11.1%		11.4%	11.1%

GLOBAL NET LEASE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, June 30, 2024
(Unaudited)

Note 5 —Mortgage Notes Payable, Net

Mortgage notes payable, net as of March 31, 2024 June 30, 2024 and December 31, 2023 consisted of the following:

Country	Portfolio	Encumbered Properties	March 31, 2024	December 31, 2023					Maturity	Anticipated Repayment (2)	Portfolio
Country		(In thousands)									
Finland:											
Finland:											
Finland:	Finland Properties	5	$ 79,880	$	$ —	5.1%	5.1%	(3)	Fixed/Variable		Feb. 2029
	Finland Properties	Finland Properties	—	—	81,695	81,695	2.4%	2.4%	(3)	Fixed/Variable	
Luxembourg/ The Netherlands:											
Luxembourg/ The Netherlands:											
Luxembourg/ The Netherlands:	Benelux Properties	3	116,296	129,752	129,752	1.4%	1.4%		Fixed		Jun. 2024

	Total EUR denominated										
United Kingdom:											
United Kingdom:											
United Kingdom:		McLaren	3	127,503	128,587	128,587	6.1%	6.1%	(4)	Fixed	Apr. 2024
	Total GBP denominated										
United States:											
United States:											
United States:		Penske Logistics	1	70,000	70,000	70,000	4.7%	4.7%	(5)	Fixed	Nov. 2028
	Multi-Tenant Mortgage Loan I	Multi-Tenant Mortgage Loan I	10	162,580	162,580	162,580	4.4%	4.4%	(5)	Fixed	
	Multi-Tenant Mortgage Loan II	Multi-Tenant Mortgage Loan II	8	32,750	32,750	32,750	4.4%	4.4%	(5)	Fixed	
	Multi-Tenant Mortgage Loan III	Multi-Tenant Mortgage Loan III	7	98,500	98,500	98,500	4.9%	4.9%	(5)	Fixed	
	Multi-Tenant Mortgage Loan IV	Multi-Tenant Mortgage Loan IV	16	97,500	97,500	97,500	4.6%	4.6%	(5)	Fixed	
	Multi-Tenant Mortgage Loan V	Multi-Tenant Mortgage Loan V	11	139,771	139,771	139,771	3.7%	3.7%	(5)	Fixed	
	2019 Class A-1 Net-Lease Mortgage Notes	2019 Class A-1 Net-Lease Mortgage Notes	97	110,673	110,815	110,815	3.8%	3.8%		Fixed	May 204
	2019 Class A-2 Net-Lease Mortgage Notes	2019 Class A-2 Net-Lease Mortgage Notes	101	119,257	119,409	119,409	4.5%	4.5%		Fixed	May 204
	2021 Class A-1 Net-Lease Mortgage Notes	2021 Class A-1 Net-Lease Mortgage Notes	43	50,971	50,971	50,971	2.2%	2.2%		Fixed	May 205
	2021 Class A-2 Net-Lease Mortgage Notes	2021 Class A-2 Net-Lease Mortgage Notes	44	88,041	88,041	88,041	2.8%	2.8%		Fixed	May 205

2021 Class A-3 Net-Lease Mortgage Notes	2021 Class A-3 Net-Lease Mortgage Notes	32	34,997	34,997	34,997	3.1%	3.1%		Fixed	May 205
2021 Class A-4 Net-Lease Mortgage Notes	2021 Class A-4 Net-Lease Mortgage Notes	33	54,995	54,995	54,995	3.7%	3.7%		Fixed	May 205
Column Financial Mortgage Notes	Column Financial Mortgage Notes	352	692,018	697,595	697,595	3.8%	3.8%	(6)	Fixed	
Mortgage Loan II	Mortgage Loan II	12	210,000	210,000	210,000	4.3%	4.3%		Fixed	
Mortgage Loan III	Mortgage Loan III	22	33,400	33,400	33,400	4.1%	4.1%		Fixed	
RTL Multi-Tenant Mortgage II	RTL Multi-Tenant Mortgage II	—	—	25,000	25,000	—%	—%		Fixed	
McGowin Park	McGowin Park	1	39,025	39,025	39,025	4.1%	4.1%		Fixed	
CMBS Loan	CMBS Loan	29	260,000	260,000	260,000	6.5%	6.5%		Fixed	
	CMBS Loan II	20	237,000	—		5.8%			Fixed	Apr. 2029
Total USD denominated										
Gross mortgage notes payable										
Gross mortgage notes payable										
Gross mortgage notes payable										
Mortgage discounts										
Mortgage discounts										
Mortgage discounts										
Deferred financing costs, net of accumulated amortization (7)										
Deferred financing costs, net of accumulated amortization (7)										
Deferred financing costs, net of accumulated amortization (7)										
Deferred financing costs, net of accumulated amortization (8)										

Deferred financing costs, net of accumulated amortization (8)

Deferred financing costs, net of accumulated amortization (8)

Mortgage notes payable, net

Mortgage notes payable, net

Mortgage notes payable, net

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(1) Amounts borrowed in local currency and translated at the spot rate in effect at the applicable reporting date.

(2) The Company determines an anticipated repayment date when the terms of a debt obligation provide for earlier repayment than the legal maturity and when the Company expects to repay such debt obligations earlier due to factors such as elevated interest rates or additional principal payment requirements.

(3) 80% fixed as a result of a "pay-fixed" interest rate swap agreement and 20% variable. Variable portion is approximately 1.4% plus 3-month Euribor. Euribor and reflects the Euribor rate in effect as of March 31, 2024 June 30, 2024. This loan was extended from its original maturity date of February 2024 to February 2029.

(4) This mortgage was repaid in April June 2024 (see *Note 16 — Subsequent Events* for additional information). using borrowings under the EUR portion of the Company's Revolving Credit Facility.

(5) This mortgage was repaid in April 2024 using borrowings under the GBP portion of the Company's Revolving Credit Facility.

(6) The borrower's borrowers' (wholly-owned subsidiaries of the Company) financial statements are included within the Company's consolidated financial statements, however, the borrowers' assets and credit are only available to pay the debts of the borrowers and their liabilities constitute obligations of the borrowers.

(6) (7) The Company Decrease primarily due to the repayment of mortgages for certain encumbered properties that were sold six properties and one property was released from this mortgage by the lender during the quarter ended March 31, 2024. Mortgages for three of the properties were repaid during the quarter ended March 31, 2024, however, the principal balances on the remaining four properties totaling $9.3 million was re-paid in April 2024.

(7) (8) Deferred financing costs represent commitment fees, legal fees, and other costs associated with obtaining commitments for financing. These costs are amortized over the terms of the respective financing agreements using the effective interest method. Unamortized deferred financing costs are expensed when the associated debt is refinanced or paid down before maturity. Costs incurred in seeking financial transactions that do not close are expensed in the period in which it is determined that the financing will not close.

The following table presents future scheduled aggregate principal payments on the Company's gross mortgage notes payable over the next four calendar years and thereafter as of March 31, 2024 June 30, 2024:

(In thousands)	*(In thousands)*	**Future Principal Payments (1)**	*(In thousands)*	**Future Principal Payments (1)**
2024 (remainder)				
2025				
2026				
2027				
2028				
2029				
Thereafter				
Total				

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(1) Assumes exchange rates of £1.00 to $1.26 for British Pounds Sterling ("GBP") and €1.00 to $1.08 $1.07 for Euros ("EUR") as of March 31, 2024 June 30, 2024 for illustrative purposes, as applicable.

The total gross carrying value of the Company's unencumbered assets as of March 31, 2024 June 30, 2024 was $4.87 billion $4.94 billion, and approximately $4.86 billion $4.93 billion of this amount was included in the unencumbered asset pool comprising the borrowing base under the Revolving Credit Facility (as defined in *Note 6 — Revolving Credit Facility*) and therefore is not currently available to serve as collateral for future borrowings.

In April 2024, CMBS Loan II

On April 5, 2024, the Company completed entered into a commercial mortgage-backed security CMBS Loan Agreement (the "2024 ("CMBS Loan" Loan II") financing with (i) Bank of Montreal, (ii) Société Générale Financial Corporation, (iii) Barclays Capital Real Estate Inc. and used (iv) KeyBank National Association (each individually, a "Lender," and collectively, the "Lenders"), in the aggregate amount of $237.0 million. The net proceeds were used to repay draws on the USD portion of the Revolving Credit Facility (see *Note 16*

— *Subsequent Events* for additional details) Facility. The CMBS Loan II is secured by, among other things, first priority mortgages on 20 industrial properties the Company owns across the United States. The CMBS Loan II has a 5-year term, is interest-only (payable monthly) at a fixed rate of 5.74% per year and matures on April 6, 2029. The CMBS Loan II contains certain covenants, including, certain obligations to reserve funds and requires the OP to maintain a net worth of $150.0 million and liquid assets having a market value of at least $10.0 million.

Mortgage Covenants

As of March 31, 2024 June 30, 2024, the Company was in compliance with all property-level debt covenants with the exception of four property-level debt instruments. For those four property-level debt instruments, the Company either (a) implemented a cure to the underlying noncompliance trigger by providing a letter of credit, or (b) permitted excess net cash flow after debt service from the impacted properties to become restricted, in each case in accordance with the terms of the applicable debt instrument. Each letter of credit, for so long as it is outstanding, represents a dollar-for-dollar reduction to availability for future borrowings under the Company's Revolving Credit Facility. While the restricted cash cannot not be used for general corporate purposes, it is available to fund operations of the underlying assets. These matters did not have a material impact on the Company's liquidity or its ability to operate the impacted assets.

Note 6 — Revolving Credit Facility

The table below details the outstanding balances as of March 31, 2024 June 30, 2024 and December 31, 2023 under the credit agreement with KeyBank National Association, as agent, and the other lenders party thereto which was originally entered into on July 24, 2017 and has been amended from time to time (the "Credit Agreement"). The Credit Agreement consists solely of the senior unsecured multi-currency revolving credit facility (the "Revolving Credit Facility"). In connection with the Mergers, the Company amended the Credit Agreement on September 12, 2023 in order to, among other things, repay the outstanding indebtedness and obligations of RTL's credit facility. The Company exercised the existing "accordion feature" on the Revolving Credit Facility and increased the aggregate total commitments under the Revolving Credit Facility by $500.0 million

from $1.45 billion to $1.95 billion to repay and terminate RTL's credit facility and to create additional availability after the closing of the REIT Merger. The sublimits for letters of credit and swing loans were also each increased from $50.0 million to $75.0 million.

The amendment to the Credit Agreement also included modifications to the change of control events to reflect the changes to the board composition and management of the Company following the REIT Merger and other modifications to account for multi-tenant properties for the credit support of additional eligible unencumbered properties that are owned by the subsidiaries of RTL OP that serve as guarantors under the Credit Agreement.

			March 31, 2024				December 31, 2023															
			June 30, 2024				December 31, 2023															
(In thousands)	*(In thousands)*	**TOTAL USD (1)**	**USD (3)**	**GBP (4)**	**EUR (5)**	**CAD (6)**	**TOTAL USD (2)**	**USD**	**GBP**	**EUR**	**CAD**	*(In thousands)*	**TOTAL USD (1)**	**USD (3)**	**GBP (4)**	**EUR (5)**	**CAD (6)**	**TOTAL USD (2)**	**USD**	**GBP**	**EUR**	**CAD**
Revolving Credit Facility																						

(1) Assumes exchange rates of £1.00 to $1.26 for GBP, €1.00 to $1.08 $1.07 for EUR and $1.00 Canadian Dollar ("CAD") to $0.74 $0.73 as of March 31, 2024 June 30, 2024 for illustrative purposes, as applicable.

(2) Assumes exchange rates of £1.00 to $1.27 for GBP , €1.00 to $1.10 for EUR and $1.00 CAD to $0.75 as of December 31, 2023 for illustrative purposes, as applicable.

(3) The USD portion of the Revolving Credit Facility is 28% 75.5% fixed via swaps and, as of March 31, 2024 June 30, 2024, had a weighted-average effective interest rate of 7.0% 6.3% after giving effect to interest rate swaps in place.

(4) The GBP portion of Revolving Credit Facility is 79% 55.0% fixed via swaps and, as of March 31, 2024 June 30, 2024, had a weighted-average effective interest rate of 6.4% 6.6%.

(5) The EUR portion of Revolving Credit Facility is 100% 85.2% fixed via swaps and, as of March 31, 2024 June 30, 2024, had a weighted-average effective interest rate of 2.0% 2.5% after giving effect to interest rate swaps in place.

(6) The CAD portion of Revolving Credit Facility is 100% variable and, as of March 31, 2024 June 30, 2024, had a weighted-average effective interest rate of 7.2% 6.9%.

In April 2024, the Company completed the 2024 CMBS Loan II financing and used the net proceeds to pay down draws on the USD portion of the Revolving Credit Facility. Also in April 2024, the Company repaid its mortgage loan that encumbered its McLaren properties in the United Kingdom using borrowings under the GBP portion of the Revolving Credit Facility, and, in June 2024, the Company repaid its mortgage loan that encumbered its properties in The Netherlands and Luxembourg using borrowings under the EUR portion of the Revolving Credit Facility. For additional information, see *Note 16 — Subsequent Events*.The Company recorded a loss on extinguishment of debt of $13.1 million in the quarter ended June 30, 2024, which was primarily due to cash payments made upon repaying certain mortgage loans, primarily related to the fee required to be paid upon repayment of the mortgage loan that encumbered our McLaren properties in the U.K. This mortgage loan was assumed as part of our acquisition of the McLaren properties in 2021 and included the fee noted above in the terms of the mortgage.

Credit Agreement — Terms

The Revolving Credit Facility requires payments of interest only prior to maturity. Borrowings under the Revolving Credit Facility bear interest at a variable rate per annum based on an applicable margin that varies based on the ratio of consolidated total indebtedness to consolidated total asset value of the Company and its subsidiaries plus either (i) the Base Rate (as defined in the Credit Agreement) or (ii) the applicable Benchmark Rate (as defined in the Credit Agreement) for the currency being borrowed. The applicable interest rate margin is based on a range from 0.30% to 0.90% per annum with respect to Base Rate borrowings under the Revolving Credit Facility and 1.30% to 1.90% per annum with respect to Benchmark Rate borrowings under the Revolving Credit Facility. For Benchmark Rate Loans denominated in Dollars that bear interest calculated by reference to Term SOFR, there is an additional spread adjustment depending on the length of the interest period. In addition, (i) if the Company achieves an investment grade credit rating from at least two rating agencies, the OP can elect for the spread to be based on the credit rating of the Company, and (ii) the “floor” on the applicable Benchmark is 0%. As of March 31, 2024 June 30, 2024, the Revolving Credit Facility had a weighted-average effective interest rate of 5.9% 5.4% after giving effect to interest rate swaps in place.

The Revolving Credit Facility matures on October 8, 2026, subject to the Company’s option, subject to customary conditions, to extend the maturity date by up to two additional six-month terms. Borrowings under the Revolving Credit Facility may be prepaid at any time, in whole or in part, without premium or penalty, subject to customary breakage costs associated with borrowings for the applicable Benchmark Rate.

The Revolving Credit Facility requires the Company through the OP to pay an unused fee per annum of 0.25% of the unused balance of the Revolving Credit Facility if the unused balance exceeds or is equal to 50% of the total commitment or a fee per annum of 0.15% of the unused balance of the Revolving Credit Facility if the unused balance is less than 50% of the total commitment. From and after the time the Company obtains an investment grade credit rating, the unused fee will be

replaced with a facility fee based on the total commitment under the Revolving Credit Facility multiplied by 0.30%, decreasing as the Company’s credit rating increases.

The Revolving Credit Facility is supported by a pool of eligible unencumbered properties that are owned by the subsidiaries of the OP that serve as guarantors. The availability of borrowings under the Revolving Credit Facility continues to be based on the value of a pool of eligible unencumbered real estate assets owned by the Company or its subsidiaries and compliance with various ratios related to those assets. As of March 31, 2024 June 30, 2024, approximately $43.5 million $98.1 million was available for future borrowings under the Revolving Credit Facility. Any future borrowings may, at the option of the Company, be denominated in USD, EUR, CAD, GBP, Norwegian Krone, Swedish Krona and Swiss Francs provided that the total principal amount of non-USD loans cannot exceed the sum of the total revolving commitments minus $100.0 million. Amounts borrowed may not, however, be converted to, or repaid in, another currency once borrowed.

The Credit Facility contains events of default relating to customary matters, including, among other things, payment defaults, covenant defaults, breaches of representations and warranties, events of default under other material indebtedness, material judgments, bankruptcy events and change of control events, such as certain changes to the composition of the board of

directors (the “Board”) and management. Upon the occurrence of an event of default, a majority of the lenders have the right to accelerate the payment on any outstanding borrowings and other obligations.

The Company, through the OP, may reduce the amount committed under the Revolving Credit Facility and repay outstanding borrowings under the Revolving Credit Facility, in whole or in part, at any time without premium or penalty, other than customary “breakage” costs payable on index borrowings. Upon an event of a default, lenders have the right to terminate their obligations under the Revolving Credit Facility agreement and to accelerate the payment on any unpaid principal amount of all outstanding loans. The Credit Agreement contains various customary operating covenants, including covenants restricting, among other things, restricted payments (including dividends and share repurchases (see additional information below), the incurrence of liens, the types of investments the Company may make, fundamental changes, agreements with affiliates and changes in nature of business. The Credit Agreement also contains financial maintenance covenants with respect to maximum leverage, minimum fixed charge coverage, maximum secured leverage, maximum secured recourse debt, minimum tangible net worth, maximum unencumbered leverage and unencumbered debt service coverage. As of March 31, 2024 June 30, 2024, the Company was in compliance with all covenants under the Credit Agreement.

Under the terms of the Credit Agreement, the Company may not pay distributions, including cash dividends payable with respect to Common Stock, the Company’s 7.25% Series A Cumulative Redeemable Preferred Stock, $0.01 par value per share (“Series A Preferred Stock”), its 6.875% Series B Cumulative Redeemable Perpetual Preferred Stock $0.01 par value per share (“Series B Preferred Stock”), its Series D Preferred Stock, its Series E Preferred Stock, or any other class or series of stock the Company may issue in the future, or redeem or otherwise repurchase shares of Common Stock, Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, or any other class or series of stock the Company may issue in the future that exceed 100% of the Company’s Adjusted FFO, as defined in the Credit Agreement (which is different from AFFO disclosed in this Quarterly Report on Form 10-Q) for any period of four consecutive fiscal quarters, except in limited circumstances, including that for one fiscal quarter in each calendar year, the Company may pay cash dividends and other distributions, and make redemptions and other repurchases in an aggregate amount equal to no more than 105% of its Adjusted FFO. However, notwithstanding the preceding sentence, the Company is permitted to make restricted payments (including the making of distributions and share repurchases) in an amount required to be paid by the Company in order for it to (x) maintain its REIT status for federal and state income tax purposes and (y) avoid the payment of federal and state income or excise tax. During a payment or bankruptcy event of default, restricted payments by the Company will only be permitted up to the minimum amount needed to maintain the Company’s status as a REIT for federal and state income tax purposes. From and after the time the Company obtains and continues to maintain an investment grade rating, the limitation on distributions discussed above will not be applicable. The Company last used the exception to pay dividends that were between 100% of Adjusted FFO and 105% of Adjusted FFO during the quarter ended on June 30, 2020, and may use this exception in the future.

The Company’s ability to comply with the restrictions on the payment of distributions in the Credit Agreement depends on its ability to generate sufficient cash flows that in the applicable periods exceed the level of Adjusted FFO required by these restrictions. If the Company is not able to generate the necessary level of Adjusted FFO, the Company will have to reduce the amount of dividends paid on the common and the preferred stock or consider other actions. Alternatively, the Company could elect to pay a portion of its dividends on the Common Stock in additional shares of Common Stock if approved by the Board.

The Company and certain subsidiaries of the OP acting as guarantors (the “Guarantors”) have guaranteed, and any wholly owned eligible direct or indirect subsidiary of the OP that directly or indirectly owns or leases a real estate asset added to the pool of eligible unencumbered properties required to be maintained under the Credit Agreement is required to guarantee, the OP's obligations under the Revolving Credit Facility. The Guarantors guaranteed the OP's obligations under the Revolving Credit Facility pursuant to one or more guarantees (collectively, the "Guaranty") and a related contribution agreement which governs contribution rights of the Guarantors in the event any amounts become payable under the Guaranty. For any Guarantor

subsidiary of the OP, the Guaranty will be released if the Company achieves an investment grade credit rating from at least one rating agency, but will again be required (i) if the Company loses its investment grade credit rating, or (ii) with respect to any Guarantor subsidiary of the Company, for so long as the subsidiary is the primary obligor under or provides a guaranty to any holder of unsecured indebtedness.

Note 7 — Senior Notes, Net

The details of the Company's senior notes are as follows:

GLOBAL NET LEASE, INC.

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March 31, 2024
(Unaudited)

(In thousands)	*(In thousands)*	March 31, 2024	December 31, 2023	*(In thousands)*	June 30, 2024	December 31, 2023
3.75% Senior Notes						
Aggregate principal amount						
Aggregate principal amount						
Aggregate principal amount						
Less: Deferred financing costs						
3.75% Senior Notes, net						
4.50% Senior Notes						
4.50% Senior Notes						
4.50% Senior Notes						
Aggregate principal amount						
Aggregate principal amount						
Aggregate principal amount						
Less: Discount						
4.50% Senior Notes, net						
Senior Notes, Net						
Senior Notes, Net						
Senior Notes, Net						

3.75% Senior Notes

On December 16, 2020, the Company and the OP issued $500.0 million aggregate principal amount of 3.75% Senior Notes due 2027 (the "3.75% Senior Notes"). In connection with the closing of the offering of the Senior Notes, the Company, the OP and their subsidiaries that guarantee the 3.75% Senior Notes entered into an indenture with U.S. Bank Trust Company, National Association, as successor to U.S. Bank National Association, as trustee (the "Indenture"). The 3.75% Senior Notes, which were issued at par, will mature on December 15, 2027 and accrue interest at a rate of 3.750% per year. Interest on the 3.75% Senior Notes is payable semi-annually in arrears on June 15 and December 15 of each year. The 3.75% Senior Notes do not require any principal payments prior to maturity.

As of March 31, 2024 June 30, 2024, the Company was in compliance with the covenants under the Indenture governing the 3.75% Senior Notes.

4.50% Senior Notes

In connection with the REIT Merger, the Company assumed and became a guarantor under RTL's 4.50% Senior Notes pursuant to a supplemental indenture to the indenture governing the 4.50% Senior Notes. The 4.50% Senior Notes were recorded at their estimated fair value on the Acquisition Date of the Mergers, resulting in the recording of a discount. This discount is being amortized as an increase to interest expense over the remaining term of the 4.50% Senior Notes. The 4.50% Senior Notes, were originally issued by RTL on October 7, 2021, were issued at par, will mature on September 30, 2028 and accrue interest at a rate of 4.500% per year. Interest on the 4.50% Senior Notes is payable semi-annually in arrears on March 30 and September 30 of each year.

As of March 31, 2024 June 30, 2024, the Company and the issuers under the Indenture were in compliance with the covenants under the Indenture governing the 4.50% Senior Notes.

Note 8 — Fair Value of Financial Instruments

The Company determines fair value based on quoted prices when available or through the use of alternative approaches, such as discounting the expected cash flows using market interest rates commensurate with the credit quality and duration of the investment. This alternative approach also reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatilities. The guidance defines three levels of inputs that may be used to measure fair value:

Level 1 — Quoted prices in active markets for identical assets and liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset and liability or can be corroborated with observable market data for substantially the entire contractual term of the asset or liability and those inputs are significant.

Level 3 — Unobservable inputs that reflect the entity's own assumptions about the assumptions that market participants would use in the pricing of the asset or liability and are consequently not based on market activity, but rather through particular valuation techniques.

The determination of where an asset or liability falls in the hierarchy requires significant judgment and considers factors specific to the asset or liability. In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company evaluates its hierarchy disclosures each quarter and depending on various factors, it is possible that an asset or liability may be classified differently from quarter to quarter. However, the Company expects that changes in classifications between levels will be rare.

Although the Company has determined that the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with those derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by the Company and its counterparties. As of March 31, 2024 June 30, 2024 and December 31, 2023, the Company has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that the credit valuation adjustments are not significant to the overall valuation of the Company's derivatives. As a result, the Company has determined that its derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy.

The valuation of derivative instruments is determined using a discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, as well as observable market-based inputs, including interest rate curves and implied volatilities. In addition, credit valuation adjustments are incorporated into the fair values to account for the Company's potential nonperformance risk and the performance risk of the counterparties.

The consideration transferred by the Company in the Mergers established a new accounting basis for the assets acquired, liabilities assumed and any non-controlling interests, measured at their respective fair value as of the Acquisition Date. This measurement is non-recurring and is only done as of the Acquisition Date. For more information on the allocation of the consideration paid in the Mergers to the fair value of assets acquired, liabilities assumed, see Note 3 — *The Mergers.*

Real Estate Investments Measured at Fair Value on a Non-Recurring Basis

The Company recorded impairments for real estate investments during the quarter three and six months ended March 31, 2024 June 30, 2024 (see Note 4 — *Real Estate Investments, Net* for additional information on impairment charges recorded by the Company). The impairments were all based on the estimated selling prices of the impaired properties. The carrying value of these impaired real estate investments on the consolidated balance sheet represents their estimated fair value at the time of impairment. Impaired real estate investments which are held for use are generally classified in Level 3 of the fair value hierarchy.

Financial Instruments Measured at Fair Value on a Recurring Basis

The following table presents information about the Company's assets and liabilities (including derivatives that are presented net) measured at fair value on a recurring basis as of March 31, 2024 June 30, 2024 and December 31, 2023, aggregated by the level in the fair value hierarchy within which those instruments fall.

(In thousands)	*(In thousands)*	Quoted Prices in Active Markets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total	*(In thousands)*	Quoted Prices in Active Markets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
March 31, 2024										
June 30, 2024										

Foreign currency forwards, net (GBP & EUR)

Foreign currency forwards, net (GBP & EUR)

Foreign currency forwards, net (GBP & EUR)

Interest rate swaps, net (USD,GBP & EUR)

December 31, 2023

December 31, 2023

December 31, 2023

Foreign currency forwards, net (GBP & EUR)

Foreign currency forwards, net (GBP & EUR)

Foreign currency forwards, net (GBP & EUR)

Interest rate swaps, net (USD,GBP & EUR)

A review of the fair value hierarchy classification is conducted on a quarterly basis. Changes in the type of inputs may result in a reclassification for certain assets. There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the three six months ended March 31, 2024 June 30, 2024 and year ended December 31, 2023.

Financial Instruments not Measured at Fair Value

The carrying value of short-term financial instruments such as cash and cash equivalents, restricted cash, due to/from related parties, prepaid expenses and other assets, accounts payable, accrued expenses and dividends payable approximates their fair value due to their short-term nature.

- The gross carrying value of the Company's mortgage notes payable as of March 31, 2024 June 30, 2024 and December 31, 2023 was $2.6 billion $2.4 billion and $2.7 billion, respectively. The fair value of the Company's gross mortgage notes payable as of March 31, 2024 June 30, 2024 and December 31, 2023 was $2.4 billion $2.1 billion and $2.5 billion, respectively, and is based on estimates of market interest rates. This approach relies on unobservable inputs and therefore is classified as Level 3 in the fair value hierarchy.
- As of March 31, 2024 June 30, 2024 the advances to the Company under the Revolving Credit Facility had a carrying value of $1.8 billion $1.7 billion and a fair value of $1.8 billion $1.7 billion. As of December 31, 2023 the advances to the Company under the Revolving Credit Facility had a carrying value of $1.7 billion and a fair value of $1.7 billion.
- As of March 31, 2024 June 30, 2024, the 3.75% Senior Notes had a gross carrying value of $500.0 million and a fair value of $430.0 $440.6 million. As of December 31, 2023, the 3.75% Senior Notes had a gross carrying value of $500.0 million and a fair value of $416.3 million.
- As of March 31, 2024 June 30, 2024, the 4.50% Senior Notes had a gross carrying value of $500.0 million and a fair value of $428.8 $441.9 million. As of December 31, 2023, the 4.50% Senior Notes had a gross carrying value of $500.0 million and a fair value of $422.5 million.

Note 9 — Derivatives and Hedging Activities

Risk Management Objective of Using Derivatives

The Company may use derivative financial instruments, including interest rate swaps, caps, options, floors and other interest rate derivative contracts to hedge all or a portion of the interest rate risk associated with its borrowings. Certain of the Company's foreign operations expose the Company to fluctuations of foreign interest rates and exchange rates. These fluctuations may impact the value of the Company's cash receipts and payments in terms of the Company's functional

currency. The Company enters into derivative financial instruments to protect the value or fix the amount of certain obligations in terms of its functional currency, the USD.

The principal objective of such arrangements is to minimize the risks and/or costs associated with the Company's operating and financial structure as well as to hedge specific anticipated transactions. The Company does not intend to utilize derivatives for speculative or other purposes other than interest rate and currency risk management. The use of derivative financial instruments carries certain risks, including the risk that any counterparty to a contractual arrangement may not be able to perform under the agreement. To mitigate this risk, the Company only enters into a derivative financial instrument with a counterparty with a high credit rating with a major financial institution, with which the Company and its affiliates may also have other financial relationships. The Company does not anticipate that any such counterparty will fail to meet its obligations, but there is no assurance that any counterparty will meet these obligations.

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The table below presents the fair value of the Company's derivative financial instruments as well as their classification on the consolidated balance sheets as of March 31, 2024 June 30, 2024 and December 31, 2023:

(In thousands)	*(In thousands)*	**Balance Sheet Location**	**March 31, 2024**	**December 31, 2023**	*(In thousands)*	**Balance Sheet Location**	**June 30, 2024**	**December 31, 2023**
Derivatives designated as hedging instruments:								
Interest rate "pay-fixed" swaps (USD)								
Interest rate "pay-fixed" swaps (USD)								
Interest rate "pay-fixed" swaps (USD)								
Interest rate "pay-fixed" swaps (USD)								
Interest rate "pay-fixed" swaps (GBP)								
Interest rate "pay-fixed" swaps (GBP)								
Interest rate "pay-fixed" swaps (GBP)								
Interest rate "pay-fixed" swaps (EUR)								
Interest rate "pay-fixed" swaps (EUR)								
Total								
Total								
Total								
Derivatives not designated as hedging instruments:								
Foreign currency forwards (GBP-USD)								
Foreign currency forwards (GBP-USD)								
Foreign currency forwards (GBP-USD)								
Foreign currency forwards (GBP-USD)								
Foreign currency forwards (EUR-USD)								
Foreign currency forwards (EUR-USD)								
Interest rate swaps (EUR)								
Interest rate swaps (EUR)								
Interest rate swaps (EUR)								
Total								
Total								
Total								

Cash Flow Hedges of Interest Rate Risk

The Company's objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish this objective, the Company primarily uses interest rate swaps. Interest rate swaps designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

All of the changes in the fair value of derivatives designated and that qualify as cash flow hedges are recorded in accumulated other comprehensive income ("AOCI") and are subsequently reclassified into earnings in the period that the hedged forecasted transaction impacts earnings. During the three months ended March 31, 2024 June 30, 2024, such derivatives were used to hedge the variable cash flows associated with variable-rate debt.

Amounts reported in AOCI related to derivatives are reclassified to interest expense as interest payments are made on the Company's variable-rate debt. During the next 12 months ending March 31, 2025 June 30, 2025, the Company estimates that $11.4 million $10.3 million will be reclassified from other comprehensive income as an increase a decrease to interest expense.

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As of March 31, 2024 June 30, 2024 and December 31, 2023, the Company had the following outstanding interest rate derivatives that were designated as cash flow hedges of interest rate risk:

			March 31, 2024	December 31, 2023							
			June 30, 2024	December 31, 2023							
Derivatives	Derivatives	Number of Instruments	Notional Amount	Number of Instruments	Notional Amount	Derivatives	Number of Instruments	Notional Amount	Number of Instruments	Notional Amount	
		(In thousands)		(In thousands)			(In thousands)		(In thousands)		(In thousands)
Interest rate “pay-fixed” swaps (GBP)											
Interest rate “pay-fixed” swaps (EUR) (1)											
Interest rate “pay-fixed” swaps (USD)											
Total											

______

(1) The Company entered into four additional interest rate swaps for a notional amount of approximately €250 million in July 2022 to replace existing swaps set to expire, which are not yet effective until August 1, 2024 and therefore, are not included in the notional amount in the table above.

The table below details the location in the consolidated financial statements of the gain or loss recognized on interest rate derivatives designated as cash flow hedges for the three and six months ended March 31, 2024 June 30, 2024 and 2023.

		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
			Three Months Ended June 30,	Six Months Ended June 30,	
(In thousands)	(In thousands)	2024	2023	2024	2023
Amount of gain (loss) recognized in AOCI from derivatives					
Amount of gain (loss) recognized in AOCI from derivatives					
Amount of gain (loss) recognized in AOCI from derivatives					
Amount of (loss) gain reclassified from AOCI into income as interest expense					
Amount of (loss) gain reclassified from AOCI into income as interest expense					
Amount of gain recognized in AOCI from derivatives					
Amount of (loss) gain reclassified from AOCI into income as interest expense					
Total interest expense recorded in the consolidated statements of operations					
Total interest expense recorded in the consolidated statements of operations					
Total interest expense recorded in the consolidated statements of operations					

Net Investment Hedges

The Company is exposed to fluctuations in foreign currency exchange rates on property investments in foreign countries which pay rental income, incur property related expenses and borrow in currencies other than its functional currency, the USD. For derivatives designated as net investment hedges, all of the changes in the fair value of the derivatives, including the ineffective portion of the change in fair value of the derivatives, if any, are reported in AOCI (outside of earnings) as part of the cumulative translation adjustment. Amounts are reclassified out of AOCI into earnings when the hedged net investment is either sold or substantially liquidated. As of March 31, 2024 June 30, 2024 and December 31, 2023 the Company did not have foreign currency derivatives that were designated as net investment hedges used to hedge its net investments in foreign operations and during the three six months ended March 31, 2024 June 30, 2024 and the year ended December 31, 2023, the Company did not use foreign currency derivatives that were designated as net investment hedges.

<u>Foreign Denominated Debt Designated as Net Investment Hedges</u>

All foreign currency denominated borrowings under the Revolving Credit Facility are designated as net investment hedges. As such, the designated portion of changes in value due to currency fluctuations are reported in AOCI (outside of earnings) as part of the cumulative translation adjustment. The remeasurement gains and losses attributable to the undesignated portion of the foreign currency denominated debt are recognized directly in earnings. Amounts are reclassified out of AOCI into earnings when the hedged net investment is either sold or substantially liquidated, or if the Company should no longer possess a controlling interest. The Company records adjustments to earnings for currency impacts related to undesignated excess positions, if any. During the three and six months ended March 31, 2024 June 30, 2024, the Company recorded a gain gains of $1.0 million $0.3 million and $1.3 million, respectively, due to currency changes on the undesignated excess foreign currency advances over the related net investments. There were no undesignated excess positions at any time during the year ended December 31, 2023.

Non-designated Derivatives

The Company is exposed to fluctuations in the exchange rates of its functional currency, the USD, against the GBP and the EUR. The Company has used and may continue to use foreign currency derivatives, including options, currency forward and cross currency swap agreements, to manage its exposure to fluctuations in GBP-USD and EUR-USD exchange rates. While

these derivatives are economically hedging the fluctuations in foreign currencies, they do not meet the strict hedge accounting

requirements to be classified as hedging instruments. Changes in the fair value of derivatives not designated as hedges under qualifying hedging relationships are recorded directly in net income (loss). The Company recorded a gain gains of $1.6 million $0.5 million and $2.1 million for the three and six months ended March 31, 2024 June 30, 2024, respectively, and a loss losses of $1.7 million $0.8 million and $2.4 million for the three and six months ended March 31, 2023. June 30, 2023, respectively.

As of March 31, 2024 June 30, 2024 and December 31, 2023, the Company had the following outstanding derivatives that were not designated as hedges under qualifying hedging relationships.

		March 31, 2024		December 31, 2023						
		June 30, 2024		December 31, 2023						
Derivatives	Derivatives	Number of Instruments	Notional Amount	Number of Instruments	Notional Amount	Derivatives	Number of Instruments	Notional Amount	Number of Instruments	Notional Amount
		(In thousands)			(In thousands)			(In thousands)		(In thousands) (In thousands)
Foreign currency forwards (GBP-USD)										
Foreign currency forwards (EUR-USD)										
Interest rate swaps (EUR)										
Total										
Total										
Total										

Offsetting Derivatives

The table below presents a gross presentation, the effects of offsetting, and a net presentation of the Company's derivatives as of March 31, 2024 June 30, 2024 and December 31, 2023. The net amounts of derivative assets or liabilities can be reconciled to the tabular disclosure of fair value. The tabular disclosure of fair value provides the location that derivative assets and liabilities are presented on the accompanying consolidated balance sheets.

	Gross Amounts Not Offset on the Balance Sheet
(In thousands)	
(In thousands)	

(In thousands)	Gross Amounts of Recognized Assets	Gross Amounts of Recognized (Liabilities)	Gross Amounts Offset on the Balance Sheet	Net Amounts of (Liabilities) Assets presented on the Balance Sheet	Financial Instruments	Cash Collateral Received (Posted)	Net Amount	Gross Amounts of Recognized Assets	Gross Amounts of Recognized (Liabilities)	Gross Amounts Offset on the Balance Sheet	Net Amounts of (Liabilities) Assets presented on the Balance Sheet	Financial Instruments	Cash Collateral Received (Posted)	Net Amount
March 31, 2024														
June 30, 2024														
December 31, 2023														

In addition to the above derivative arrangements, the Company also uses non-derivative financial instruments to hedge its exposure to foreign currency exchange rate fluctuations as part of its risk management program, including foreign denominated debt issued and outstanding with third parties to protect the value of its net investments in foreign subsidiaries against exchange rate fluctuations. The Company has drawn, and expects to continue to draw, foreign currency advances under the Revolving Credit Facility to fund certain investments in the respective local currency which creates a natural hedge against the original equity invested in the real estate investments, removing the need for the final cross currency swaps.

Credit-risk-related Contingent Features

The Company has agreements with each of its derivative counterparties that contain a provision where if the Company either defaults or is capable of being declared in default on any of its indebtedness, then the Company could also be declared in default on its derivative obligations.

As of March 31, 2024 June 30, 2024, the Company did not have any counterparties where the net derivative fair value held by that counterparty was in a net liability position including accrued interest but excluding any adjustment for nonperformance. As of March 31, 2024 June 30, 2024, the Company had not posted any collateral related to these agreements and was not in breach of any agreement provisions. If the Company had breached any of these provisions, it could have been required to settle its obligations under the agreements at their aggregate termination value.

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Note 10 — Stockholders' Equity

Common Stock

As of March 31, 2024 June 30, 2024 and December 31, 2023, the Company had 230,846,571 230,805,375 and 230,885,197, respectively, shares of Common Stock issued and outstanding, including Restricted Shares and excluding unvested restricted stock units ("RSUs") and performance stock units ("PSUs"). Unvested RSUs and PSUs may be settled in shares of Common Stock in the future.

ATM Program — Common Stock

The Company has an "at the market" equity offering program (the "Common Stock ATM Program") pursuant to which the Company may sell shares of Common Stock, from time to time, through its sales agents. In November 2022, the Company filed a new shelf registration statement and prospectus supplement covering the Common Stock ATM Program having an aggregate offering amount of up to $285.0 million, prior to the expiration of its previous registration statement, which had an aggregate offering amount of up to $500 million ($285.0 million was sold under the previous registration statement).

- During the three and six months ended March 31, 2024 June 30, 2024 and 2023 the Company did not sell any shares of Common Stock through the Common Stock ATM Program.

Additional Paid-In Capital - Common Stock Related to Cooperation Agreement

As disclosed in more detail in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, on June 4, 2023, the Company entered into a Cooperation Agreement and Release (the "Cooperation Agreement") with Blackwells Capital LLC, an affiliate of Blackwells Onshore I LLC, and certain others involved with the 2023 proxy solicitation (collectively "Blackwells/Related Parties") and related litigation which began in December 2022. Under the Cooperation Agreement, all parties agreed to dismiss, with prejudice, any ongoing litigation.

As part of the Cooperation Agreement, the Company agreed to issue Common Stock to the Blackwells/Related Parties as a settlement fee and for consulting services. Under the Cooperation Agreement:

- The Company was required to issue 495,000 shares of Common Stock to the Blackwells/Related Parties as a settlement fee. As a result of these shares being issuable as of June 30, 2023, the Company recorded expense and an increase to additional paid-in capital of $4.9 million in the three and six months ended June 30, 2023. The expense is presented in the settlement costs line item of the consolidated statement of operations for the three and six months ended June 30, 2023. These shares were ultimately issued on July 11, 2023.
- The Company was required to issue 1,600,000 shares of Common Stock to the Blackwells/Related Parties for consulting services if the Merger was completed, which would have been reduced to a minimum of 533,333 shares of Common Stock if the Mergers were terminated. As a result, and in accordance with accounting rules, during the second quarter of 2023 the Company expensed the fair value of the minimum amount of shares that could have been issued in connection with the consulting services ($5.3 million for 533,333 shares) on a straight-line basis from the date that the Cooperation Agreement was signed (June 4, 2023) through September 30, 2023, the anticipated month of the closing of the Mergers. Accordingly, the Company recorded expense and an increase to additional paid-in capital of $1.3 million in the three and six

months ended June 30, 2023. The expense is presented in the settlement costs line item of the consolidated statement of operations. The full amount of 1,600,000 shares of Common Stock were ultimately issued on September 12, 2023.

Preferred Stock

As discussed in *Note 3* — *The Mergers*, in connection with the REIT Merger, each issued and outstanding share of (i) RTL Series A Preferred Stock was automatically converted into one share of newly created Series D Preferred Stock, and (ii) RTL Series C Preferred Stock was automatically converted into one share of newly created Series E Preferred Stock. The Series D Preferred Stock and Series E Preferred Stock have substantially identical powers, preferences, privileges, and rights as the RTL Series A Preferred Stock and RTL Series C Preferred Stock, respectively.

The Company is currently authorized to issue up to 40,000,000 shares of preferred stock.

- The Company has classified and designated 9,959,650 shares of its authorized Preferred Stock as authorized shares of Series A Preferred Stock, as of March 31, 2024 June 30, 2024 and December 31, 2023. The Company had 6,799,467 shares of Series A Preferred Stock issued and outstanding as of March 31, 2024 June 30, 2024 and December 31, 2023.
- The Company has classified and designated 11,450,000 shares of its authorized Preferred Stock as authorized shares of Series B Preferred Stock, as of March 31, 2024 June 30, 2024 and December 31, 2023. The Company had 4,695,887 shares of Series B Preferred Stock issued and outstanding as of March 31, 2024 June 30, 2024 and December 31, 2023.
- As of December 31, 2023 and through February 26, 2024, the Company had classified and designated 100,000 shares of its authorized Preferred Stock as authorized shares of its Series C preferred stock, $0.01 par value ("Series C Preferred Stock"). On February 26, 2024, the Company reclassified and redesignated each of the 100,000 shares of

Series C Preferred Stock into 100,000 shares of unclassified and undesignated Preferred Stock. The Company has never had any shares of Series C Preferred Stock issued and outstanding.

- The Company has classified and designated 7,933,711 shares of its authorized Preferred Stock as authorized shares of Series D Preferred Stock, as of March 31, 2024 June 30, 2024. The Company had 7,933,711 shares of Series D Preferred Stock issued and outstanding as of March 31, 2024 June 30, 2024.
- The Company has classified and designated 4,595,175 shares of its authorized Preferred Stock as authorized shares of Series E Preferred Stock, as of March 31, 2024 June 30, 2024. The Company had 4,595,175 shares of Series E Preferred Stock issued and outstanding as of March 31, 2024 June 30, 2024.

ATM Program — Series B Preferred Stock

In December 2019, the Company established an "at the market" equity offering program for its Series B Preferred Stock (the "Series B Preferred Stock ATM Program") pursuant to which the Company may sell shares of Series B Preferred Stock, from time to time through its sales agents. In November 2022, the Company filed a new shelf registration statement and prospectus supplement covering the Series B Preferred Stock ATM Program having an aggregate offering price of up to $170.0 million, prior to the expiration of its previous registration statement, which had an aggregate offering price up to $200.0 million.

- During the three and six months ended March 31, 2024 June 30, 2024 and 2023, the Company did not sell any shares of its Series B Preferred Stock through the Series B Preferred Stock ATM Program.

Dividends

Common Stock Dividends

In connection with the Mergers, in October 2023, the Board approved a new annual dividend rate of $1.42 per share, or $0.354 per share on a quarterly basis. The first dividend paid at this rate occurred on October 16, 2023 and, accordingly, during the three months ended March 31, 2024, the Company paid dividends at this rate as well. During the three months ended March 31, 2023, the Company paid dividends on its Common Stock at an annual rate of $1.60 per share or $0.40 per share on a quarterly basis.

On February 26, 2024, the Board approved a dividend policy that reduced the Company's Common Stock dividend rate to an annual rate of $1.10 per share, or $0.275 per share on a quarterly basis. The new Common Stock dividend rate became effective with the Common Stock Dividend declared and paid in April 2024. The reduction of the dividend rate is expected to yield benefits to the Company, including increasing the amount of cash that may be used to lower leverage.

In connection with the Mergers, in October 2023, the Board approved an annual dividend rate of $1.42 per share, or $0.354 per share on a quarterly basis. The first dividend paid at this rate occurred on October 16, 2023 and, accordingly, during the three months ended March 31, 2024, the Company paid dividends at this rate as well. During the first, second and third quarters of 2023, the Company paid dividends on its Common Stock at an annual rate of $1.60 per share or $0.40 per share on a quarterly basis.

Dividends authorized by the Board and declared by the Company are paid on a quarterly basis on the 15th day of in arrears during the first month following the end of each fiscal quarter (unless otherwise specified) to common stockholders of record on the record date for such payment. The Board may alter the amounts of dividends paid or suspend dividend payments at any time prior to declaration and therefore dividend payments are not assured. For purposes of the presentation of information herein, the Company may refer to distributions by the OP on Class A Units and GNL LTIP Units as dividends. In addition, see *Note 6* — *Revolving Credit Facility* for additional information on the restrictions on the payment of dividends and other distributions imposed by the Revolving Credit Facility.

Series A Preferred Stock Dividends

Dividends on Series A Preferred Stock accrue in an amount equal to $0.453125 per share per quarter to Series A Preferred Stockholders, which is equivalent to 7.25% of the $25.00 liquidation preference per share of Series A Preferred Stock per annum. Dividends on the Series A Preferred Stock are payable quarterly in arrears on the 15th day of January, April, July and October of each year (or, if not on a business day, on the next succeeding business day) to holders of record at the close of business on the record date set by the Board.

Series B Preferred Stock Dividends

Dividends on Series B Preferred Stock accrue in an amount equal to $0.4296875 per share per quarter to Series B Preferred Stockholders, which is equivalent to 6.875% of the $25.00 liquidation preference per share of Series B Preferred Stock per annum. Dividends on the Series B Preferred Stock are payable quarterly in arrears on the 15th day of January, April, July and October of each year (or, if not on a business day, on the next succeeding business day) to holders of record at the close of business on the record date set by the Board.

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Series D Preferred Stockholders

Dividends on the Company's Series D Preferred Stock accrue in an amount equal to $0.46875 per share per quarter to Series D Preferred Stockholders, which is equivalent to the rate of 7.50% of the $25.00 liquidation preference per share per annum. Dividends on the Series D Preferred Stock are payable quarterly in arrears on the 15th day of each of January, April, July and October of each year (or, if not a business day, the next succeeding business day) to holders of record on the applicable record date.

Series E Preferred Stockholders

Dividends on the Company's Series E Preferred Stock accrue in an amount equal to $0.4609375 per share per quarter to Series E Preferred Stockholders, which is equivalent to the rate of 7.375% of the $25.00 liquidation preference per share per annum. Dividends on the Series E Preferred Stock are payable quarterly in arrears on the 15th day of each of January, April, July and October of each year (or, if not a business day, the next succeeding business day) to holders of record on the applicable record date.

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Note 11 — Commitments and Contingencies

Lessee Arrangements

As of March 31, 2024 June 30, 2024, the Company leases land under 18 17 ground leases (two of which were acquired in the first quarter of 2023 and seven of which were acquired in the REIT Merger) associated with certain properties. In addition, the Company properties and also has two operating leases that were entered into in connection with the Mergers. for office space. The aggregate durations for the ground leases and operating leases range from 0.84 6 to 120 years years as of March 31, 2024 June 30, 2024. The Company did not enter into any new ground or operating leases during the first quarter six months of 2024.

As of March 31, 2024 June 30, 2024 and December 31, 2023, the Company's balance sheets include ROU assets of $75.5 million $76.7 million and $77.0 million, respectively, and operating lease liabilities of $47.7 million $49.6 million and $48.4 million, respectively. In determining the operating ROU assets and lease liabilities for the Company's operating leases in accordance with lease accounting rules, the Company was required to estimate an appropriate incremental borrowing rate on a fully-collateralized basis for the terms of the leases. Since the terms of the Company's ground leases are significantly longer than the terms of borrowings available to the Company on a fully-collateralized basis, the Company's estimate of this rate required significant judgment.

As of March 31, 2024 June 30, 2024, the Company's ground leases and operating leases have a weighted-average remaining lease term of approximately 25.8 25.2 years and a weighted-average discount rate of 6.05% 6.11%. For the three and six months ended March 31, 2024 June 30, 2024, the Company paid cash of approximately $1.0 million $0.9 million and $1.7 million, respectively, for amounts included in the measurement of lease liabilities and recorded expense of $0.4 million and $0.7 million, respectively, on a straight-line basis in accordance with the standard.

For the three and six months ended March 31, 2023 June 30, 2023, the Company paid cash of approximately $0.3 million and $0.7 million, respectively, for amounts included in the measurement of lease liabilities and recorded expense of $0.3 million $0.4 million and $0.7 million, respectively, on a straight-line basis in accordance with the standard.

The following table reflects the base cash rental payments due from the Company as of March 31, 2024 June 30, 2024:

(In thousands)	*(In thousands)*	**Future Base Rent Payments** (1)	*(In thousands)*	**Future Base Rent Payments** (1)
2024 (remainder)				
2025				
2026				
2027				
2028				
Thereafter				
Thereafter				

Thereafter	
Total minimum lease payments (2)	
Less: Effects of discounting	
Total present value of lease payments	

———

(1) Assumes exchange rates of £1.00 to $1.26 for GBP and €1.00 to $1.08 $1.07 for EUR as of March 31, 2024 June 30, 2024 for illustrative purposes, as applicable.

(2) Ground lease rental payments due for the Company's ING Amsterdam lease are not included in the table above as the Company's ground rent for this property is prepaid through 2050.

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Litigation and Regulatory Matters

In the ordinary course of business, the Company may become subject to litigation, claims and regulatory matters. There are no material legal or regulatory proceedings pending or known to be contemplated against the Company.

Environmental Matters

In connection with the ownership and operation of real estate, the Company may potentially be liable for costs and damages related to environmental matters. As of March 31, 2024 June 30, 2024, the Company had not been notified by any governmental authority of any non-compliance, liability or other claim, and is not aware of any other environmental condition that it believes will have a material adverse effect on the results of operations.

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Note 12 — Related Party Transactions

Prior to the consummation of the Internalization Merger on September 12, 2023, the Company had retained the former Advisor to manage the Company's affairs on a day-to-day basis and the Company's properties were managed and leased to third parties by the Property Manager. Prior to the Internalization Merger on September 12, 2023, the former Advisor and the Property Manager were under common control with AR Global, and these related parties had historically received compensation and fees for various services provided to the Company.

The consummation of the Internalization Merger on September 12, 2023 resulted in the internalization of the management of the Company with its own dedicated workforce, including by terminating (i) the Company's existing arrangement for advisory management services provided by the former Advisor pursuant to the Advisory Agreement and (ii) RTL's existing arrangement for advisory management services provided by the RTL Advisor and assuming (x) the Company's existing arrangement for property management services provided by the Property Manager and (y) RTL's existing arrangement for property management services provided by the RTL Property Manager. All assets and contracts (including leases) necessary or desirable in the judgment of the Company and to conduct the business of the Company following the Mergers and all desired employees were placed into subsidiaries of AR Global that were merged with subsidiaries of the Company upon the completion of the Internalization Merger. As a result of the completion of the Internalization Merger, and termination of the contracts noted above, beginning of the Acquisition Date, the Company no longer incurs fees from these contracts. However, the Company incurred and will continue to incur costs for employee compensation, which are included in general and administrative expenses in the Company's consolidated statement of operations. The Company has engaged a new third party service provider to assist with this process.

For additional information on the Internalization Merger, including the consideration paid to AR Global, see Note 3 — *The Mergers*.

Upon consummation of the Internalization Merger, the Company began renting office space for its own dedicated workforce at a property owned by affiliates of AR Global, the former advisor to the Company.

Terminated Advisory Agreement and Assumed Property Management Agreements

The discussion below summarizes various related party agreements and transactions that ceased as of the Acquisition Date of the Mergers.

Fees Paid in Connection with the Operations of the Company

Prior to the Internalization Merger, when it was owned by AR Global, the former Advisor provided day-to-day asset management services for the Company pursuant to the Advisory Agreement. Prior to the Internalization Merger, under the Advisory Agreement, by and among the Company, the OP and the former Advisor, the Company historically paid the Advisor the following fees in cash:

(a) a minimum base management fee of $18.0 million per annum payable in cash monthly in advance ("Minimum Base Management Fee"); and

(b) a variable fee amount equal to 1.25% per annum of the sum, since the effective date of the Advisory Agreement in June 2015, of: (i) the cumulative net proceeds of all common equity issued by the Company; (ii) any equity of the Company issued in exchange for or conversion of preferred stock or exchangeable notes, based on the stock price at the date of issuance; and (iii) any other issuances of common, preferred, or other forms of equity of the Company, including units in an operating partnership (excluding equity based compensation but including issuances related to an acquisition, investment, joint-venture or partnership) (the "Variable Base Management Fee").

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The Company was required to pay the former Advisor Incentive Compensation (as defined in the Advisory Agreement), generally payable in quarterly installments 50% in cash and 50% in shares of Common Stock (subject to certain lock up restrictions). The former Advisor did not earn any Incentive Compensation during the three and six months ended March 31, 2023 June 30, 2023.

Property Management Fees

Prior to the Internalization Merger, when it was owned by AR Global, the Property Manager provided property management and leasing services for properties owned by the Company, for which the Company paid fees to the Property Manager equal to: (i) with respect to stand-alone, single-tenant net leased properties which were not part of a shopping center, 2.0% of gross revenues from the properties managed and (ii) with respect to all other types of properties, 4.0% of gross revenues from the properties managed in each case plus market-based leasing commissions applicable to the geographic location of the applicable property.

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For services related to overseeing property management and leasing services provided by any person or entity that is not an affiliate of the Property Manager, the Company paid the Property Manager an oversight fee equal to 1.0% of gross revenues of the property managed. This oversight fee was no longer applicable to 39 of the Company's properties which became subject to separate property management agreements with the Property Manager in connection with certain mortgage loans entered into by the Company in October 2017, April 2019 and September 2019 on otherwise nearly identical terms to the primary property and management leasing agreement, which remained applicable to all other properties.

If cash flow generated by any of the Company's properties was not sufficient to fund the costs and expenses incurred by the Property Manager in fulfilling its duties under the property management and leasing agreements, the Company was required to fund additional amounts. Costs and expenses that are the responsibility of the Company under the property management and leasing agreements included, without limitation, reasonable wages and salaries and other employee-related expenses of all on-site and off-site employees of the Property Manager who were engaged in the operation, management, maintenance and leasing of the properties and other out-of-pocket expenses which are directly related to the operation, management, maintenance and leasing of specific properties, but may not include the Property Manager's general overhead and administrative expenses.

The Company historically paid leasing commissions to the Property Manager which are being expensed over the terms of the related leases.

Professional Fees and Other Reimbursements

Prior to the Internalization Merger, the Company reimbursed the former Advisor or its affiliates for expenses paid or incurred by the former Advisor or its affiliates in providing services to the Company under the Advisory Agreement, except for those expenses that were specifically the responsibility of the former Advisor under the Advisory Agreement, such as salaries, bonus and other wages, payroll taxes and the cost of employee benefit plans of personnel of the former Advisor and its affiliates (including the Company's executive officers) who provide services to the Company under the Advisory Agreement, the former Advisor's rent and general overhead expenses, the former Advisor's travel expenses (subject to certain exceptions), professional services fees incurred with respect to the former Advisor for the operation of its business, insurance expenses (other than with respect to the Company's directors and officers) and information technology expenses. In addition, these reimbursements were subject to the limitation that the Company will not reimburse the former Advisor for any amount by which the Company's operating expenses (including the asset management fee) at the end of the four preceding fiscal quarters exceeds the greater of (a) 2.0% of average invested assets and (b) 25.0% of net income, unless the excess amount was otherwise approved by the Board. The amount of expenses reimbursable for the three and six months ended March 31, 2023 June 30, 2023 did not exceed these limits.

GLOBAL NET LEASE, INC.

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The following table reflects related party fees incurred during the three and six months ended March 31, 2023 June 30, 2023:

	Three Months Ended March 31,	
	2023	
(In thousands)	**Incurred**	
Fees (1):		
Asset management fees (2)	$	8,364
Property management fees		1,737
Total related party operational fees and reimbursements	$	10,101

	Three Months Ended June 30,	**Six Months Ended June 30,**
	2023	**2023**
(In thousands)	**Incurred**	**Incurred**

Fees (1):		
Asset management fees (2)	$ 8,145	$ 16,289
Property management fees	1,965	3,922
Total related party operational fees and reimbursements	$ 10,110	$ 20,211

(1) The Company incurred general and administrative costs and other expense reimbursements of approximately $0.3 million and $0.6 million for the three and sixmonths ended March 31, 2023 June 30, 2023, respectively, which are recorded within general and administrative expenses in the consolidated statements of operations and are not reflected in the table above.

(2) The former Advisor, in accordance with the Advisory Agreement, received asset management fees in cash each quarter equal to one quarter of the annual Minimum Base Management Fee of $18.0 million and the Variable Base Management Fee. The Variable Base Management Fee was $3.9 $3.6 million and $7.3 millionfor the three and six months ended March 31, 2023. June 30, 2023, respectively.

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Note 13 — Equity-Based Compensation

2021 Omnibus Incentive Compensation Plan; 2021 Omnibus Advisor Incentive Compensation Plan; Restricted Share Plan

At the Company's 2021 annual meeting of stockholders held on April 12, 2021, the Company's stockholders approved the 2021 Omnibus Incentive Compensation Plan of Global Net Lease, Inc. (the "Individual Plan") and the 2021 Omnibus Advisor Incentive Compensation Plan of Global Net Lease, Inc. (the "Advisor Plan" and together with the Individual Plan, the "2021 Equity Plan"). The terms of the Advisor Plan are substantially similar to the terms of the Individual Plan, except with respect to the eligible participants. Both the Individual Plan and the Advisor Plan became effective upon stockholder approval.

The employees of the former Advisor and the Property Manager, and their respective affiliates were also eligible to participate in the Company's employee and director incentive restricted share plan (the "Restricted Share Plan").

Upon approval of the 2021 Equity Plan, the total number of shares of Common Stock that could be issued or subject to awards under the Advisor Plan and the Individual Plan, in the aggregate, was 6,300,000 shares. Shares issued or subject to awards under the Individual Plan reduce the number of shares available for awards under the Advisor Plan on a one-for-one basis and vice versa. The 2021 Equity Plan permits awards of Restricted Shares, RSUs, PSUs, stock options, stock appreciation rights, stock awards, GNL LTIP Units and other equity awards and it expires on April 12, 2031.

Only the former Advisor and any of its affiliates that were involved in providing services to the Company or any of its subsidiaries were eligible to receive awards under the Advisor Plan. As a result of the REIT Merger, no further participants are expected to be eligible to participate in the Advisor Plan from and following the REIT Merger and, accordingly, no further awards are expected to be granted under the Advisor Plan, however awards will continue to be granted under the Individual Plan.

Generally, directors officers, employees, and consultants of the Company are eligible to participate in the Individual Plan. Prior to the REIT Merger, employees of the former Advisor or its affiliates who were consultants providing services to the Company were eligible to participate in the Individual Plan.

RSUs

RSUs were historically awarded under the 2021 Equity Plan, and have been and may continue to be awarded under the Individual Plan, following the Internalization Merger. Historically, prior to the third quarter of 2023, the Company granted RSUs to its Board members on an annual basis. In November 2023, the Company granted 496,536 began granting RSUs to employees, including executives.

RSUs represent a contingent right to receive shares of Common Stock at a future settlement date, subject to satisfaction of applicable vesting conditions or other restrictions and an award agreement evidencing the grant of RSUs. The RSUs provide for vesting on a straight-line basis over a specified period of time for each award. RSUs may not, in general, be sold or otherwise transferred until restrictions are removed and the RSUs are settled in, or converted into, the shares of Common Stock. The fair value of the RSUs granted is based on the market price of Common Stock as of the grant date. The fair value of the equity awards is expensed over the vesting period.

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The following table reflects the activity of RSUs outstanding for the periods presented:

	Number of RSUs	Weighted-Average Issue Price	Number of RSUs	Weighted-Average Issue Price
Unvested, December 31, 2023				
Vested				
Granted				
Forfeitures				
Unvested, March 31, 2024				
Unvested, June 30, 2024				

	Number of RSUs	Weighted-Average Issue Price	Number of RSUs	Weighted-Average Issue Price
Unvested, December 31, 2022				
Vested				

Granted
Unvested, March 31, 2023
Unvested, March 31, 2023
Unvested, March 31, 2023
Unvested, June 30, 2023
Unvested, June 30, 2023
Unvested, June 30, 2023

The fair value of the RSUs granted is based on the market price of Common Stock as of the grant date. The fair value of the equity awards is expensed over the vesting period.

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Restricted Shares

Restricted Shares are shares of Common Stock awarded pursuant to the 2021 Equity Plan, prior to the Internalization Merger, and granted pursuant to the Individual Plan thereafter, and the Restricted Share Plan under terms that provide for vesting over a specified period of time. Holders of Restricted Shares receive nonforfeitable cash dividends prior to the time that the restrictions on the Restricted Shares have lapsed. Any dividends to holders of Restricted Shares payable in shares of Common Stock are subject to the same restrictions as the underlying Restricted Shares. Restricted Shares may not, in general, be sold or otherwise transferred until restrictions are removed and the shares have vested.

The Restricted Shares granted to the then employees of the former Advisor or its affiliates vest in 25% increments on each of the first four anniversaries of the grant date. Except in connection with a change in control (as defined in the award agreement) of the Company, any unvested Restricted Shares will be forfeited if the holder's employment terminates for any reason. Upon a change in control of the Company, 50% of the unvested Restricted Shares will immediately vest and the remaining unvested Restricted Shares will be forfeited. A change of control, under the award agreement, did not occur as a result of the Mergers.

The following table reflects the activity of Restricted Shares outstanding for the periods presented that impacted the Company:

	Number of Restricted Shares	Weighted-Average Issue Price	Number of Restricted Shares	Weighted-Average Issue Price
Unvested, December 31, 2023				
Vested				
Granted				
Forfeitures				
Unvested, March 31, 2024				
Unvested, June 30, 2024				

	Number of Restricted Shares	Weighted-Average Issue Price	Number of Restricted Shares	Weighted-Average Issue Price
Unvested, December 31, 2022				
Vested				
Granted				
Forfeitures				
Unvested, March 31, 2023				
Unvested, June 30, 2023				

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PSUs

In November 2023, the Compensation Committee approved awards of PSUs pursuant to the Individual Plan to full-time employees of the Company. PSUs may be earned and become vested if the Company's absolute and relative total shareholder return ("TSR") performance meets certain criteria (see "Performance Measures" below for more detail) over a three-year period performance period (the "PSU Performance Period") beginning on October 1, 2023 and ending on September 30, 2026 (the "PSU Measurement Date") and generally subject to the applicable employee's continued employment through the PSU Measurement Date.

	Level of Performance		
	Threshold	Target	Maximum
Potential Number of PSUs to be Issued	234,200	468,392	1,288,072

Under accounting rules, the total fair value of the PSUs granted at the maximum level under the Individual Plan totaled $5.1 million and was fixed as of November 29, 2023, the date that the Board approved the award of PSUs under the Individual Plan (the "PSU Grant Date"). The fair value will not be remeasured in subsequent periods unless the PSUs are amended. The fair value of the PSUs that were granted is being recorded evenly over the requisite service period which is approximately 2.8 years from November 29, 2023, ending on the PSU Measurement Date.

Performance Measures:

The ultimate amount of PSUs that may become earned and vested on the PSU Measurement Date will equal the sum of: (i) PSUs earned by comparing the Company's TSR to the MSCI US REIT Index peer group (the "MSCI REIT Index"); (ii) PSUs earned by comparing the Company's TSR to a custom designed net lease peer group consisting of EPR Properties, LXP Industrial Trust, Broadstone Net Lease, Inc., NNN REIT, Inc. and W.P. Carey Inc. (the "Custom Net Lease Peer Group"); and (iii) PSUs earned by achievement of certain TSR levels (the "Company TSR").

The following table details the number of PSUs that may be earned and vested on the PSU Measurement Date, by each category of performance goal:

	Target PSUs	Percentage of Target PSUs Earned	Number of PSUs Earned
Company TSR Relative to the MSCI REIT Index:			
Less than 30th percentile (Below Threshold)	175,647	— %	—
30th percentile (Threshold) (1)	175,647	50 %	87,825
55th percentile (Target) (1)	175,647	100 %	175,647
Equal to or greater than 75th percentile (Maximum) (1)	175,647	275 %	483,027
Company TSR Relative to the Custom Net Lease Peer Group:			
Less than 30th percentile (Below Threshold)	175,647	— %	—
30th percentile (Threshold) (1)	175,647	50 %	87,825
55th percentile (Target) (1)	175,647	100 %	175,647
Equal to or greater than 75th percentile (Maximum) (1)	175,647	275 %	483,027
Company TSR:			
Less than 8% (Below Threshold)	117,098	— %	—
8% (Threshold) (1)	117,098	50 %	58,551
10% (Target) (1)	117,098	100 %	117,098
12% or greater (Maximum) (1)	117,098	275 %	322,018

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(1) If amounts fall in between these ranges, the results will be determined using linear interpolation between those percentiles, respectively.

Compensation Expense

The combined compensation expense for RSUs, Restricted Shares and PSUs was $2.0 million $2.3 million and $4.3 million for the three and six months ended March 31, 2024 June 30, 2024, respectively, and $0.7 million $0.6 million and $1.3 million for the three and six months ended March 31, 2023 June 30, 2023, respectively, which did not include PSUs. Compensation expense for these equity instruments is recorded as equity-based compensation in the accompanying consolidated statements of operations.

As of March 31, 2024 June 30, 2024, the Company had $7.9 million $7.8 million of unrecognized compensation cost related to RSUs granted, which is expected to be recognized over a weighted-average period of 2.7 2.2 years. As of March 31, 2024 June 30, 2024, the Company had $5.1 million $4.4 million of unrecognized compensation cost related to Restricted Share awards granted, which is expected to be recognized over a period of 3.2 2.9 years. As of March 31, 2024 June 30, 2024, the Company had $4.5 million $4.1 million unrecognized compensation cost related to PSUs granted, which is expected to be recognized over a period of 2.5 2.3 years.

2018 Omnibus Incentive Compensation Plan of RTL

In addition, as part of the REIT Merger, the Company assumed the 2018 Omnibus Incentive Compensation Plan of RTL (the "2018 RTL Equity Plan"). At the time of the assumption of the 2018 RTL Equity Plan, the total number of shares of Common Stock allowed to be issued or subject to awards under the 2018 RTL Equity Plan, subject to applicable securities exchange listing standards, was 2,295,658 shares. The Company has not issued any awards under the 2018 RTL Equity Plan.

Multi-Year Outperformance Agreement With the Former Advisor

2021 OPP — General Description

On May 3, 2021, the Company's independent directors, acting as a group, authorized an award of GNL LTIP Units under the 2021 OPP , and, on June 3, 2021, the Company, the OP and the Advisor entered into the 2021 OPP.

Based on a maximum award value of $50.0 million and $20.00, the closing price of Common Stock on June 2, 2021 (the "2021 Initial Share Price"), the former Advisor was granted a total of 2,500,000 GNL LTIP Units pursuant to the 2021 OPP. These GNL LTIP Units were eligible to be earned and become vested based on the Company's TSR, including both share price appreciation and reinvestment of Common Stock dividends, compared to the 2021 Initial Share Price over a performance period

commencing on June 3, 2021 and ending on the earliest of (i) June 3, 2024, (ii) the effective date of any Change of Control as defined in the Advisor Plan and (iii) the effective date of any termination of the former Advisor's service as the Company's advisor. As noted above and described below, the end date of the performance period was modified to September 11, 2023, the day prior to the Acquisition Date, in connection with the Internalization Merger Agreement.

Under accounting rules, the total fair value of the GNL LTIP Units granted under the 2021 OPP of $27.7 million was fixed as of June 3, 2021 and was not required to be remeasured in subsequent periods (see *Note 2* — *Summary of Significant Accounting Policies* for a description of accounting rules related to non-employee equity awards). The fair value of the GNL LTIP Units that were granted were being recorded evenly over the requisite service period which was originally approximately 3.1 years from May 3, 2021, the date that the Company's independent directors approved the award of GNL LTIP Units under the 2021 OPP. However, due to the modification noted below that changed the timing of the final measurement for determining whether the award is vested and earned, all of the remaining unrecognized compensation expense was accelerated and recorded in the quarter ended September 30, 2023 (through September 11, 2023).

Modification of the 2021 OPP

In connection with the Internalization Merger Agreement, the parties agreed to modify the terms of the existing 2021 OPP to accelerate timing for determining whether the award is vested and earned, which changed the end date of the performance period (as described in more detail below) to September 11, 2023, the day prior to the Acquisition Date of the Mergers. Accordingly, on September 11, 2023, the compensation committee of the Board reviewed and approved the final calculation determining that 883,750 of the 2,500,000 GNL LTIP Units subject to the 2021 OPP had been earned and became vested and Common Stock was issued for the vested GNL LTIP Units. The remaining 1,616,250 GNL LTIP Units were automatically forfeited, without the payment of any consideration. In addition:

- Due to the modification noted above that changed the timing of the final measurement for determining whether the award is vested and earned, all of the remaining unrecognized compensation expense was accelerated and recorded in the quarter ended September 30, 2023 (through September 11, 2023).
- In September 2023, the Company paid a $2.9 million priority catch-up distribution to the former Advisor in respect of the 883,750 GNL LTIP Units that were earned under the 2021 OPP.

Compensation Expense - 2021 OPP

During the three and six months ended June 30, 2023, the Company recorded total compensation expense related to the LTIP Units of $2.2 million and $4.5 million, respectively.

Compensation Expense - 2021 OPP

During the three months ended March 31, 2023, the Company recorded total compensation expense related to the LTIP Units of $2.2 million.

Note 14 — Earnings Per Share

The following is a summary of the basic and diluted net loss per share computation for the periods presented:

		Three Months Ended March 31,						
		Three Months Ended March 31,						
		Three Months Ended March 31,						
(In thousands, except share and per share data)								
(In thousands, except share and per share data)								
		Three Months Ended June 30,				**Six Months Ended June 30,**		
(In thousands, except share and per share data)	*(In thousands, except share and per share data)*	**2024**		**2023**		**2024**		**2023**
Net loss attributable to common stockholders								
Net loss attributable to common stockholders								
Net loss attributable to common stockholders								

Adjustments to net loss attributable to common stockholders for common share equivalents
Adjustments to net loss attributable to common stockholders for common share equivalents
Adjustments to net loss attributable to common stockholders for common share equivalents
Adjusted net loss attributable to common stockholders
Adjusted net loss attributable to common stockholders
Adjusted net loss attributable to common stockholders
Weighted average common shares outstanding — Basic and Diluted
Weighted average common shares outstanding — Basic and Diluted
Weighted average common shares outstanding — Basic and Diluted
Net loss per share attributable to common stockholders — Basic and Diluted
Net loss per share attributable to common stockholders — Basic and Diluted
Net loss per share attributable to common stockholders — Basic and Diluted

Under current authoritative guidance for determining earnings per share, all unvested share-based payment awards that contain non-forfeitable rights to distributions are considered to be participating securities and therefore are included in the computation of earnings per share under the two-class method. The two-class method is an earnings allocation formula that determines earnings per share for each class of common shares and participating security according to dividends declared (or accumulated) and participation rights in undistributed earnings. The Company's unvested Restricted Shares contain and the unearned GNL LTIP Units, prior to the end of the performance period of September 11, 2023, contained rights to receive distributions considered to be non-forfeitable, except in certain limited circumstances, and therefore the Company applies the two-class method of computing earnings per share. The calculation of earnings per share above excludes the distributions to the unvested Restricted Shares and unearned GNL LTIP Units (prior to the end of the performance period of September 11, 2023) from the numerator.

Diluted net income per share assumes the conversion of all Common Stock share equivalents into an equivalent number of shares of Common Stock, unless the effect is anti-dilutive. The Company considers unvested RSUs, unvested Restricted Shares, unvested PSUs and Class A Units to be common share equivalents.

The following table shows common share equivalents on a weighted average basis that were excluded from the calculation of diluted earnings per share for the three and six months ended March 31, 2024 June 30, 2024 and 2023 (see Note 13 — *Equity-Based Compensation* for additional information on all of the common share equivalents listed in the table below):

	Three Months Ended March 31,	Three Months Ended June 30,	Six Months Ended June 30,		
	Three Months Ended March 31,				
	Three Months Ended March 31,				
	2024				
	2024				
	2024	2024	2023	2024	2023
Unvested RSUs (1)					
Unvested RSUs (1)					
Unvested RSUs (1)					
Unvested Restricted Shares (2)					
Unvested Restricted Shares (2)					
Unvested Restricted Shares (2)					
Unvested PSUs (3)					
Unvested PSUs (3)					
Unvested PSUs (3)					
Class A Units (4)					
Class A Units (4)					
Class A Units (4)					

GNL LTIP Units (5)
GNL LTIP Units (5)
GNL LTIP Units (5)
Total common share equivalents excluded from EPS calculation
Total common share equivalents excluded from EPS calculation
Total common share equivalents excluded from EPS calculation

(1) There were 1,025,253 1,122,852 and 31,712 49,536 unvested RSUs issued and outstanding as of March 31, 2024 June 30, 2024 and 2023, respectively.

(2) There were 513,842 362,285 and 359,840 536,340 unvested Restricted Shares issued and outstanding as of March 31, 2024 June 30, 2024 and 2023, respectively.

(3) There were 1,288,072 PSUs outstanding as of March 31, 2024 June 30, 2024 and none outstanding as of March 31, 2023 June 30, 2023.

(4) There were 115,857 Class A Units outstanding as of March 31, 2024 June 30, 2024 and none outstanding as of March 31, 2023 June 30, 2023.

(5) The performance period under the 2021 OPP was accelerated and ended on September 11, 2023 and 883,750 GNL LTIP Units became earned and vested and Common Stock was issued for the vested GNL LTIP Units. As a result, there were no GNL LTIP Units issued and outstanding under the 2021 OPP as of March 31, 2024 June 30, 2024 and there were 2,500,000 GNL LTIP Units issued and outstanding under the 2021 OPP as of March 31, 2023 June 30, 2023.

Conditionally issuable shares relating to the 2021 Equity Plan and the 2021 OPP (prior to the end of the performance period of September 11, 2023) are required to be included in the computation of fully diluted EPS (if dilutive) based on shares that would be issued as if the balance sheet date were the end of the measurement period.

- No PSU share equivalents were included in the computation for the three and six months ended March 31, 2024 June 30, 2024 since their impact was anti-dilutive, and none were included for the three and six months ended March 31, 2023 June 30, 2023 since they hadn't been issued yet.
- No GNL LTIP Unit share equivalents were included in the computation for the three and six months ended March 31, 2024 June 30, 2024 since the performance period ended on September 11, 2023 and they were not included in three and three six months ended March 31, 2023 June 30, 2023 since their impact was anti-dilutive.

Note 15 — Segment Reporting

As a result of the Mergers and the related strategic shift in the Company's operations, the Company has concluded it operates in four reportable segments consistent with its current management internal financial reporting purposes: (1) Industrial & Distribution (2) Multi-Tenant Retail (3) Single-Tenant Retail and (4) Office. The Company will evaluate performance and make resource allocations based on its four business segments. The Company is reporting its business segments using the "management approach" model for segment reporting, whereby the Company determines its reportable business segments based on the way the chief operating decision maker organizes business segments within the Company for making operating decisions and assessing financial performance. The Company's chief operating decision maker receives and reviews financial information based on the Company's four segments. The Company evaluates business segment performance based upon net operating income, which is defined as total revenues from tenants, less property operating costs. The segments are managed separately due to the property type and the accounting policies are consistent across each segment. See below for a description of net operating income.

Previously, before the Mergers, the Company concluded it was operating in one segment. Upon concluding that a change in its reporting segments has occurred, the Company is required to retroactively restate the historical operating results for the segment for all periods presented in that filing and, thereafter, the Company will restate other prior periods when they are subsequently reported in later filings for comparative purposes.

Net Operating Income

The Company evaluates the performance of the combined properties in each segment based on total revenues from tenants, less property operating costs. As such, this excludes all other items of expense and income included in the financial statements in calculating net income (loss). The Company uses net operating income at the segment level to assess and compare property level performance and to make decisions concerning the operation of the properties. The Company believes that the net operating income of each segment is useful as a performance measure because, when compared across periods, the net operating income of each segment reflects the impact on operations from trends in occupancy rates, rental rates, operating

expenses and acquisition activity on an unleveraged basis, providing perspective not immediately apparent from net income (loss).

The net operating income of each segment excludes certain components from net income (loss) 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. In addition, depreciation and amortization, because of historical cost accounting and useful life estimates, may distort operating performance at the property level. The net operating income of the Company's segments presented by the Company may not be comparable to similar measures reported by other REITs that define net operating income differently.

(Unaudited)

The following table provides operating financial information for the Company's four reportable segments:

		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended June 30,		**Six Months Ended June 30,**	
(In thousands)	*(In thousands)*	**2024**	**2023**	**2024**	**2023**
(In thousands)					
(In thousands)					
Industrial & Distribution:					
Industrial & Distribution:					
Industrial & Distribution:					
Revenue from tenants					
Revenue from tenants					
Revenue from tenants					
Property operating expense					
Property operating expense					
Property operating expense					
Net Operating Income					
Net Operating Income					
Net Operating Income					
Multi-Tenant Retail:					
Multi-Tenant Retail:					
Multi-Tenant Retail:					
Revenue from tenants					
Revenue from tenants					
Revenue from tenants					
Property operating expense					
Property operating expense					
Property operating expense					
Net Operating Income					
Net Operating Income					
Net Operating Income					
Single-Tenant Retail:					
Single-Tenant Retail:					
Single-Tenant Retail:					
Revenue from tenants					
Revenue from tenants					
Revenue from tenants					
Property operating expense					
Property operating expense					
Property operating expense					
Net Operating Income					
Net Operating Income					
Net Operating Income					
Office:					
Office:					
Office:					
Revenue from tenants					
Revenue from tenants					

Revenue from tenants
Property operating expense
Property operating expense
Property operating expense
Net Operating Income
Net Operating Income
Net Operating Income

GLOBAL NET LEASE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, June 30, 2024
(Unaudited)

Reconciliation to Consolidated Financial Information

A reconciliation of the total reportable segment's revenue from tenants to consolidated revenue from tenants and the total reportable segment's net operating income to consolidated net (loss) income before taxes and consolidated net (loss) income attributable to common stockholders is as follows:

		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended June 30,		**Six Months Ended June 30,**	
(In thousands)	*(In thousands)*	**2024**	**2023**	**2024**	**2023**
(In thousands)					
(In thousands)					
Revenue From Tenants:					
Revenue From Tenants:					
Revenue From Tenants:					
Industrial & Distribution					
Industrial & Distribution					
Industrial & Distribution					
Multi-Tenant Retail					
Multi-Tenant Retail					
Multi-Tenant Retail					
Single-Tenant Retail					
Single-Tenant Retail					
Single-Tenant Retail					
Office					
Office					
Office					
Total Consolidated Revenue From Tenants					
Total Consolidated Revenue From Tenants					
Total Consolidated Revenue From Tenants					
Net (loss) income before income tax and net (loss) income attributable to common stockholders:					
Net (loss) income before income tax and net (loss) income attributable to common stockholders:					
Net (loss) income before income tax and net (loss) income attributable to common stockholders:					
Net Operating Income:					

Net Operating Income:
Net Operating Income:
Industrial & Distribution
Industrial & Distribution
Industrial & Distribution
Multi-Tenant Retail
Multi-Tenant Retail
Multi-Tenant Retail
Single-Tenant Retail
Single-Tenant Retail
Single-Tenant Retail
Office
Office
Office
Total net operating income
Total net operating income
Total net operating income
Operating fees to related parties
Operating fees to related parties
Operating fees to related parties
Impairment charges
Impairment charges
Impairment charges
Merger, transaction and other costs
Merger, transaction and other costs
Merger, transaction and other costs
Settlement costs
Settlement costs
Settlement costs
General and administrative
General and administrative
General and administrative
Equity-based compensation
Equity-based compensation
Equity-based compensation
Depreciation and amortization
Depreciation and amortization
Depreciation and amortization
Gain on dispositions of real estate investments
Gain on dispositions of real estate investments
Gain on dispositions of real estate investments
Interest expense
Interest expense
Interest expense
Loss on extinguishment of debt
Loss on extinguishment of debt
Loss on extinguishment of debt
Gain on derivative instruments
Gain on derivative instruments
Gain on derivative instruments

Unrealized income on undesignated foreign currency advances and other hedge ineffectiveness
Unrealized income on undesignated foreign currency advances and other hedge ineffectiveness
Gain (loss) on derivative instruments
Unrealized income on undesignated foreign currency advances and other hedge ineffectiveness
Other income
Other income
Other income
Net (loss) income before income tax
Net (loss) income before income tax
Net (loss) income before income tax
Income tax expense
Income tax expense
Net loss before income tax
Income tax expense
Net loss
Net loss
Net loss
Preferred stock dividends
Preferred stock dividends
Preferred stock dividends
Net loss attributable to common stockholders
Net loss attributable to common stockholders
Net loss attributable to common stockholders

GLOBAL NET LEASE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, June 30, 2024
(Unaudited)

The following table reconciles real estate investments, net by segment to consolidated total assets as of the periods presented:

(In thousands)	*(In thousands)*	**March 31, 2024**	**December 31, 2023**	*(In thousands)*	**June 30, 2024**	**December 31, 2023**
Investments in real estate, net:						
Industrial & Distribution						
Industrial & Distribution						
Industrial & Distribution						
Multi-tenant retail						
Single-tenant retail						
Office						
Total investments in real estate, net						
Assets held for sale						
Cash and cash equivalents						
Restricted cash						
Derivative assets, at fair value						
Unbilled straight line rent						
Operating lease right-of-use asset						
Prepaid expenses and other assets						
Deferred tax assets						
Goodwill and other intangible assets, net						

Deferred financing costs, net	
Total assets	

Note 16 — Subsequent Events

The Company has evaluated subsequent events through the filing of this Quarterly Report on Form 10-Q, and determined that there have not been any events that have occurred that would require adjustments to, or disclosures in the consolidated financial statements, except as disclosed in the applicable footnotes and below.

Dispositions

The Company disposed of seven four properties subsequent to March 31, 2024 June 30, 2024 for an aggregate price of approximately $18.2 $50.0 million.

New CMBS Loan

On April 5, 2024, the Company entered into the 2024 CMBS Loan with (i) Bank of Montreal, (ii) Société Générale Financial Corporation, (iii) Barclays Capital Real Estate Inc. and (iv) KeyBank National Association (each individually, a "Lender," and collectively, the "Lenders"), in the aggregate amount of $237.0 million. The 2024 CMBS Loan is secured by, among other things, first priority mortgages on 20 industrial properties the Company owns across the United States. The 2024 CMBS Loan has a 5-year term, is interest-only (payable monthly) at a fixed rate of 5.74% per year and matures on April 6, 2029. The 2024 CMBS Loan contains certain covenants, including, certain obligations to reserve funds and requires the Company to maintain a net worth of $150.0 million and liquid assets having a market value of at least $10.0 million.

Repayment of McLaren Loan

In April 2024, the Company repaid its mortgage loan that encumbered its McLaren properties in the United Kingdom. The mortgage loan had a principal balance of £101,000, and was repaid using borrowings under the GBP portion of the Company's Revolving Credit Facility.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis should be read in conjunction with the accompanying consolidated financial statements of Global Net Lease, Inc. and the notes thereto. As used herein, the terms "Company," "we," "our" and "us" refer to Global Net Lease, Inc., a Maryland corporation, including, as required by context, Global Net Lease Operating Partnership, L.P. (the "OP"), a Delaware limited partnership, and its subsidiaries.

Forward-Looking Statements

Certain statements included in this Quarterly Report on Form 10-Q that are not historical facts may be forward-looking statements, including statements regarding the intent, belief or current expectations of us, and members of our 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," "anticipates," "believes," "estimates," "projects," "potential," "predicts," "expects," "plans," "intends," "would," "could," "should" or similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Actual results may differ materially from those contemplated by such forward-looking statements. Further, forward-looking statements speak only as of the date they are made, and we undertake 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, unless required by law.

These forward-looking statements are subject to risks, uncertainties and other factors, many of which are outside of our control, which could cause actual results to differ materially from the results contemplated by the forward-looking statements. Some of the risks and uncertainties, although not all risks and uncertainties, that could cause our actual results to differ materially from those presented in our forward-looking statements are set forth under "Risk Factors" and "Quantitative and Qualitative Disclosures about Market Risk" in our Annual Report on Form 10-K for the year ended December 31, 2023, this and our other Quarterly Reports on Form 10-Q and our other filings with the U.S Securities and Exchange Commission ("SEC") as such risks, uncertainties and other important factors may be updated from time to time in our subsequent reports.

Overview

We are a real estate investment trust ("REIT") for United States ("U.S.") federal income tax purposes that focuses on acquiring and managing a global portfolio of income producing net lease assets across the U.S., and Western and Northern Europe. Historically, we focused on acquiring and managing a globally diversified portfolio of strategically-located commercial real estate properties, which consisted primarily of mission-critical, single tenant net-lease assets. As a result of acquiring RTL in the quarter ended September 30, 2023, as further discussed below, we acquired a diversified portfolio of 989 properties consisting of primarily necessity-based retail single-tenant and multi-tenant properties located in the U.S. Until September 12, 2023, we were managed by Global Net Lease Advisors, LLC ("Advisor"), who managed our day-to-day business with the assistance of our property manager, Global Net Lease Properties, LLC ("Property Manager"), who managed and leased our properties to third parties. Prior to September 12, 2023, the former Advisor and the Property Manager were under common control with AR Global Investments, LLC ("AR Global"), and these related parties had historically received compensation and fees for various services provided to us. On September 12, 2023, we also internalized our advisory and property management functions as well as the advisory and property management functions of RTL as a result of the Internalization Merger (defined below) in the quarter ended September 30, 2023.

As of March 31, 2024 June 30, 2024, we owned 1,277 1,242 properties consisting of 66.9 million 64.3 million rentable square feet, which were 93% 94% leased, with a weighted-average remaining lease term of 6.5 years. Based on the percentage of annualized rental income on a straight-line basis as of March 31, 2024 June 30, 2024, approximately 80% of our properties were located in the U.S. and Canada and approximately 20% were located in Europe. In addition, as of March 31, 2024 June 30, 2024, our portfolio was comprised of 32% 31% Industrial & Distribution properties, 28% Multi-Tenant retail properties, 21% Single Tenant retail properties and 19% 20% Office properties. These represent our four reportable segments and the percentages are calculated using annualized straight-line rent converted from local currency into the U.S. Dollar ("USD") as of March 31, 2024 June 30, 2024. The straight-line rent includes amounts for tenant concessions.

Our portfolio is leased to primarily "Investment Grade" rated tenants in well established markets in the U.S. and Europe. A total of 58.2% 58.8% of our rental income on an annualized straight-line basis for leases in place as of March 31, 2024 June 30, 2024 was derived from Investment Grade rated tenants, comprised of 34.5% 31.9% leased to tenants with an actual investment grade rating and 23.7% 26.9% leased to tenants with an implied investment grade rating. For our purposes, "Investment Grade" 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 the tenant parent, guarantor parent (regardless of whether or not the parent has guaranteed the tenant's obligation under the lease) or tenants that are identified as investment grade by using a proprietary Moody's analytical tool, which generates an implied rating by measuring an entity's probability of default. Ratings information is as of March 31, 2024 June 30, 2024.

The Acquisition of The Necessity Retail REIT and the Internalization Merger

On September 12, 2023 (the "Acquisition Date"), the REIT Merger (as defined below) and the Internalization Merger (as defined below) were both consummated (collectively, the "Mergers"). The REIT Merger and Internalization Merger were all conditioned upon each other and accordingly are considered "related" and treated as a single transaction for accounting and reporting purposes (see Note 3 — *The Mergers* to our consolidated financial statements in this Quarterly Report on Form 10-Q for additional information).

The REIT Merger

Pursuant to the terms and conditions of the Agreement and Plan of Merger dated May 23, 2023 (the "REIT Merger Agreement"), on the Acquisition Date, RTL merged with and into Osmosis Sub I, LLC, a wholly-owned subsidiary of ours ("REIT Merger Sub"), with REIT Merger Sub continuing as the surviving entity (the "REIT Merger") and a wholly-owned subsidiary of ours, followed by Osmosis Sub II, LLC, a wholly-owned subsidiary of the OP, merging with and into The Necessity Retail REIT Operating Partnership, L.P. ("RTL OP"), with RTL OP continuing as the surviving entity (the "OP Merger" and collectively, with the REIT Merger, the "REIT Mergers").

On the Acquisition Date, pursuant to the REIT Merger Agreement, each issued and outstanding share of RTL's (i) Class A Common Stock, par value $0.01 per share (the "RTL Class A Common Stock"), was converted into 0.670 shares (the "Exchange Ratio") of GNL's Common Stock, par value $0.01 per share ("Common Stock"), (ii) 7.50% Series A Cumulative Redeemable Preferred Stock, par value $0.01 per share ("RTL Series A Preferred Stock"), was automatically converted into one share of newly created 7.50% Series D Cumulative Redeemable Perpetual Preferred Stock, par value $0.01 per share (the "Series D Preferred Stock"), and (iii) 7.375% Series C Cumulative Redeemable Perpetual Preferred Stock, par value $0.01 per share ("RTL Series C Preferred Stock"), was automatically converted into one share of newly created 7.375% Series E Cumulative Redeemable Perpetual Preferred Stock, par value $0.01 per share (the "Series E Preferred Stock").

The Internalization Merger

Pursuant to the terms and conditions of the Agreement and Plan of Merger dated May 23, 2023 (the "Internalization Merger Agreement") to internalize the advisory and property management functions of the combined companies, on the Acquisition Date, (i) GNL Advisor Merger Sub LLC, a wholly-owned subsidiary of the OP merged with and into the Advisor, with the Advisor continuing in existence; (ii) GNL PM Merger Sub LLC, a wholly-owned subsidiary of the OP merged with and into the Property Manager, with the Property Manager continuing in existence; (iii) RTL Advisor Merger Sub LLC merged with and into Necessity Retail Advisors, LLC ("RTL Advisor"), with RTL Advisor continuing in existence; and (iv) RTL PM Merger Sub LLC, a wholly-owned subsidiary of the OP merged with and into Necessity Retail Properties, LLC ("RTL Property Manager"), with RTL Property Manager continuing in existence (collectively, the "Internalization Merger"). As a result of the consummation of the Internalization Merger, the advisory agreements were terminated for both us and RTL and, we assumed both ours and RTL's property management agreements and we were no longer externally managed.

Critical Accounting Estimates

For a discussion about our critical accounting estimates and policies, see the "Significant Accounting Estimates and Accounting Policies" section of our 2023 Annual Report on Form 10-K. Except for those required by new accounting pronouncements discussed in the section referenced below, there have been no material changes from these critical accounting estimates and policies.

Recently Issued Accounting Pronouncements

See Note 2 — *Summary of Significant Accounting Policies — Recently Issued Accounting Pronouncements* to our consolidated financial statements in this Quarterly Report on Form 10-Q for further discussion.

Properties

The following table represents a summary by segment of our portfolio of real estate properties as of March 31, 2024 June 30, 2024:

Segment	Number of Properties	Annualized Straight-Line Rent Amount	%	Amount	%	Amount	%	Occupancy	Weighted-Average Remaining Lease Term (Years) (1)	Number of Properties	Amount	%	Amount	%	Amount	%	Occupancy	Weighted-Average Remaining Lease Term (Years) (1)
	(In thousands)																	
Industrial & Distribution																		
Industrial & Distribution																		
Industrial & Distribution																		
Multi-Tenant Retail																		
Single-Tenant Retail																		
Office																		
Total																		

(1) If the portfolio has multiple properties with varying lease expirations, average remaining lease term is calculated on a weighted-average basis. Weighted average remaining lease term in years is calculated based on square feet as of March 31, 2024 June 30, 2024.

Results of Operations

We operates in four reportable segments consistent with our current management internal financial reporting purposes: (1) Industrial & Distribution, (2) Multi-Tenant Retail, (3) Single-Tenant Retail and (4) Office (see *Note 15* — *Segment Reporting* to our consolidated financial statements included in this Quarterly Report on Form 10-Q, for additional details on our reportable segments).

In our Industrial & Distribution, Single-Tenant Retail and Office segments, we own, manage and lease single-tenant properties where in addition to base rent, our tenants are required to pay for their property operating expenses or reimburse us for property operating expenses that we incur (primarily property insurance and real estate taxes). However, some limited property operating expenses that are not the responsibility of the tenant are absorbed by us. The main exceptions are properties leased to the Government Services Administration, which do not require the tenant to reimburse the costs.

In our Multi-Tenant Retail segment, we own, manage and lease multi-tenant properties where we generally pay for the property operating expenses for those properties and most of our tenants are required to pay their pro rata share of property operating expenses.

As more fully discussed in *Note 3* — *The Mergers,* to our consolidated financial statements included in this Quarterly Report on Form 10-Q, during the quarter ended September 30, 2023 we completed the Mergers which will affect comparable results from operations until the properties acquired have been held for all periods presented. As a result, comparisons of our period to period financial information as set forth herein may not be meaningful. The historical financial information included herein as of any date, or for any periods, prior to September 12, 2023 represents our financial information, prior to the Mergers, on a stand-alone basis.

Comparison of the Three Months Ended March 31, 2024 June 30, 2024 and 2023

Net Loss Attributable to Common Stockholders

Net loss attributable to common stockholders was $34.7 million $46.6 million for the three months ended March 31, 2024 June 30, 2024, as compared to $6.0 million $31.4 million for the three months ended March 31, 2023 June 30, 2023. The change in net loss attributable to common stockholders is discussed in detail for each line item of the consolidated statements of operations in the sections that follow.

Revenue from Tenants

Consolidated revenue from tenants, detailed by reportable segment, is as follows:

		Three Months Ended March 31,				**Three Months Ended June 30,**		
(In thousands)	*(In thousands)*	**2024**		**2023**	*(In thousands)*	**2024**		**2023**
Revenue From Tenants:								
Industrial & Distribution								
Industrial & Distribution								
Industrial & Distribution								
Multi-Tenant Retail								
Single-Tenant Retail								
Office								
Total Consolidated Revenue From Tenants								

Industrial & Distribution

Revenue from tenants in our Industrial & Distribution segment was $62.0 million $61.4 million and $52.8 million $51.3 million for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively. The majority of the increase in revenue from tenants was primarily driven by revenue of $8.1 million attributable to properties acquired from RTL on the Acquisition Date, and the increase from a full quarterly period of revenue in 2024 from other properties acquired since January 1, 2023, with minimal impact from the year-over-year impact of increases change in the average exchange rates during the three months ended March 31, 2024 June 30, 2024, when compared to the same period last year.

Multi-Tenant Retail

Revenue from tenants in our Multi-Tenant Retail segment was $66.8 million $67.0 million for the three months ended March 31, 2024 June 30, 2024 and there was no corresponding revenue in the prior year period since the revenue is all attributable to properties acquired from RTL on the Acquisition Date.

Single-Tenant Retail

Revenue from tenants in our Single-Tenant Retail segment was $40.8 million $38.9 million and $3.7 million $4.5 million for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively. The increase in the third second quarter of 2023 2024 was primarily due to revenue of $35.2 $32.2 million attributable to properties acquired from RTL on the Acquisition Date and revenue from the acquisition completed in the quarter ended March 31, 2023, with additional impact from the year-over-year impact of increases in foreign exchange rates.

Office

Revenue from tenants in our Office segment was $36.5 million and $37.8 million for the three months ended March 31, 2024 and 2023, respectively. The decrease in the first quarter of 2024 was primarily driven by disposals, partially offset by revenue attributable to properties acquired from RTL on the Acquisition Date, with minimal impact from the year-over-year change in average exchange rates during the three months ended June 30, 2024, when compared to the same period last year.

Office

Revenue from tenants in our Office segment was $35.9 million and $40.0 million for the three months ended June 30, 2024 and 2023, respectively. The decrease in the second quarter of 2024 was primarily driven by lower overall revenue from properties owned in both periods and disposals, partially offset by revenue attributable to properties acquired from RTL on the Acquisition Date. The year-over-year change in foreign exchange rates. rates had a minimal impact.

Property Operating Expenses

Consolidated property operating expenses, detailed by reportable segment, is as follows:

		Three Months Ended March 31,			Three Months Ended June 30,	
(In thousands)	*(In thousands)*	2024	2023	*(In thousands)*	2024	2023
Property Operating Expenses:						
Industrial & Distribution						
Industrial & Distribution						
Industrial & Distribution						
Multi-Tenant Retail						
Single-Tenant Retail						
Office						
Total Consolidated Property Operating Expenses						

Industrial & Distribution

Property operating expenses in our Industrial & Distribution segment were $4.7 million $5.0 million and $3.4 million $3.3 million for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively. The increase was primarily due to the timing of our reimbursable costs as well as an increase in property operating expenses resulting from properties acquired from RTL on the Acquisition Date, and with minimal impact from the year-over-year change in average foreign exchange rates during the three months ended March 31, 2024 June 30, 2024, when compared to the same period last year.

Multi-Tenant Retail

Property operating expenses in our Multi-Tenant Retail were $22.9 million $22.6 million for the three months ended March 31, 2024 June 30, 2024 and there were no corresponding property operating expenses in the prior year period since the expenses are all attributable to properties acquired from RTL on the Acquisition Date.

Single-Tenant Retail

Property operating expenses in our Single-Tenant Retail were $4.8 million $3.8 million and $0.1 million $0.2 million for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively. The increase in the first second quarter of 2024 was primarily due to an increase in property operating expenses of $4.3 $3.1 million resulting from properties acquired from RTL on the Acquisition Date, and the with minimal impact from the year-over-year increase change in average foreign exchange rates during the three months ended June 30, 2024, when compared to the same period last year.

Office

Property operating expenses in our Office segment were $5.5 million $4.2 million and $4.6 million $5.6 million for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively. The minor increase decrease in the first second quarter of 2024 was primarily due to an increase in property operating expenses resulting fromproperties acquired from RTL on the Acquisition Date and the timing of our reimbursable costs, with minimal impact from the year-over-year increase change in average foreign exchange rates during the three months ended June 30, 2024, when compared to the same period last year.

Operating Fees to Related Parties

Due to the completion of the Internalization Merger (see below) there were no operating fees paid to related parties in the three months ended March 31, 2024 June 30, 2024. Operating fees paid to related parties were $10.1 million in the three months ended March 31, 2023 June 30, 2023. The decline in the quarter ended March 31, 2024 June 30, 2024 was primarily due to the closing of the Internalization Merger on the Acquisition Date. For additional information, see *Note 12* — *Related Party Transaction*s to our consolidated financial statements included in this Quarterly Report on Form 10-Q.

Upon the closing of the Mergers, we no longer pay asset management fees to the Advisor or property management fees to the Property Manager and we internalized our management functions. While we no longer pay the costs of the various fees and expense reimbursements previously paid to the former Advisor and the Property Manager, after the Internalization Merger, our expenses now include the compensation (including equity-based compensation) and benefits of our officers, employees, and consultants, as well as overhead expenses, previously paid by those entities in managing our business and operations and are being recorded in general and administrative expenses from the Acquisition Date forward.

Impairment Charges

During the three months ended March 31, 2024 June 30, 2024, we determined that the fair values of six of our properties located in the U.S. (all (three of which were acquired in the REIT Merger) had an estimated fair value that was lower than the carrying value of the properties, based on the estimated selling price of such properties, and as a result, we recorded an impairment charge of approximately $4.3 $27.4 million. The majority of the impairment charge in the second quarter of 2024 was due to legacy GNL properties. We did not record any impairment charges in the three months ended March 31, 2023 June 30, 2023.

Merger, Transaction and Other Costs

We recognized $0.8 $1.6 million and $0.1 $6.3 million of merger, transaction and other costs during the three months ended March 31, 2024 June 30, 2024 and 2023, respectively.

Settlement Costs

We recognized settlement costs in the three months ended June 30, 2023 of $15.1 million, which related to the cash reimbursement of approximately $8.8 million of expenses to the Blackwells Capital LLC ("Blackwells Capital"), an affiliate of Blackwells Onshore I LLC ("Blackwells Onshore" and, together with Blackwells Capital, "Blackwells"), and certain others involved with Blackwells proxy solicitation (collectively and, together with Blackwells, the "Blackwells/Related Parties") and the noncash equity expense of approximately $6.3 million for Common Stock that was ultimately issued to the Blackwells/Related Parties under the Cooperation Agreement (as defined in *Note 10 — Stockholders' Equity*).

General and Administrative Expenses

General and administrative expenses were $16.2 million $15.2 million and $5.7 million $10.7 million for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively, primarily consisting of employee compensation/payroll expenses, professional fees including audit and taxation services, employee compensation/payroll expenses, board member compensation and directors' and officers' liability insurance. The overall increase in general and administrative expenses was primarily due to the internalization of our management functions (as discussed above), such as employee compensation/payroll expenses.

Equity-Based Compensation

During the three months ended March 31, 2024 June 30, 2024 and 2023, we recognized equity-based compensation expense of $2.0 million $2.3 million and $2.9 million, respectively. Equity-based compensation in the quarter ended March 31, 2024 consists June 30, 2024 consisted of (i) amortization of restricted shares of Common Stock ("Restricted Shares") granted to employees of the former Advisor or its affiliates who were involved in providing services to us prior to the Internalization; (ii) amortization of restricted stock units in respect of shares of Common Stock ("RSUs") granted to our employees (after the Internalization) and our independent directors and; (iii) amortization expense related to performance stock units ("PSUs") which were issued in October of 2023. Equity-based compensation for the quarter ended March 31, 2023 includes June 30, 2023 included amortization expense for Restricted Shares, RSUs and expense related to our multi-year outperformance agreement entered into with the former Advisor in June 2021 (the "2021 OPP"), which expired on September 11, 2023. For additional information, see *Note 13 — Equity-Based Compensation* to our consolidated financial statements in this Quarterly Report on Form 10-Q.

Depreciation and Amortization

Depreciation and amortization expense was $92.0 million $89.5 million and $37.0 million $37.3 million for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively. The increase in the quarter ended March 31, 2024 June 30, 2024 as compared to the same quarter last year was due to additional depreciation and amortization expense recorded as a result of the impact of the REIT Merger. In addition, the increase was partially due to the impact of the year-over-year change in average foreign exchange rates during the three months ended March 31, 2024 June 30, 2024, when compared to the same period last year.

Gain on Dispositions of Real Estate Assets

During the three months ended March 31, 2024 June 30, 2024 we sold 19 36 properties, 17 34 of which were acquired in the REIT Merger, and recorded a net gain of $5.9 million $34.1 million during the three months ended March 31, 2024 June 30, 2024. During the three months ended March 31, 2023 June 30, 2023, we did not sell any properties.

Interest Expense

Interest expense was $82.8 million $89.8 million and $27.0 million $27.7 million for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively. The increase was due to the increase in the net amount of our total gross debt outstanding to $5.4 billion $5.1 billion as of March 31, 2024 June 30, 2024 from $2.5 billion as of March 31, 2023, and, the increase in the June 30, 2023. The weighted-average effective interest rate of our total debt from 4.4% as of March 31, 2023 to was 4.8% as of March 31, 2024 June 30, 2023 and 4.7% as of June 30, 2024. The increase in the net amount of our gross debt outstanding was primarily due to debt assumed in the REIT Merger and additional borrowings on our Revolving Credit Facility to pay off RTL's former credit facility.

The increase in interest expense was also impacted by the year-over-year change in average foreign exchange rates during the three months ended March 31, 2024 June 30, 2024, when compared to the same period last year. As of March 31, 2024 June 30, 2024, approximately 10.0% of our total debt outstanding was denominated in EUR, 8.0% 9.0% of our total debt outstanding was denominated in GBP and 1.0%

was denominated in Canadian Dollars ("CAD"). As of March 31, 2023 June 30, 2023, approximately 22% of our total debt outstanding was denominated in EUR, 18% of our total debt outstanding was denominated in GBP and 1% was denominated in CAD.

We view a combination of secured and unsecured financing as an efficient and accretive means to acquire properties and manage working capital. As of March 31, 2024 June 30, 2024, approximately 49% 47% of our total debt outstanding was secured and 51% 53% was unsecured, the latter including amounts outstanding under our Revolving Credit Facility and Senior Notes. The availability of borrowings under the Revolving Credit Facility is based on the value of a pool of eligible unencumbered real estate assets owned by us and compliance with various ratios related to those assets. Our interest expense in future periods will vary based on interest rates, the level of future borrowings, which will depend on refinancing needs and acquisition activity, and changes in currency exchange rates.

Loss on Extinguishment of Debt

The loss on extinguishment of debt of $0.1 million $13.1 million in the quarter ended March 31, 2024 June 30, 2024 was primarily due to cash payments made upon repaying certain mortgage loans, primarily related to fee required to be paid upon repayment of the refinancing mortgage loan that encumbered our McLaren properties in the U.K. This mortgage loan was assumed as part of our loan acquisition of the McLaren properties in Finland. There were no such costs incurred 2021 and included the fee noted above in the three months terms of the mortgage. The loss on extinguishment of debt was $0.4 million for the quarter ended March 31, 2023 June 30, 2023.

Gain (Loss) on Derivative Instruments

The gain of $1.6 million $0.5 million on derivative instruments for the three months ended March 31, 2024 June 30, 2024 and the loss of $1.7 million $0.8 million on derivative instruments for the three months ended March 31, 2023 June 30, 2023, reflect the marked-to-market impact from foreign currency and interest rate derivative instruments used to hedge the investment portfolio from currency and interest rate movements, and was mainly driven by exchange rate changes in the GBP and EUR compared to the USD. For the three months ended March 31, 2024 June 30, 2024, the gain on derivative instruments consisted of unrealized gains of $1.3 million $0.2 million and realized gains of $0.3 million. For the three months ended March 31, 2023 June 30, 2023, the loss on derivative instruments consisted of unrealized losses of $2.6 million $1.6 million and realized gains of $0.9 million $0.8 million. The overall gains (or losses) on derivative instruments directly impact our results of operations since they are recorded on the gain on derivative instruments line item in our consolidated results of operations. However, only the realized gains are included in AFFO (as defined below).

As a result of our foreign investments in Europe, and, to a lesser extent, our investments in Canada, we are subject to risk from the effects of exchange rate movements in the EUR, GBP and, to a lesser extent, CAD against the USD, which may affect costs and cash flows in our functional currency, the USD. We generally manage foreign currency exchange rate movements by matching our debt service obligation to the lender and the tenant's rental obligation to us in the same currency. This reduces our overall exposure to currency fluctuations. In addition, we may use currency hedging to further reduce the exposure to our net cash flow. We are generally a net receiver of these currencies (we receive more cash than we pay out), and therefore our results of operations of our foreign properties benefit from a weaker USD, and are adversely affected by a stronger USD, relative to the foreign currency. Conversely, realized gains from derivatives would generally be lower from a weaker USD, and higher from a stronger USD. We maintain our hedging approach by consistently entering into new foreign exchange forwards for three year periods. Interest rate increases could increase the interest expense on our floating rate debt or any new debt and we are constantly evaluating the use of hedging strategies to mitigate this risk.

See *Note 9* — *Derivatives and Hedging Activities* to our consolidated financial statements in this Quarterly Report on Form 10-Q for additional information on our hedging program.

Unrealized Income on Undesignated Foreign Currency Advances and Other Hedge Ineffectiveness

We recorded income income of $1.0 million $0.3 million on undesignated foreign currency advances and other hedge ineffectiveness during the quarter ended March 31, 2024 June 30, 2024, related to the accelerated reclassification of amounts in other comprehensive income to earnings. During the quarter ended March 31, 2023 June 30, 2023, we did not record any amounts due to currency changes on the undesignated excess foreign currency advances over the related net investments. investments.

Income Tax Benefit (Expense)

Although as a REIT we generally do not pay U.S. federal income taxes on the amount of REIT taxable income that is distributed to shareholders, we recognize income tax benefit (expense) domestically for state taxes and local income taxes incurred, if any, and also in foreign jurisdictions in which we own properties. In addition, we perform an analysis of potential deferred tax or future tax benefit and expense as a result of book and tax differences and timing differences in taxes across jurisdictions. Income tax benefit was $0.3 million and income tax expense was $3.5 million for the three months ended June 30, 2024 and 2023, respectively. The decrease was due to a tax benefit recorded in the second quarter of 2024 for previous tax years.

Preferred Stock Dividends

Preferred stock dividends were $10.9 million for the three months ended June 30, 2024 and $5.1 million for the three months ended June 30, 2023. The amounts in the three months ended March 31, 2024 represent the dividends that are attributable to holders of Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock and Series E Preferred Stock. The amounts in the three months ended March 31, 2023 represents the dividends that were attributable to holders of Series A Preferred Stock and holders of Series B Preferred Stock.

Comparison of the Six Months Ended June 30, 2024 and 2023

As more fully discussed in *Note 1* — *Organization* to our consolidated financial statements included in this Quarterly Report on Form 10-Q, during the quarter ended September 30, 2023 we completed the Mergers which will affect comparable results from operations until the properties acquired have been held for all periods presented. As a result, comparisons of our period to period financial information as set forth herein may not be meaningful. The historical financial information included herein as of any date, or for any periods, prior to September 12, 2023, represents our financial information, prior to the Mergers, on a stand-alone basis.

Net Loss Attributable to Common Stockholders

Net loss attributable to common stockholders was $81.3 million for the six months ended June 30, 2024, as compared to net loss of $37.3 million for the six months ended June 30, 2023. The change in net loss attributable to common stockholders is discussed in detail for each line item of the consolidated statements of operations in the sections that follow.

Revenue from Tenants

Consolidated revenue from tenants, detailed by reportable segment, is as follows:

	Six Months Ended June 30,	
(In thousands)	**2024**	**2023**
Revenue From Tenants:		
Industrial & Distribution	$ 123,431	$ 104,112
Multi-Tenant Retail	133,768	—
Single-Tenant Retail	79,734	8,259
Office	72,398	77,805
Total Consolidated Revenue From Tenants	**$ 409,331**	**$ 190,176**

Industrial & Distribution

Revenue from tenants in our Industrial & Distribution segment was $123.4 million and $104.1 million for the six months ended June 30, 2024 and 2023, respectively. The increase in revenue from tenants was primarily driven by revenue of $16.2 million attributable to properties acquired from RTL on the Acquisition Date and the increase from a full period of revenue in 2024 from other properties acquired since January 1, 2023, as well as the impact from the year-over-year change in average foreign exchange rates during the six months ended June 30, 2024, when compared to the same period last year.

Multi-Tenant Retail

Revenue from tenants in our Multi-Tenant Retail segment was $133.8 million for the six months ended June 30, 2024 and there was no corresponding revenue in the prior year period since the revenue is all attributable to properties acquired from RTL on the Acquisition Date.

Single-Tenant Retail

Revenue from tenants in our Single-Tenant Retail segment was $79.7 million and $8.3 million for the six months ended June 30, 2024 and 2023, respectively. The increase was primarily due to revenue of $68.3 million attributable to properties acquired from RTL on the Acquisition Date, as well as the impact from the year-over-year change in average foreign exchange rates during the six months ended June 30, 2024, when compared to the same period last year.

Office

Revenue from tenants in our Office segment was $72.4 million and $77.8 million for the six months ended June 30, 2024 and 2023, respectively. The decrease as presented in the table above was primarily driven by lower overall revenue from properties owned in both periods and disposals, partially offset by revenue attributable to properties acquired from RTL on the Acquisition Date, as well as the impact from the year-over-year change in foreign exchange rates during the six months ended June 30, 2024, when compared to the same period last year.

Property Operating Expenses

Consolidated property operating expenses, detailed by reportable segment, is as follows:

	Six Months Ended June 30,	
(In thousands)	**2024**	**2023**
Property Operating Expenses:		
Industrial & Distribution	$ 9,632	$ 6,615
Multi-Tenant Retail	45,469	—
Single-Tenant Retail	8,545	316
Office	9,717	10,248
Total Consolidated Property Operating Expenses	**$ 73,363**	**$ 17,179**

Industrial & Distribution

Property operating expenses in our Industrial & Distribution segment were $9.6 million and $6.6 million for the six months ended June 30, 2024 and 2023, respectively. The increase was primarily due to the timing of our reimbursable costs and the year-over-year change in average foreign exchange rates during the three months ended June 30, 2024, when compared to the same period last year.

Multi-Tenant Retail

Property operating expenses in our Multi-Tenant Retail were $45.5 million for the six months ended June 30, 2024 and there were no corresponding property operating expenses in the prior year period since the expenses are all attributable to properties acquired from RTL on the Acquisition Date.

Single-Tenant Retail

Property operating expenses in our Single-Tenant Retail were $8.5 million and $0.3 million for the six months ended June 30, 2024 and 2023, respectively. The increase was primarily due to an increase in property operating expenses of $7.3 million resulting from properties acquired from RTL on the Acquisition Date and a full period of property operating expenses from other properties acquired since January 1, 2023, as well as the impact of the year-over-year change in average foreign exchange rates, when compared to the same period last year.

Office

Property operating expenses in our Office segment were $9.7 million and $10.2 million for the six months ended June 30, 2024 and 2023, respectively. The decrease was primarily due to the timing of our reimbursable expenses, partially offset by an increase in property operating expenses resulting from properties acquired from RTL on the Acquisition Date and the year-over-year change in average foreign exchange rates, when compared to the same period last year.

Operating Fees to Related Parties

Due to the completion of the Internalization Merger (see below) there were no operating fees paid to related parties in the six months ended June 30, 2024. Operating fees paid to related parties were $20.2 million in the six months ended June 30, 2023. The decline in the quarter ended June 30, 2024 was primarily due to the closing of the Internalization Merger on the Acquisition Date. For additional information, see Note 12 — *Related Party Transactions* to our consolidated financial statements included in this Quarterly Report on Form 10-Q.

Upon the closing of the Mergers, we no longer pay asset management fees to the Advisor or property management fees to the Property Manager and we internalized our management functions. While we no longer pay the costs of the various fees and expense reimbursements previously paid to the Advisor and the Property Manager, after the Internalization Merger, our expenses now include the compensation and benefits of our officers, employees, and consultants, as well as overhead expenses, previously paid by those entities in managing our business and operations and are being recorded in general and administrative expenses from the Acquisition Date forward.

Impairment Charges

During the six months ended June 30, 2024, we determined that the fair values of 12 of our properties located in the U.S. (three of which were acquired in the REIT Merger) had an estimated fair value that was lower than the carrying value of the properties, based on the estimated selling price of such properties, and as a result, we recorded an impairment charge of approximately $31.7 million. The majority of the impairment charges in the first six months of 2024 were due to legacy GNL properties. We did not record any impairment charges in the six months ended June 30, 2023.

Merger, Transaction and Other Costs

We recognized $2.3 million and $6.4 million of merger, transaction and other costs during the six months ended June 30, 2024 and 2023, respectively. The decrease was due to higher advisory, legal and other professional costs incurred in the prior year period that were directly related to the Mergers.

Settlement Costs

We recognized settlement costs of $15.1 million which related to the cash reimbursement of approximately $8.8 million of expenses to the Blackwells/Related Parties and non-cash equity expense recorded in the six months ended June 30, 2023 of approximately $6.3 million for Common Stock that was ultimately issued to Blackwells under the Cooperation Agreement (as defined in *Note 10* — *Stockholders' Equity* to our consolidated financial statements in this Quarterly Report on Form 10-Q).

General and Administrative Expenses

General and administrative expenses were $31.4 million and $16.3 million for the six months ended June 30, 2024 and 2023, respectively, and primarily consist of employee compensation/payroll expenses, professional fees including audit and taxation services, board member compensation and directors' and officers' liability insurance. The overall increase in general and administrative expenses was primarily due to the internalization of our management functions (as discussed above), such as employee compensation/payroll expenses and higher legal and other costs in the six months ended June 30, 2024.

Equity-Based Compensation

During the six months ended June 30, 2024 and 2023, we recognized equity-based compensation expense of $4.3 million and $5.8 million, respectively. Equity-based compensation in the six months ended June 30, 2024 consisted of (i) amortization of restricted shares of Common Stock ("Restricted Shares") granted to employees of the former Advisor or its affiliates who were involved in providing services to us prior to the Internalization; (ii) amortization of restricted stock units in respect of shares of Common Stock ("RSUs") granted to our employees (after the Internalization) and our independent directors and; (iii) amortization expense related to performance stock units ("PSUs") which were issued in October of 2023. Equity-based compensation for the six months ended June 30, 2023 included amortization expense for Restricted Shares, RSUs and expense related to our multi-year outperformance agreement entered into with the former Advisor in June 2021 (the "2021 OPP"), which expired on September 11, 2023. For additional information, see *Note 13* — *Equity-Based Compensation* to our consolidated financial statements in this Quarterly Report on Form 10-Q.

Depreciation and Amortization

Depreciation and amortization expense was $181.5 million and $74.3 million for the six months ended June 30, 2024 and 2023, respectively. The increase in the first six months of 2024 compared to the first six months of 2023 was due to additional depreciation and amortization expense recorded as a result of the impact of the REIT Merger and the year-over-year change in average foreign exchange rates during the six months ended June 30, 2024, when compared to the same period last year.

Gain (loss) on Dispositions of Real Estate Investments

During the six months ended June 30, 2024, we sold 55 properties, 51 which were acquired in the REIT Merger, and recorded a net gain of $40.0 million. During the six months ended June 30, 2023 we did not sell any properties.

Interest Expense

Interest expense was $172.6 million and $54.7 million for the six months ended June 30, 2024 and 2023, respectively. The increase was due to the increase in the net amount of our total gross debt outstanding of $2.5 billion as of June 30, 2023 to $5.1 billion as of June 30, 2024. The weighted-average effective interest rate of our total debt was 4.8% as of June 30, 2023 and 4.7% as of June 30, 2024. The increase in the net amount of our gross debt outstanding was primarily due to debt assumed in the REIT Merger and additional borrowings on our Revolving Credit Facility to pay off RTL's former credit facility.

The increase in interest expense was also impacted by the year-over-year change in average foreign exchange rates during the six months ended June 30, 2024, when compared to the same period last year. As of June 30, 2024, approximately 10.0% of our total debt outstanding was denominated in EUR, 9.0% of our total debt outstanding was denominated in GBP and 1.0% was denominated in CAD. As of June 30, 2023, approximately 22% of our total debt outstanding was denominated in EUR, 18% of our total debt outstanding was denominated in GBP and 1.0% was denominated in CAD.

We view a combination of secured and unsecured financing as an efficient and accretive means to acquire properties and manage working capital. As of June 30, 2024, approximately 47% of our total debt outstanding was secured and 53% was unsecured, including amounts outstanding under our Revolving Credit Facility and Senior Notes. The availability of borrowings under the Revolving Credit Facility is based on the value of a pool of eligible unencumbered real estate assets owned by us and compliance with various ratios related to those assets. Our interest expense in future periods will vary based on interest rates as well as our level of future borrowings, which will depend on refinancing needs and acquisition activity.

Loss on Extinguishment of Debt

The loss on extinguishment of debt of $13.1 million for the six months ended June 30, 2024 and was primarily due to cash payments made upon repaying certain mortgage loans, primarily related to the fee required to be paid upon repayment of the mortgage loan that encumbered our McLaren properties in the U.K. This mortgage loan was assumed as part of our acquisition of the McLaren properties in 2021 and included the fee noted above in the terms of the mortgage. The loss on extinguishment of debt was $0.4 million for the six months ended June 30, 2023.

Gain (Loss) on Derivative Instruments

The gain on derivative instruments of $2.1 million and loss of $2.4 million for the six months ended June 30, 2024 and 2023, respectively, reflect the marked-to-market impact from foreign currency and interest rate derivative instruments used to hedge the investment portfolio from currency and interest rate movements, and was mainly driven by currency rate changes in the GBP and EUR compared to the USD. For the six months ended June 30, 2024, the gain on derivative instruments consisted of unrealized gains of $1.5 million and realized gains of $0.6 million. For the six months ended June 30, 2023, the loss on derivative instruments consisted of unrealized losses of $4.3 million and realized gains of $1.9 million. The overall gain (or loss) on derivative instruments directly impact our results of operations since they are recorded on the gain on derivative instruments line item in our consolidated results of operations. However, only the realized gains are included in AFFO (as defined below).

We recorded a gain of $1.3 million on undesignated foreign currency advances and other hedge ineffectiveness, related to the accelerated reclassification of amounts in other comprehensive income to earnings as a result of certain hedged forecasted transactions becoming probable not to occur, for the six months ended June 30, 2024. We did not record any gains or losses on undesignated foreign currency advances and other hedge ineffectiveness for the six months ended June 30, 2023.

As a result of our foreign investments in Europe, and, to a lesser extent, our investments in Canada, we are subject to risk from the effects of exchange rate movements in the EUR, GBP and, to a lesser extent, CAD, which may affect costs and cash flows in our functional currency, the USD. We generally manage foreign currency exchange rate movements by matching our debt service obligation to the lender and the tenant's rental obligation to us in the same currency. This reduces our overall exposure to currency fluctuations. In addition, we may use currency hedging to further reduce the exposure to our net cash flow. We are generally a net receiver of these currencies (we receive more cash than we pay out), and therefore our results of operations of our foreign properties benefit from a weaker USD, and are adversely affected by a stronger USD, relative to the foreign currency.

Income Tax Expense

Although as a REIT we generally do not pay U.S. federal income taxes on the amount of REIT taxable income that is distributed to shareholders, we recognize income tax (expense) benefit domestically for state taxes and local income taxes incurred, if any, and also in foreign jurisdictions in which we own properties. In addition, we perform an analysis of potential deferred tax or future tax benefit and expense as a result of book and tax differences and timing differences in taxes across jurisdictions. Income tax expense was $2.4 million $2.1 million and $2.7 million $6.2 million for the three six months ended March 31, 2024 June 30, 2024 and 2023 respectively. The decrease was due to a tax benefit recorded in the second quarter of 2024 for previous tax years.

Preferred Stock Dividends

Preferred stock dividends were $10.9 million $21.9 million and $10.2 million for the three six months ended March 31, 2024 June 30, 2024 and $5.1 million for the three months ended March 31, 2023. 2023, respectively. The amounts in the three six months ended March 31, 2024 June 30, 2024 represent the dividends that are attributable to holders of Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock and Series E Preferred Stock. The amounts in the three six months ended March 31, 2023 represents June 30, 2023 represent the dividends that were are attributable to holders of Series A Preferred Stock and holders of Series B Preferred Stock.

Cash Flows from Operating Activities

The level of cash flows provided by operating activities is driven by, among other things, rental income received, operating fees paid to related parties for asset and property management services (prior to the internalization of our advisory and property management functions) and interest payments on outstanding borrowings.

During the three six months ended March 31, 2024 June 30, 2024, net cash provided by operating activities was $92.2 million $162.5 million. Cash flows provided by operating activities during the three six months ended March 31, 2024 June 30, 2024 reflect net loss of $23.8 million $59.4 million, adjusted for non-cash items of $111.7 million $266.9 million (primarily depreciation, amortization of intangibles, amortization of deferred financing costs, amortization of mortgage discounts, amortization of above- and below-market lease assets and liabilities, amortization of right of use assets, amortization of lease incentives and commissions, bad debt expense, unbilled straight-line rent (including the

effect of adjustments due to rent deferrals), equity-based compensation, unrealized gains on foreign currency transactions, derivatives and other non-cash items). In addition, operating cash flow was impacted by lease incentive and commission payments of $0.4 million $0.5 million and an increase a decrease of $10.5 million $4.5 million in working capital items due to a decrease in prepaid expenses and other assets of $9.3 million $9.8 million, a decrease in accounts payable and accrued expenses of $0.2 million $13.9 million and an increase a decrease in prepaid rent of $1.3 million $0.5 million.

Cash flows provided by operating activities during the three six months ended March 31, 2023 June 30, 2023 reflect net loss of $0.9 million $27.1 million, adjusted for non-cash items of $44.4 million $94.7 million (primarily depreciation, amortization of intangibles, amortization of deferred financing costs, amortization of mortgage discounts, amortization of above- and below-market lease assets and liabilities, amortization of right of use assets, amortization of lease incentives and commissions, bad debt expense, unbilled straight-line rent (including the effect of adjustments due to rent deferrals), equity-based compensation, and unrealized gains on foreign currency transactions, derivatives and other). In addition, operating cash flow was impacted by lease incentive and commission payments of $1.6 million $2.4 million and an increase of $21.1 million $18.8 million in working capital items due to a decrease in prepaid expenses and other assets of $8.8 million $15.2 million, an increase in accounts payable and accrued expenses of $2.9 million $3.2 million and an increase in prepaid rent of $9.4 million $0.4 million.

Cash Flows from Investing Activities

Net cash provided by investing activities during the three six months ended March 31, 2024 June 30, 2024 of $35.2 million $281.1 million consisted of net proceeds from dispositions of $43.1 million $299.6 million, partially offset by capital expenditures of $8.0 million $18.5 million.

Net cash used in investing activities during the three six months ended March 31, 2023 June 30, 2023 of $88.8 million $92.5 million consisted of property acquisitions of $81.4 million and capital expenditures of $7.4 million $11.2 million.

Cash Flows from Financing Activities

Net cash used in financing activities activities of $107.9 million $450.1 million during the three six months ended March 31, 2024 June 30, 2024 was a result of net payments of principal on mortgage notes payable of $41.5 million $266.3 million, dividends paid to common stockholders of $81.7 million $145.2 million, dividends paid to holders of our Series A

Preferred Stock of $3.1 million $6.2 million, dividends paid to holders of our Series B Preferred Stock of $2.0 million $4.0 million, dividends paid to holders of our Series D Preferred Stock of $3.7 million $7.4 million, dividends paid to holders of our Series E Preferred Stock of $2.1 million $4.2 million, payments for early extinguishment of debt charges of $13.1 million and cash paid for financing costs of $0.9 million $7.6 million. These cash outflows were partially offset by net proceeds from borrowings under our Revolving Credit Facility Facility of $27.3 million $4.5 million.

Net cash provided by financing activities of $39.5 million $4.2 million during the three six months ended March 31, 2023 June 30, 2023 was a result of net proceeds from borrowings under our Revolving Credit Facility of $91.0 million $356.0 million, partially offset by net payments of mortgage notes payable of $4.6 million $257.5 million (for additional information on Credit Facility activity, see the "*Liquidity and Capital Resources*" section below), dividends paid to common stockholders of $41.7 million $83.3 million, dividends paid to holders of our 7.25% Series A Cumulative Redeemable Preferred Stock, $0.01 par value per share ("Series A Preferred Stock") of $3.1 million $6.2 million, dividends paid to holders of our 6.875% Series B Cumulative Redeemable Perpetual Preferred Stock, $0.01 par value per share ("Series B Preferred Stock") of $2.0 million $4.0 million and distributions to non-controlling interest holders of $0.1 million $0.2 million.

Liquidity and Capital Resources

Our principal future needs for cash and cash equivalents include the purchase of additional properties or other investments, payment of related acquisition costs, improvement costs, operating and administrative expenses, repayment of certain debt obligations, which includes our continuing debt service obligations and dividends to holders of our Common Stock and Preferred Stock, as well as to any future class or series of preferred stock we may issue. As of March 31, 2024 June 30, 2024 and December 31, 2023, we had cash and cash equivalents of $131.9 million $122.2 million and $121.6 million, respectively. See discussion above for how our cash flows from various sources impacted our cash.

Management expects that cash generated from operations, supplemented by our existing cash will be sufficient to fund, in the near term and long term, the payment of quarterly dividends to our common stockholders and holders of our Preferred Stock, as well as anticipated capital expenditures. During the three six months ended March 31, 2024 June 30, 2024, cash generated from operations covered 99% 97% of our dividends paid. In addition, we plan on managing our leverage by using proceeds from strategic or opportunistic dispositions to reduce our debt pursuant to our previously announced 2024 strategic disposition plan, and we currently have entered into purchase and sale agreements ("PSAs") and non-binding letters of intent ("LOIs") totaling an aggregate of $490.6 $356.5 million. The PSAs and LOIs are subject to conditions and there can be no assurance we will be able to complete these dispositions on their contemplated terms, or at all.

Our other sources of capital, which we have used and may use in the future, include proceeds received from our Revolving Credit Facility, proceeds from secured or unsecured financings (which may include note issuances), proceeds from our offerings of equity securities (including Common Stock and Preferred Stock), proceeds from any future sales of properties and undistributed cash flows from operations, if any.

Acquisitions, Dispositions and Pending Transactions

We are in the business of acquiring real estate properties and leasing the properties to tenants. Generally, we fund our acquisitions through a combination of cash and cash equivalents, proceeds from offerings of equity securities, borrowings under our Revolving Credit Facility and proceeds from mortgage or other debt secured by the acquired or other assets at the time of acquisition or at some later point. In addition, to the extent we dispose of properties, we have used and may continue to use the net proceeds from the dispositions (after repayment of any mortgage debt, if any) for future acquisitions or other general corporate purposes.

Acquisitions and Dispositions — Three Six Months Ended March 31, 2024 June 30, 2024

During the three and six months ended March 31, 2024 June 30, 2024, the Company we sold 19 36 and 55 properties, respectively, 34 and 51 of which were acquired in the REIT Merger, respectively. The properties sold in the three and six months ended June 30, 2024 were sold for a an aggregate contract price of $44.7 million. $276.7 million and $321.4 million, respectively.

We did not acquire any properties during the three and six months ended March 31, 2024 June 30, 2024.

Acquisitions and Dispositions Subsequent to March 31, 2024 June 30, 2024 and Pending Transactions

Subsequent to March 31, 2024 June 30, 2024, we disposed of seven four properties for an aggregate price of $18.2 $50.0 million. In addition, we have signed definitive PSAs to dispose of 42 18 properties for a contract purchase price of $481.9 $226.8 million and we have signed non-binding LOIs to dispose of three 86 properties for an aggregate sale price of $8.6 $129.7 million.

Equity Offerings

Common Stock

We have an "at the market" equity offering program (the "Common Stock ATM Program") pursuant to which we may sell shares of Common Stock, from time to time through our sales agents. In November 2022, we filed a new shelf registration statement and prospectus supplement covering the Common Stock ATM Program having an aggregate offering amount of up to $285.0 million, prior to the expiration of our previous registration statement, which had an aggregate offering amount of up to $500.0 million ($285.0 million was sold under our previous registration statement). During the three months ended March 31, 2024 June 30, 2024, we did not sell any shares of Common Stock through the Common Stock ATM Program.

Preferred Stock

We have an "at the market" equity offering program for our Series B Preferred Stock (the "Series B Preferred Stock ATM Program") pursuant to which we may sell shares of Series B Preferred Stock, from time to time through our sales agents. In November 2022, we filed a new shelf registration statement and prospectus supplement covering the Series B Preferred Stock ATM Program having an aggregate offering amount of up to $170.0 million, prior to the expiration of our previous registration statement, which had an aggregate offering amount of up to $200.0 million. During the three months ended March 31, 2024 June 30, 2024, we did not sell any shares of Series B Preferred Stock through the Series B Preferred Stock ATM Program.

The timing differences between when we raise equity proceeds or receive proceeds from dispositions and when we invest those proceeds in acquisitions or other investments that increase our operating cash flows have affected, and may continue to affect, our results of operations.

Borrowings

As of March 31, 2024 June 30, 2024 and December 31, 2023, we had total gross debt outstanding of $5.4 billion $5.1 billion, and $5.4 million, respectively, bearing interest at a weighted-average interest rate rates per annum equal to 4.7% and 4.8%. , respectively.

As of March 31, 2024 June 30, 2024, 84% 90% of our total debt outstanding either bore interest at fixed rates, or was swapped to a fixed rate, which bore interest at a weighted average interest rate of 4.3% 4.5% per annum. As of March 31, 2024 June 30, 2024, 16% 10% of our total debt outstanding was variable-rate debt, which bore interest at a weighted average interest rate of 7.3% 6.9% per annum. The total gross carrying value of unencumbered assets as of March 31, 2024 June 30, 2024 was $4.9 billion $4.94 billion, of which approximately $4.9 billion $4.93 billion was included in the unencumbered asset pool comprising the borrowing base under the Revolving Credit Facility and therefore is not currently available to serve as collateral for future borrowings.

Our debt leverage ratio was 64.9% 63.7% and 65.0% (total debt as a percentage of total purchase price of real estate investments, based on the exchange rate at the time of purchase) as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively. As of March 31, 2024 June 30, 2024, the weighted-average maturity of our indebtedness was 3.3 years. We believe we have the ability to service our debt obligations as they come due.

As noted above, we plan on managing our leverage by using proceeds from strategic or opportunistic dispositions to reduce our debt, and we currently have entered into PSAs and LOIs totaling an aggregate of $490.6 $356.5 million.

Senior Notes

In connection with the REIT Merger, we assumed and became a guarantor under RTL's $500.0 million aggregate principal, 4.50% Senior Notes due 2028 (the "4.50% Senior Notes"), pursuant to a supplemental indenture governing the 4.50% Senior

Notes. Both the 4.50% Senior Notes and the 3.75% Senior Notes do not require any principal payments prior to maturity. As of

March 31, 2024, June 30, 2024, the carrying amount of the outstanding Senior Notes on our balance sheets totaled $890.9 $895.8 million which is net of $109.1 $104.2 million of deferred financing costs and discounts, and as of December 31, 2023 the carrying amount of the outstanding Senior Notes on our balance sheets totaled $886.0 million, which is net of $114.0 million of deferred financing costs. See *Note 7 — Senior Notes, Net* to our consolidated financial statements included in this Quarterly Report on Form 10-Q for further discussion on the Senior Notes and related covenants.

Mortgage Notes Payable

As of March 31, 2024 June 30, 2024 and December 31, 2023, we had secured mortgage notes payable of $2.3 billion and $2.5 billion, respectively, net of mortgage discounts and deferred financing costs. All of our current mortgage loans require payment of interest-only with the principal due at maturity. We have $283.7 $0.6 million of principal payments due on our mortgages during the remainder of 2024, however in 2024. Other significant activity related to our mortgage notes payable was as follows (see *Note 5 — Mortgage Notes Payable, Net* for additional information):

- In April 2024, we repaid our mortgage loan that encumbered our McLaren properties in the United Kingdom, which had a balance of $127.5 million $127.5 million as of March 31, 2024. The Mortgage loan was repaid, using borrowings under the GBP portion of the Company's our Revolving Credit Facility.
- On April 5, 2024, we entered into a commercial mortgage-backed security Loan Agreement (the "2024 ("CMBS Loan" Loan II") with (i) Bank of Montreal, (ii) Société Générale Financial Corporation, (iii) Barclays Capital Real Estate Inc. and (iv) KeyBank National Association (each individually, a "Lender," and collectively, the "Lenders"), in the aggregate amount of $237.0 million. The 2024 CMBS Loan II is secured by, among other things, first priority mortgages on 20 industrial properties that we own across the United States. The 2024 CMBS Loan II has a 5-year term, is interest-only (payable monthly) at a fixed rate of 5.74% per year and matures on April 6, 2029. The 2024 CMBS Loan II contains certain covenants, including, certain obligations to reserve funds and requires us to maintain a net worth of $150.0 million and liquid assets having a market value of at least $10.0 million. We used the net proceeds to pay down draws on the USD portion of the Revolving Credit Facility (as noted below).
- In June 2024, we repaid our mortgage loan that encumbered our properties in The Netherlands and Luxembourg, which had a balance of $116.3 million as of March 31, 2024, using borrowings under the EUR portion of our Revolving Credit Facility.
- In June 2024, we repaid approximately $139.0 million of our Column Financial Mortgage Notes using net proceeds from the disposition of certain properties.

Credit Facility

As of March 31, 2024 both June 30, 2024 and December 31, 2023, outstanding borrowings under our Revolving Credit Facility were $1.8 billion and $1.7 billion, respectively. . During the three six months ended March 31, 2024 June 30, 2024, we made net additional borrowings of $27.3 million $4.5 million on the Revolving Credit Facility. As of March 31, 2024 June 30, 2024, approximately $43.5 million $98.1 million was available for future borrowings under the Revolving Credit Facility.

In April 2024, we completed the 2024 CMBS Loan II financing and used the net proceeds to pay down draws on the USD portion of the Revolving Credit Facility. Also in April 2024, we repaid our mortgage loan that encumbered its McLaren properties in the United Kingdom (as noted above) using borrowings under the GBP portion of the Revolving Credit Facility.

The Credit Agreement requires payments of interest only prior to maturity. Borrowings under the Revolving Credit Facility bear interest at a variable rate per annum based on an applicable margin that varies based on the ratio of consolidated total indebtedness to consolidated total asset value of us and our subsidiaries plus either (i) the Base Rate (as defined in the Credit Agreement) or (ii) the applicable Benchmark Rate (as defined in the Credit Facility) for the currency being borrowed. The applicable interest rate margin is based on a range from 0.30% to 0.90% per annum with respect to Base Rate borrowings under the Revolving Credit Facility and 1.30% to 1.90% per annum with respect to Benchmark Rate borrowings under the Revolving Credit Facility. These spreads reflect a reduction from the previous spreads. For Benchmark Rate Loans denominated in Dollars that bear interest calculated by reference to Term SOFR, there is an additional spread adjustment depending on the length of the interest period. In addition, (i) if we achieve an investment grade credit rating from at least two rating agencies, the OP can elect for the spread to be based on our credit rating, and (ii) the "floor" on the applicable Benchmark is 0%. As of March 31, 2024 June 30, 2024, the Revolving Credit Facility had a weighted-average effective interest rate of 5.9% 5.4% after giving effect to interest rate swaps in place.

The Revolving Credit Facility matures on October 8, 2026, subject to our option, subject to customary conditions, to extend the maturity date by up to two additional six-month terms. Borrowings under the Revolving Credit Facility may be prepaid at any time, in whole or in part, without premium or penalty, subject to customary breakage costs associated with borrowings for the applicable Benchmark Rate.

The Revolving Credit Facility requires us through the OP to pay an unused fee per annum of 0.25% of the unused balance of the Revolving Credit Facility if the unused balance exceeds or is equal to 50% of the total commitment or a fee per annum of 0.15% of the unused balance of the Revolving Credit Facility if the unused balance is less than 50% of the total commitment.

From and after the time we obtain an investment grade credit rating, the unused fee will be replaced with a facility fee based on the total commitment under the Revolving Credit Facility multiplied by 0.30%, decreasing as our credit rating increases.

The availability of borrowings under the Revolving Credit Facility is based on the value of a pool of eligible unencumbered real estate assets owned by us and compliance with various ratios related to those assets. Also, we have a $7.4 million letter of credit held by lenders which were put in place to cure cash trap sweep events under one of our mortgages (see "— *Covenants —Multi-Tenant Mortgage Loan III"* section below for additional information on this letter of credit). These letters of credit reduce the availability for future borrowings under the Revolving Credit Facility.

Any future borrowings may, at our option be denominated in USD, EUR, CAD, GBP Norwegian Krone, Swedish Krona and Swiss Francs, provided that the total principal amount of non-USD loans cannot exceed the sum of the total revolving commitments minus $100.0 million. Amounts borrowed may not, however, be converted to, or repaid in, another currency once borrowed.

Covenants

As of March 31, 2024June 30, 2024, we were in compliance with the covenants under the Indenture governing the 3.75% Senior Notes, the indenture governing the 4.50% Senior Notes and the Credit Agreement (see *Note 6 — Revolving Credit Facility* and *Note 7 — Senior Notes, Net* to our consolidated financial statements included in this Quarterly Report on Form 10-Q for further discussion on the Revolving Credit Facility and Senior Notes and the related covenants).

As of March 31, 2024June 30, 2024, we were in compliance with all property-level debt covenants with the exception of four property-level debt instruments. For those four property-level debt instruments, we either (a) implemented a cure to the underlying noncompliance trigger by providing a letter of credit, or (b) permitted excess net cash flow after debt service from the impacted properties to become restricted, in each case in accordance with the terms of the applicable debt instrument. Each letter of credit, for so long as it is outstanding, represents a dollar-for-dollar reduction to availability for future borrowings under our Revolving Credit Facility. While the restricted cash cannot not be used for general corporate purposes, it is available to fund operations of the underlying assets. These matters did not have a material impact on our ability to operate the impacted assets.

Non-GAAP Financial Measures

This section discusses the non-GAAP financial measures we use to evaluate our performance including Funds from Operations ("FFO"), Core Funds from Operations ("Core FFO") and Adjusted Funds from Operations ("AFFO"). A description of these non-GAAP measures and reconciliations to the most directly comparable GAAP measure, which is net income, is provided below.

Use of Non-GAAP Measures

FFO, Core FFO, and AFFO 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 FFO, Core FFO and AFFO measures. Other REITs may not define FFO in accordance with the current NAREIT (as defined below) 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.

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, the National Association of Real Estate Investment Trusts ("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. 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 merger, transaction and other costs, settlement costs related to the Blackwells/Related Parties litigation (recorded in the second and third quarters of 2023), as well as certain other costs that are considered to be non-core, such as debt extinguishment costs. 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 subsequent operations of 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 or items, including items that were paid in cash that are not a fundamental attribute of our business plan or were one time or non-recurring items. These items include early extinguishment of debt and other items excluded in Core FFO as well as 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 exclude revenue attributable to the reimbursement by third parties of financing costs that we originally incurred because these revenues are not, in our view, related to 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.

In calculating AFFO, we also exclude certain expenses which under GAAP are treated as operating expenses in determining operating net income. All paid and accrued acquisition, transaction and other costs (including prepayment penalties for debt extinguishments and merger related expenses) and certain other expenses, including expenses incurred for our 2023 proxy contest and related Blackwells/Related Parties litigation, expenses related to our European tax restructuring and transition costs related to the Mergers, negatively impact our operating performance during the period in which expenses are incurred or properties are acquired and 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. By providing AFFO, we believe we are presenting useful information that can be used to, among other things, assess our performance without the impact of transactions or other items that are not related to our portfolio of properties. AFFO presented by us may not be comparable to AFFO reported by other REITs that define AFFO differently. Furthermore, we believe that in order to facilitate a clear understanding of our operating results, AFFO should be examined in conjunction with net income (loss) calculated in accordance with GAAP 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.

		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended June 30,		**Six Months Ended June 30,**	
(In thousands)	*(In thousands)*	**2024**	**2023**	**2024**	**2023**

(In thousands)
(In thousands)
Net (loss) income attributable to common stockholders (in accordance with GAAP)
Net (loss) income attributable to common stockholders (in accordance with GAAP)
Net (loss) income attributable to common stockholders (in accordance with GAAP)
Impairment charges
Impairment charges
Net loss attributable to common stockholders (in accordance with GAAP)
Impairment charges
Depreciation and amortization
Depreciation and amortization
Depreciation and amortization
Loss (gain) on dispositions of real estate investments
Loss (gain) on dispositions of real estate investments
Loss (gain) on dispositions of real estate investments
FFO (as defined by NAREIT) attributable to common stockholders
FFO (as defined by NAREIT) attributable to common stockholders
Gain on dispositions of real estate investments
FFO (as defined by NAREIT) attributable to common stockholders
Merger, transaction and other costs (1)
Merger, transaction and other costs (1)
Merger, transaction and other costs (1)
Loss on extinguishment of debt
Loss on extinguishment of debt
Settlement costs (2)
Loss on extinguishment of debt
Core FFO attributable to common stockholders
Core FFO attributable to common stockholders
Core FFO attributable to common stockholders
Non-cash equity-based compensation
Non-cash equity-based compensation
Non-cash equity-based compensation
Non-cash portion of incentive fee
Non-cash portion of incentive fee
Non-cash portion of incentive fee
Non-cash portion of interest expense
Non-cash portion of interest expense
Non-cash portion of interest expense
Amortization related to above- and below- market lease intangibles and right-of-use assets, net
Amortization related to above- and below- market lease intangibles and right-of-use assets, net
Amortization related to above- and below- market lease intangibles and right-of-use assets, net
Straight-line rent
Straight-line rent
Straight-line rent
Unrealized income on undesignated foreign currency advances and other hedge ineffectiveness
Unrealized income on undesignated foreign currency advances and other hedge ineffectiveness
Unrealized income on undesignated foreign currency advances and other hedge ineffectiveness
Eliminate unrealized (gains) losses on foreign currency transactions (2) (3)
Eliminate unrealized (gains) losses on foreign currency transactions (2) (3)

Unrealized gains on undesignated foreign currency advances and other hedge ineffectiveness
Unrealized gains on undesignated foreign currency advances and other hedge ineffectiveness
Unrealized gains on undesignated foreign currency advances and other hedge ineffectiveness
Eliminate unrealized (gains) losses on foreign currency transactions (2) (3)
Amortization of discounts on mortgages and senior notes
Amortization of discounts on mortgages and senior notes
Amortization of discounts on mortgages and senior notes
Expenses attributable to 2023 proxy contest and related litigation (3) (4)
Expenses attributable to 2023 proxy contest and related litigation (3) (4)
Expenses attributable to 2023 proxy contest and related litigation (3) (4)
Expenses attributable to European tax restructuring (4) (5)
Expenses attributable to European tax restructuring (4) (5)
Expenses attributable to European tax restructuring (4) (5)
Transition costs related to the Merger and Internalization (5) (6)
Transition costs related to the Merger and Internalization (5) (6)
Transition costs related to the Merger and Internalization (5) (6)
AFFO attributable to common stockholders
AFFO attributable to common stockholders
Forfeited disposition deposit (7)
AFFO attributable to common stockholders
Summary
Summary
Summary
FFO (as defined by NAREIT) attributable to common stockholders
FFO (as defined by NAREIT) attributable to common stockholders
FFO (as defined by NAREIT) attributable to common stockholders
Core FFO attributable to common stockholders
Core FFO attributable to common stockholders
Core FFO attributable to common stockholders
AFFO attributable to common stockholders
AFFO attributable to common stockholders
AFFO attributable to common stockholders

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(1) For the three and six months ended March 31, 2024, June 30, 2024 and 2023, these costs primarily consist of advisory, legal and other professional costs that were directly related to the REIT Merger and Internalization Merger. The

(2) In the three and six months ended March 31, 2023 did not have any June 30, 2023, we recognized these settlement costs which include one-half of the reasonable, documented, out-of pocket expenses (including legal fees) incurred by the Blackwells/Related Parties in connection with the proxy contest and related litigation as well as expense for Common Stock that was ultimately issued to the REIT Merger and Internalization Merger. Blackwells/Related Parties.

(2) (3) For AFFO purposes, we adjust for unrealized gains and losses. For the three months ended March 31, 2024 June 30, 2024, the gain on derivative instruments was $1.6 million $0.5 million, which consisted of unrealized gains of $1.3 million $0.2 million and realized gains of $0.3 million. For the six months ended June 30, 2024, the gain on derivative instruments was $2.1 million, which consisted of unrealized gains of $1.5 million and realized gains of $0.6 million. For the three months ended March 31, 2023 June 30, 2023, the loss on derivative instruments was $1.7 million $0.8 million, which consisted of unrealized losses of $2.6 million $1.6 million and realized gains of $0.9 million $0.8 million. For the six months ended June 30, 2023, the loss on derivative instruments was $2.4 million, which consisted of unrealized losses of $4.3 million and realized gains of $1.9 million.

(3) (4) Amounts relate to general and administrative expenses incurred for the Company's 2023 proxy contest and related Blackwells/Related Parties litigation (as described herein). The Company does not consider these expenses to be part of its normal operating performance and has, accordingly, increased its AFFO for these amounts.

(4) (5) Amount relates Amounts relate to costs incurred related to the tax restructuring of our European entities. We do not consider these expenses to be part of our normal operating performance and have, accordingly, increased AFFO for this amount. these amounts.

(5) (6) Amounts include costs related to (i) compensation incurred for our former Co-Chief Executive Officer who retired effective March 31, 2024; (ii) a transition service agreement with the former Advisor; and (iii) insurance premiums related to expiring directors and officers insurance of former RTL directors. We do not consider these expenses to be part of our normal operating performance and have, accordingly, increased AFFO for this amount.

(7) Represents a forfeited deposit from a potential buyer of one of our properties, which is recorded in other income in our consolidated statement of operations. We do not consider this income to be part of our normal operating performance and have, accordingly, decreased AFFO for this amount.

Dividends

The amount of dividends payable to our common stockholders is determined by our Board and is dependent on a number of factors, including funds available for dividends, our financial condition, provisions in our Credit Agreement or other agreements that may restrict our ability to pay dividends, capital expenditure requirements, as applicable, requirements of Maryland law and annual distribution requirements needed to maintain our status as a REIT.

During the three months ended March 31, 2024 and December 31, 2023, we paid dividends on our Common Stock at an annual rate of $1.42 per share, or $0.354 per share on a quarterly basis. During the first, second and third quarters of 2023,we paid dividends on our Common Stock at an annual rate of $1.60 per share or $0.40 per share on a quarterly basis.

On February 26, 2024, the Board approved a dividend policy that reduced our Common Stock dividend rate to an annual rate of $1.10 per share, or $0.275 per share on a quarterly basis. The new Common Stock dividend rate became effective with the Common Stock Dividend declared and paid in April 2024. The reduction of the dividend rate is expected to yield benefits to us, including increasing the amount of cash that may be used to lower leverage.

During each of the three months ended March 31, 2024 and December 31, 2023, we paid dividends on our Common Stock at an annual rate of $1.42 per share, or $0.354 per share on a quarterly basis. During the first, second and third quarters of 2023, we paid dividends on our Common Stock at an annual rate of $1.60 per share or $0.40 per share on a quarterly basis.

Dividends authorized by the Board and declared by us are paid on a quarterly basis on the 15th day of in arrears during the first month following the end of each fiscal quarter (unless otherwise specified) to common stockholders of record on the record date for such payment. Dividends accrue on our preferred stock as follows:

- Dividends on our Series A Preferred Stock accrue in an amount equal to $0.453125 per share per quarter to Series A Preferred Stockholders, which is equivalent to 7.25% of the $25.00 liquidation preference per share of Series A Preferred Stock per annum.
- Dividends on our Series B Preferred Stock accrue in an amount equal to $0.4296875 per share per quarter to Series B Preferred Stockholders, which is equivalent to 6.875% of the $25.00 liquidation preference per share of Series B Preferred Stock per annum.
- Dividends on our Series D Preferred Stock accrue in an amount equal to $0.46875 per share per quarter to Series D Preferred Stockholders, which is equivalent to the rate of 7.50% of the $25.00 liquidation preference per share per annum.
- Dividends on our Series E Preferred Stock accrue in an amount equal to $0.4609375 per share per quarter to Series E Preferred Stockholders, which is equivalent to the rate of 7.375% of the $25.00 liquidation preference per share per annum.

Dividends on the Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock and Series E Preferred Stock are payable quarterly in arrears on the 15th day of January, April, July and October of each year (or, if not on a business day, on the next succeeding business day) to holders of record on the close of business on the record date set by our Board. Any accrued and unpaid dividends payable with respect to the Series A Preferred Stock and Series B Preferred Stock become part of the liquidation preference thereof.

Pursuant to the Credit Agreement, we may not pay distributions, including cash dividends on, or redeem or repurchase Common Stock, Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, or any other class or series of stock we may issue in the future, that exceed 100% of our Adjusted FFO as defined in the Credit Facility (which is different from AFFO disclosed in this Quarterly Report on Form 10-Q) for any period of four consecutive fiscal quarters, except in limited circumstances, including that for one fiscal quarter in each calendar year, we may pay cash dividends and other distributions and redeem or repurchase an aggregate amount equal to no more than 105% of our Adjusted FFO. We last used the exception to pay dividends that were between 100% of Adjusted FFO and 105% of Adjusted FFO during the quarter ended on June 30, 2020, and may use this exception in the future. In the past, the lenders under our Revolving Credit Facility have consented to increase the maximum amount of our Adjusted FFO we may use to pay cash dividends and other distributions and make redemptions and other repurchases in certain periods, but there can be no assurance that they will do so again in the future.

The following table shows the sources for the payment of dividends to holders of Common Stock, Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock and distributions to holders of Class A Units for the periods indicated.

	Three Months Ended March 31, 2024 Three Months Ended March	**Three Months Ended March 31, 2024**

	31, 2024	
	Three Months Ended	
	Three Months Ended	
	Three Months Ended	Six Months Ended June 30, 2024
	March 31, 2024	

(In thousands)

(In thousands)

(In thousands)		Percentage of Dividends		Percentage of Dividends
Dividends and Distributions:				
Dividends to holders of Common Stock				
Dividends to holders of Common Stock				
Dividends to holders of Common Stock				
Dividends to holders of Series A Preferred Stock				
Dividends to holders of Series A Preferred Stock				
Dividends to holders of Series A Preferred Stock				
Dividends to holders of Series B Preferred Stock				
Dividends to holders of Series B Preferred Stock				
Dividends to holders of Series B Preferred Stock				
Dividends to holders of Series D Preferred Stock				
Dividends to holders of Series D Preferred Stock				
Dividends to holders of Series D Preferred Stock				
Dividends to holders of Series E Preferred Stock				
Dividends to holders of Series E Preferred Stock				
Dividends to holders of Series E Preferred Stock				
Distributions to holders of Class A Units				
Distributions to holders of Class A Units				
Distributions to holders of Class A Units				

Total dividends and distributions												
Total dividends and distributions												
Total dividends and distributions												
Source of dividend and distribution coverage:												
Source of dividend and distribution coverage:												
Source of dividend and distribution coverage:												
Cash flows provided by operations												
Cash flows provided by operations												
Cash flows provided by operations		$ 92,186	99.4	99.4 %		$ 92,186	99.4	99.4 %	$ 70,359	94.5	94.5 %	$ 162
Available cash on hand	Available cash on hand	523	0.6	0.6 %	Available cash on hand	523	0.6	0.6 %	4,093	5.5	5.5 %	
Total sources of dividend and distribution coverage	Total sources of dividend and distribution coverage	$ 92,709	100.0	100.0 %	Total sources of dividend and distribution coverage	$ 92,709	100.0	100.0 %	$ 74,452	100.0	100.0 %	
Cash flows provided by operations (GAAP basis)												
Cash flows provided by operations (GAAP basis)												
Cash flows provided by operations (GAAP basis)												
Net loss attributable to common stockholders (in accordance with GAAP)												
Net loss attributable to common stockholders (in accordance with GAAP)												
Net loss attributable to common stockholders (in accordance with GAAP)												

Foreign Currency Translation

Our reporting currency is the USD. The functional currency of our foreign investments is the applicable local currency for each foreign location in which we invest. Assets and liabilities in these foreign locations (including intercompany balances for which settlement is not anticipated in the foreseeable future) are translated at the spot rate in effect at the applicable reporting date. The amounts reported in the consolidated statements of operations are translated at the average exchange rates in effect during the applicable period. The resulting unrealized cumulative translation adjustment is recorded as a component of accumulated other comprehensive income in the consolidated statements of changes in equity. We are exposed to fluctuations in foreign currency exchange rates on property investments in foreign countries which pay rental income, incur property related expenses and borrow in currencies other than our functional currency, the USD. We have used and may continue to use foreign currency derivatives including options, currency forward and cross currency swap agreements to manage our exposure to fluctuations in foreign GBP-USD and EUR-USD exchange rates (*see Note 9 — Derivatives and Hedging Activities* to the consolidated financial statements in this Quarterly Report on Form 10-Q for further discussion).

Election as a REIT

We elected to be taxed as a REIT under Sections 856 through 860 of the Code, effective for our taxable year ended December 31, 2013. We believe that, commencing with such taxable year, we have been organized and have operated in a manner so that we qualify for taxation as a REIT under the Code. We intend to continue to operate in such a manner to qualify for taxation as a REIT, but can provide no assurances that we will operate in a manner so as to remain qualified as a REIT. To continue to qualify for taxation as a REIT, we must distribute annually at least 90% of our REIT taxable income (which does not equal net income as calculated in accordance with GAAP), determined without regard for the deduction for dividends paid and excluding net capital gains, and must comply with a number of other organizational and operational requirements. If we continue to qualify for taxation as a REIT, we generally will not be subject to federal corporate income tax on the portion of our REIT taxable income that we distribute to our stockholders. Even if we qualify for taxation as a REIT, we may be subject to certain state and local taxes on our income and properties, as well as federal income and excise taxes on our undistributed income.

In addition, our international assets and operations, including those owned through direct or indirect subsidiaries that are disregarded entities for U.S. federal income tax purposes, continue to be subject to taxation in the foreign jurisdictions where those assets are held or those operations are conducted.

Inflation

We may be adversely impacted by inflation on the leases that do not contain indexed escalation provisions, or those leases which have escalations at rates which do not exceed or approximate current inflation rates. As of March 31, 2024 June 30, 2024, the increase to the 12-month CPI for all items, as published by the Bureau of Labor Statistics, was 3.5% 3.0%. To help mitigate the adverse impact of inflation, approximately 78.2% 78.8% of our leases with our tenants contain rent escalation provisions that increase the cash rent that is due under these leases over time by an average cumulative increase of 1.3% per year. These provisions generally increase rental rates during the terms of the leases either at fixed rates or indexed escalations (based on the Consumer Price Index or other measures). As of March 31, 2024 June 30, 2024, based on straight-line rent, approximately 59.9% 60.2%, are fixed-rate with increases averaging 1.7%, 14.1% 14.3% are based on the Consumer Price Index, subject to certain caps, 4.2% 4.3% are based on other measures, and 21.8% 21.2% do not contain any escalation provisions.

In addition, we may be required to pay costs for maintenance and operation of properties which may adversely impact our results of operations due to potential increases in costs and operating expenses resulting from inflation. However, our net leases require the tenant to pay its allocable share of operating expenses, which may include common area maintenance costs, real estate taxes and insurance. This may reduce our exposure to increases in costs and operating expenses resulting from inflation. As the costs of general goods and services continue to rise, we may be adversely impacted by increases in general and administrative costs due to overall inflation.

Related-Party Transactions and Agreements

See *Note 12* *— Related Party Transactions* to our consolidated financial statements included in this Quarterly Report on Form 10-Q for a discussion of the various related party transactions, agreements and fees.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There has been no material change in our exposure to market risk during the three six months ended March 31, 2024 June 30, 2024. For a discussion of our exposure to market risk, refer to Item 7A, “Quantitative and Qualitative Disclosures about Market Risk,” contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

In accordance with Rules 13a-15(b) and 15d-15(b) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), we, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q and our Chief Executive Officer and Chief Financial Officer determined that our disclosure controls and procedures are effective.

Changes in Internal Control Over Financial Reporting

During the quarter ended March 31, 2024 June 30, 2024, there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

Please refer to “Litigation and Regulatory Matters” in Part I - Item 1 - *Note 11* — *Commitments and Contingencies*, in our accompanying Consolidated Financial Statements.

Item 1A. Risk Factors.

There have been no material changes to the risk factors disclosed in Part I, Item 1A, “Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 27, 2024, and we direct you to those risk factors.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

During our last fiscal quarter, no director or officer, as defined in Rule 16a-1(f), adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement,” each as defined in Regulation S-K Item 408.

Item 6. Exhibits.

The following exhibits are included, or incorporated by reference, in this Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 June 30, 2024 (and are numbered in accordance with Item 601 of Regulation S-K).

Exhibit No.	Description
10.1	Separation Loan Agreement, dated March 8, 2024 as of April 5, 2024, by among the borrower entities party thereto, Bank of Montreal, Barclays Capital Real Estate Inc., Société Générale Financial Corporation, and between Global Net Lease, Inc. and James L. Nelson KeyBank National Association (incorporated by reference to Exhibit 10.1 to the Form 8-K filed by Global Net Lease, Inc. on March 11, 2024 April 10, 2024).
10.2	Guaranty Agreement, as of April 5, 2024, by Global Net Lease. Operating Partnership, L.P. in favor of Bank of Montreal, Barclays Capital Real Estate Inc., Société Générale Financial Corporation, and KeyBank National Association (incorporated by reference to Exhibit 10.2 to the Form 8-K filed by Global Net Lease, Inc. on April 10, 2024).
10.3	Environmental Indemnity Agreement, dated as of April 5, 2024, by Global Net Lease Operating Partnership, L.P. and the borrower entities party thereto, for the benefit of Bank of Montreal, Barclays Capital Real Estate Inc., Société Générale Financial Corporation, and KeyBank National Association (incorporated by reference to Exhibit 10.3 to the Form 8-K filed by Global Net Lease, Inc. on April 10, 2024).
31.1 *	Certification of the Principal Executive Officer of the Company pursuant to Securities Exchange Act Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2 31.2 *	Certification of the Principal Financial Officer of the Company pursuant to Securities Exchange Act Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32 *	Written statements of the Principal Executive Officer and Principal Financial Officer of the Company pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS *	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH *	Inline XBRL Taxonomy Extension Schema Document.
101.CAL *	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF *	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB *	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE *	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104 *	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

* Filed or furnished herewith

SIGNATURES

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

Global Net Lease, Inc.

By: /s/ Edward M. Weil, Jr.

Edward M. Weil, Jr.

Chief Executive Officer and President

By: /s/ Christopher J. Masterson

Christopher J. Masterson

Chief Financial Officer, Treasurer, and Secretary

(Principal Financial Officer and Principal Accounting Officer)

Dated: May 8, 2024 August 7, 2024

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Exhibit 31.1

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Edward M. Weil, Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Global Net Lease, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated the 8th 7th day of May, August, 2024	/s/ Edward M. Weil, Jr.
	Edward M. Weil, Jr.
	Chief Executive Officer and President
	(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Christopher J. Masterson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Global Net Lease, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated the 8th 7th day of May, August, 2024

/s/ Christoper J. Masterson

Christopher J. Masterson

Chief Financial Officer, Treasurer and Secretary

(Principal Financial Officer and Principal Accounting Officer)

Exhibit 32

SECTION 1350 CERTIFICATIONS

This Certificate is being delivered pursuant to the requirements of Section 1350 of Chapter 63 (Mail Fraud) of Title 18 (Crimes and Criminal Procedures) of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

The undersigned, who are the Chief Executive Officer and Chief Financial Officer of Global Net Lease, Inc. (the "Company"), each hereby certify as follows:

The quarterly report on Form 10-Q of the Company, which accompanies this Certificate, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and all information contained in this quarterly report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated the 8th 7th day of May, August, 2024

/s/ Edward M. Weil, Jr.

Edward M. Weil, Jr.

Chief Executive Officer and President

(Principal Executive Officer)

/s/ Christopher J. Masterson

Christopher J. Masterson

Chief Financial Officer, Treasurer and Secretary

(Principal Financial Officer and Principal Accounting Officer)

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