



THE NNN REIT™

2020 Highlights

Dividend yield at December 31, 2020 of **5.1%**

Maintained high occupancy at **98.5%**

Invested **\$180.0 million** in property investments
@ average 6.5% cap rate (initial cash yield)

Sold 38 properties for
\$54.5 million

Maintained dividend payout ratio
of approximately **82.6%** of AFFO

Maintained significant balance sheet
capacity and liquidity

Ended 2020 with **\$267.2 million** of cash, no amounts drawn
on \$900 million bank line and no near-term debt maturities

TRIPLE NET LEASE

A net lease requires the tenant to directly pay many of the costs associated with a property. Our properties are typically leased on a **TRIPLE NET LEASE** basis, meaning the tenant pays for the real estate **TAXES, MAINTENANCE, INSURANCE** and utilities at the property level. We believe strongly that triple net leases provide increased stability to our rental revenue over the long term; we are insulated against increases in these property operating costs and our rental income goes directly to the bottom line. The real estate industry moniker for triple net leases is “NNN,” which has been the basis for our New York Stock Exchange ticker symbol since 1994.