

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

FORM 8-K

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

Date of Report (Date of earliest event reported): **January 7, 2021**

American Finance Trust, Inc.

(Exact Name of Registrant as Specified in Charter)

Maryland

(State or other jurisdiction
of incorporation)

001-38597

(Commission File Number)

90-0929989

(I.R.S. Employer
Identification No.)

**650 Fifth Avenue, 30th Floor
New York, New York 10019**

(Address, including zip code, of Principal Executive Offices)

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class:	Trading Symbol(s)	Name of each exchange on which registered:
Class A Common Stock, \$0.01 par value	AFIN	The Nasdaq Global Select Market
7.50% Series A Cumulative Redeemable Perpetual Preferred Stock, \$0.01 par value	AFINP	The Nasdaq Global Select Market
7.375% Series C Cumulative Redeemable Perpetual Preferred Stock, \$0.01 par value per share	AFINO	The Nasdaq Global Select Market
Preferred Stock Purchase Rights		The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On January 7, 2021, American Finance Trust, Inc. (the “Company”) issued a press release announcing its fourth quarter 2020 rent collections.

Item 7.01. Regulation FD Disclosure.

As disclosed in Item 2.02 above, on January 7, 2021, the Company issued a press release, a copy of which is attached hereto as Exhibit 99.1. The information set forth in Item 7.01 of this Current Report on Form 8-K and in the attached Exhibit 99.1 is deemed to be “furnished” and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section. The information set forth in Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed incorporated by reference into any filing under the Exchange Act or the Securities Act of 1933, as amended, regardless of any general incorporation language in such filing.

Item 8.01. Other Events.

Recent Acquisition Activity

During the three months ended December 31, 2020, the Company has acquired 35 properties for an aggregate contract purchase price of \$61.3 million.

Rent Collection Update

As of January 5, 2021, the Company has received 95% of the original cash rent due for the fourth quarter of 2020, including 98% of the original cash rent due in the Company’s single-tenant portfolio and approximately 87% of the original cash rent due in the Company’s multi-tenant portfolio.

The statements in this Current Report on Form 8-K that are not historical facts may be forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause actual results or events to be materially different. The words “anticipates,” “believes,” “expects,” “estimates,” “projects,” “plans,” “intends,” “may,” “will,” “would” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These forward-looking statements are subject to risks, uncertainties and other factors, many of which are outside of the Company’s control, which could cause actual results to differ materially from the results contemplated by the forward-looking statements. These risks and uncertainties include the potential adverse effects of the ongoing global COVID-19 pandemic, including actions taken to contain or treat COVID-19, on the Company, the Company’s tenants and the global economy and financial markets and that the information about fourth quarter 2020 rent collections includes additional rent collected with respect to fourth quarter 2020 as compared to previously reported information due to ongoing collection efforts and fourth quarter 2020 rent collections may not be indicative of any future period, as well as those risks and uncertainties set forth in the Risk Factors section of the Company’s most recent Annual Report on Form 10-K for the year ended December 31, 2019 filed on February 27, 2020, the Company’s most recent Quarterly Reports on Form 10-Q for the quarters ended March 31, 2020, June 30, 2020, and September 30, 2020, filed on May 7, 2020, August 6, 2020, and November 5, 2020, respectively, and all other filings filed with the Securities and Exchange Commission after that date. Further, forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update or revise any forward-looking statement to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results, unless required to do so by law.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No</u>	<u>Description</u>
99.1	Press Release dated January 7, 2021
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.



AMERICAN FINANCE TRUST ANNOUNCES 95% RENT COLLECTED IN FOURTH QUARTER; OVER \$60 MILLION OF FOURTH QUARTER ACQUISITIONS

NEW YORK – January 7, 2021 – American Finance Trust, Inc. (Nasdaq: AFIN) (“AFIN” or the “Company”) announced today that it collected 95% of the original cash rent due for the fourth quarter of 2020 as of January 5, 2021, including 98% of the original cash rent due in the Company’s single-tenant portfolio. The Company also announced that it had acquired 35 properties for \$61.3 million¹ during the fourth quarter. Fourth quarter acquisitions consisted primarily of necessity retail assets and the acquisitions had a weighted-average cap rate² of 9.2% and a weighted average remaining lease term³ of 9.4 years.

“As anticipated, we collected substantially all of the original cash rent due across the portfolio and marked another quarter of strong results” said Michael Weil, CEO of AFIN. “Our single-tenant portfolio remained excellent with 98% of rent collected while our multi-tenant portfolio improved to 87% during the quarter. We are also pleased to resume our acquisition program, closing on over \$60 million of necessity and service-oriented retail assets in the fourth quarter, bringing our total 2020 acquisitions to \$218 million¹. The portfolio has been intentionally constructed and has performed brilliantly throughout a very challenging year.”

Acquisitions

During the fourth quarter, the Company acquired 35 properties for an aggregate contract purchase price of \$61.3 million at a weighted-average cash cap rate⁴ of 8.6% and a weighted-average cap rate of 9.2% with a weighted average remaining lease term of 9.4 years. For the year ended December 31, 2020, the Company acquired 107 properties for an aggregate contract purchase price of \$218.3 million at a weighted-average cash cap rate of 7.9% and a weighted-average cap rate of 8.6%.

About American Finance Trust, Inc.

American Finance Trust, Inc. (Nasdaq: AFIN) is a publicly traded real estate investment trust listed on the Nasdaq focused on acquiring and managing a diversified portfolio of primarily service-oriented and traditional retail and distribution related commercial real estate properties in the U.S. Additional information about AFIN can be found on its website at www.americanfinancetrust.com.

Important Notice

The statements in this press release that are not historical facts may be forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause the outcome to be materially different. In addition, words such as “may,” “will,” “seeks,” “anticipates,” “believes,” “estimates,” “expects,” “plans,” “intends,” “should” or similar expressions indicate a forward-looking statement, although not all forward-looking statements include these words. These forward-looking statements are subject to risks, uncertainties and other factors, many of which are outside of AFIN’s control, which could cause actual results to differ materially from the results contemplated by the forward-looking statements. These risks and uncertainties include the potential adverse effects of the ongoing global COVID-19 pandemic, including actions taken to contain or treat COVID-19, on AFIN, AFIN’s tenants and the global economy and financial markets and that the information about rent collections includes additional rent collected with respect to fourth quarter 2020 as compared to previously reported information due to ongoing collection efforts and fourth quarter rent collections may not be indicative of any future period, as well as those set forth in the Risk Factors section of AFIN’s most recent Annual Report on Form 10-K for the year ended December 31, 2019 filed on February 27, 2020, AFIN’s most recent Quarterly Reports on Form 10-Q for the quarters ended March 31, 2020, June 30, 2020, and September 30, 2020, filed on May 7, 2020, August 6, 2020, and November 5, 2020, respectively, and all other filings filed with the Securities and Exchange Commission after that date. Further, forward-looking statements speak only as of the date they are made, and AFIN undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time, unless required by law.

1. Represents the contract purchase price and excludes acquisition costs that are capitalized per GAAP.
2. Weighted average capitalization rate is calculated by dividing the annualized straight-line rental income the property is expected to generate and the purchase price of the property. Weighted average capitalization rate is a rate of return on a real estate investment property based on the expected, annualized straight-line rental income that the property will generate under its existing lease. The weighted average capitalization rate is based upon square feet.
3. The weighted average remaining lease term is based on rentable square feet as of the acquisition date.
4. Cash capitalization rate is calculated by dividing the annualized cash rental income the property is expected to generate and the purchase price of the property. For acquisitions, cash capitalization rate is a rate of return on a real estate investment property based on the expected, annualized cash rental income during the first year of ownership that the property will generate under its existing lease. Weighted average cash capitalization rate is based upon square feet.

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