POSTAL REALTY TRUST, INC.

NYSE: PSTL

POSTAL REALTY TRUST

Q1 2020 Supplemental

Forward-Looking Cautionary Statements

This presentation contains “forward-looking statements.” Forward-looking statements include statements regarding the proposed public offering and other statements identified by words such as “could,” “may,” “might,” “will,” “likely,” “anticipates,” “intends,” “plans,” “seeks,” “believes,” “estimates,” “expects,” “continues,” “projects” and similar references to future periods, or by the inclusion of forecasts or projections. Forward-looking statements, including statements regarding the Company’s ability to close on any pending transactions on the terms or timing it expects, if at all, are based on the Company’s current expectations and assumptions regarding capital market conditions the Company’s business, the economy and other future conditions. Because forward-looking statements relate to the future, by their nature, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. As a result, the Company’s actual results may differ materially from those contemplated by the forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include the USPS’s terminations or non-renewals of leases, changes in demand for postal services delivered by the USPS, the solvency and financial health of the USPS, competitive, financial market and regulatory conditions, general real estate market conditions, the Company’s competitive environment and other factors set forth under “Risk Factors” in the Company’s filings with the Securities and Exchange Commission. Any forward-looking statement made in this presentation speaks only as of the date on which it is made. The Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

Corporate Information & Analyst Coverage

Key Management & Board of Directors

Key Management

Andrew Spodek	Chief Executive Officer
Jeremy Garber	President, Treasurer & Secretary
Matt Brandwein	Chief Accounting Officer

Board of Directors	Board Responsibilities
Patrick Donahoe	Chairman of the Board, Member Audit Committee
Andrew Spodek	Chief Executive Officer, Director
Barry Lefkowitz	Chairman of Audit Committee, Member Corporate Governance & Compensation Committee
Anton Feingold	Chairman of Corporate Governance & Compensation Committee, Member Audit Committee
Jane Gural-Senders	Member Corporate Governance & Compensation Committee

Corporate Information

Corporate Headquarters	Corporate Counsel	Transfer Agent	Independent Registered Public Accounting Firm
75 Columbia Avenue	Hunton Andrews Kurth LLP	American Stock Transfer and Trust	BDO USA, LLP
Cedarhurst, NY 11516	200 Park Avenue	800-937-5449	100 Park Avenue
www.postalrealtytrust.com	New York, NY 10166		New York, NY 10017
Investorrelations@postalrealtytrust.com	212-309-1000		212-885-8000
516-232-8900			

Research Coverage

Firm	Analyst	Phone	Firm	Analyst	Phone
Aegis Capital Corp.	Benjamin Zucker	646-557-3487	DA Davidson & Co.	Barry Oxford	212-240-9871
B. Riley FBR, Inc.	Craig Kucera	703-312-1635	Height Capital Markets	Ed Groshan	202-629-0025
BMO Capital Markets	Jeremy Metz	212-885-4053	Janney Montgomery Scott LLC	Robert Stevenson	646-840-3217
Compass Point	Merrill Ross	202-534-1392	Stifel Nicolaus & Company, Inc.	Stephen Manaker	212-271-3716

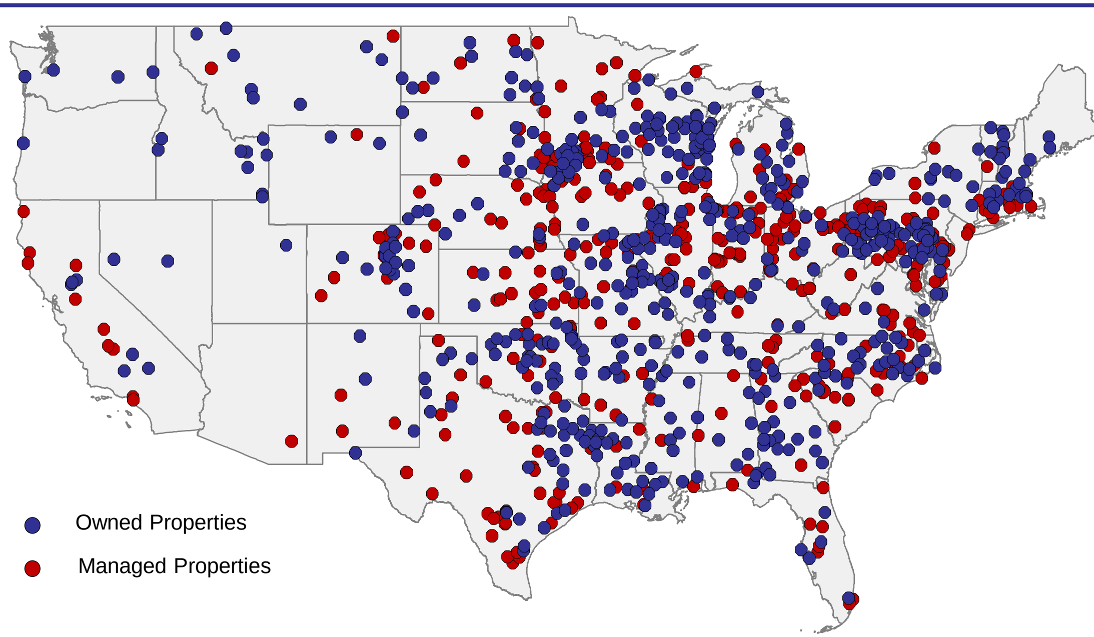
Company Overview

Postal Realty Trust, Inc. (NYSE: PSTL) is an internally managed real estate corporation that owns properties leased to the United States Postal Service, or the USPS. Postal Realty Trust is focused on acquiring the network of USPS properties, which provide a critical element of the nation's logistics infrastructure that facilities cost effective and efficient last-mile delivery solutions. At March 31, 2020, PSTL owned 549 postal properties located in 47 states comprising approximately 1.7 million net leasable interior square feet, all of which are leased to the USPS. Subsequent to quarter-end, the Company closed on an additional 18 properties comprising 62,465 net leasable interior square feet.

PSTL believes this is a promising opportunity due to:

- Extensive and Geographically Diverse Portfolio
- Experienced, Proven and Aligned Management Team with Extensive Seller Relationships
- Only Publicly Traded REIT Focused Exclusively on Properties Leased to the USPS

PSTL's Footprint of Owned and Managed Properties(1)



Source: Company Filings;

Note: Map as of 05/14/2020

(1) Postal Realty Trust also owns one property in Galena, AK, which has been omitted from this map

Executive Summary

(Figures in actuals; amounts during the quarter ending March 31, 2020)

Price of Common Shares	
High closing price during period	$16.85
Low closing price during period	$12.00
End of Period Closing Price	$15.82

Outstanding Classes of Stock and Partnership Units - Fully Diluted Basis	
Common Shares	5,137,058
OP Units	2,640,795
Management & Employees	279,272
LTIP	186,942
Voting Equivalent Shares	27,206
Total shares - fully diluted	8,271,273

Market Capitalization	
Total Equity Market Capitalization - fully diluted	$130,851,539
Net debt	68,375,013
Enterprise value	$199,226,552

Debt Ratios	
Net debt to enterprise value	34.3%
Net debt to annualized adjusted EBITDA	6.0x
Adjusted interest coverage ratio	3.9x
Fixed charge coverage ratio	3.8x

Earnings for the Quarter Ended 3/31/2020	
Net income (loss) attributable to PSTL	$(677,755)
Net income (loss) attributable to PSTL per share:	$(0.14)
Funds From Operations ("FFO")	$1,005,042
FFO per share - fully diluted basis	$0.12
Adjusted Funds From Operations ("AFFO")	$1,695,382
AFFO per share - fully diluted basis	$0.21
Dividend per share	$0.20
Net Operating Income	$4,094,661

Current Metrics[1]	
Total owned rental revenue	$17,318,627
Total owned square footage	1,762,013
Weighted average rent per square foot	$9.83
Total owned property count	567
Total managed property count	403
Portfolio occupancy	100.0%
Total current debt	$81,741,364
Total share count - fully diluted	8,271,273

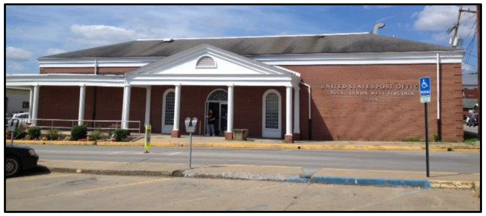
Source: Company Filings

(1) Based on 05/14/2020 figures

Balance Sheet

POSTAL REALTY TRUST

($ in actuals)	Balance Sheet			
	Q1 2020	Q4 2019	Q3 2019	Q2 2019
ASSETS				
Real estate				
Land	$29,971,741	$25,147,732	$16,827,724	$14,208,005
Building and improvements	117,541,035	92,873,637	57,177,951	48,796,854
Tenant improvements	2,850,042	2,562,293	2,114,364	1,924,021
Total real estate properties	$150,362,818	$120,583,662	$76,120,039	$64,928,880
Less: accumulated depreciation	(9,730,056)	(8,813,579)	(8,180,839)	(7,723,284)
Total real estate, net	$140,632,762	$111,770,083	$67,939,200	$57,205,596
Cash	2,844,040	12,475,537	10,969,557	11,744,971
Rent and other receivables	1,741,169	1,710,314	1,138,621	855,506
Prepaid expenses and other assets	3,734,438	2,752,862	2,853,298	1,354,525
Escrows and reserves	691,766	708,066	610,200	601,173
Deferred rent receivable	46,052	33,344	31,687	23,864
In-place lease intangibles, net	8,660,413	7,315,867	4,776,515	4,397,221
Above market leases, net	26,166	22,124	9,401	12,265
Total assets	$158,376,806	$136,788,197	$88,328,479	$76,195,121
LIABILITIES AND EQUITY				
Liabilities				
Secured borrowings, net	$3,184,519	$3,211,004	$3,237,327	$2,817,545
Revolving credit facility	68,000,000	54,000,000	17,000,000	-
Accounts payable, accrued expenses and other	3,220,430	3,152,799	4,224,599	4,224,011
Below market lease, net	7,899,853	6,601,119	5,365,118	4,479,286
Due to affiliates	0	0	512,530	6,687,587
Total liabilities	$82,304,802	$66,964,922	$30,339,574	$18,208,429
Equity				
PSTL - Class A	$53,929	$52,859	$52,859	$52,856
PSTL - Class B	272	272	272	272
Additional paid-in capital	54,187,591	51,396,226	46,502,630	46,250,914
Accumulated deficit	(4,176,857)	(2,575,754)	(1,034,471)	(726,502)
Total Stockholders' Equity	$50,064,935	$48,873,603	$45,521,290	$45,577,540
Operating Partnership unitholders' noncontrolling interests	26,007,069	20,949,672	12,467,615	12,409,152
Total equity (deficit)	$76,072,004	$69,823,275	$57,988,905	$57,986,692
Total liabilities and equity (deficit)	$158,376,806	$136,788,197	$88,328,479	$76,195,121



Source: Company Filings

Income Statement

POSTAL REALTY TRUST

($ in actuals)	Statement of Operations			
	Q1 2019	Q4 2019	Q3 2019	Q2 2019[1]
REVENUE				
Rental income	$4,300,771	$3,129,972	$2,387,082	$1,099,459
Tenant reimbursements	601,346	458,617	342,419	162,010
Fee and other income	295,519	270,270	278,846	135,292
Total revenues	$5,197,636	$3,858,859	$3,008,347	$1,396,761
OPERATING EXPENSES				
Real estate taxes	641,944	486,775	353,663	$171,048
Property operating expenses	407,048	385,647	332,892	133,576
General and administrative	2,301,543	1,876,291	1,601,727	861,475
Depreciation and amortization	2,034,868	1,485,506	1,066,338	522,459
Total operating expenses	$5,385,403	$4,234,219	$3,354,620	$1,688,558
Income (loss) from operations	$(187,767)	$(375,360)	$(346,273)	$(291,797)
Interest expense, net	(831,862)	(694,036)	(52,303)	(200,412)
Income (loss) before income tax (expense) benefit	$(1,019,629)	$(1,069,396)	$(398,576)	$(492,209)
Income tax (expense) benefit	(10,197)	-	6,259	(6,259)
Net income (loss)	$(1,029,826)	$(1,069,396)	$(392,317)	$(498,468)

Source: Company Filings

(1) Period from May 17, 2019 to June 30, 2019

FFO & AFFO Reconciliation

($ in actuals, except per share data)	FFO & AFFO			
	Q1 2020	Q4 2019	Q3 2019	Q2 2019[1]
Net income (loss)	**$(1,029,826)**	**$(1,069,396)**	**$(392,317)**	**$(498,468)**
Depreciation and amortization	2,034,868	1,485,506	1,066,338	522,459
Funds from operations	**$1,005,042**	**$416,110**	**$674,021**	**$23,991**
Recurring capital expenditures	(98,757)	(60,893)	(31,417)	-
Acquisition related expenses	295,037	444,544	82,065	-
Write-off and amortization of debt issuance costs	104,462	233,205	4,523	263
Loss on extinguishment of debt	-	-	-	185,586
Straight-line rent adjustments	(7,937)	1,125	(5,041)	(1,623)
Amortization of accretion of above and below market leases	(316,275)	(209,058)	(135,948)	(61,538)
Equity-based compensation	713,810	411,652	394,530	190,343
Adjusted funds from operations	**$1,695,382**	**$1,236,685**	**$982,733**	**$337,022**
Funds from operations per common share and common unit outstanding	**$0.12**	**$0.06**	**$0.10**	**$0.00**
Adjusted funds from operations per common share and common unit outstanding	**$0.21**	**$0.17**	**$0.15**	**$0.05**
Weighted average common shares and common units outstanding	8,125,355	7,124,638	6,766,227	6,760,612

Source: Company Filings

(1) Period from May 17, 2019 to June 30, 2019

NOI Reconciliation

($ in actuals)	Net Operating Income Q1 2020	Q4 2019	Q3 2019	Q2 2019 [(1)]
REVENUE				
Rental income	$4,300,771	$3,129,972	$2,387,082	$1,099,459
Tenant reimbursements	601,346	458,617	342,419	162,010
Total revenues	$4,902,117	$3,588,589	$2,729,501	$1,261,469
OPERATING EXPENSES				
Real estate taxes	$641,944	$486,775	$353,663	$171,048
Property operating expenses [(2)]	165,512	172,176	147,815	52,304
Total operating expenses	$807,456	$658,951	$501,478	$223,352
Net Operating Income	$4,094,661	$2,929,638	$2,228,023	$1,038,117

Source: Company Filings

(1) Period from May 17, 2019 to June 30, 2019

(2) Property operating expenses is not inclusive of property management expenses of $241,536, $213,471, $185,077 and $81,272 for Q1 2020, Q4 2019, Q3 2019 and Q2 2019, respectively

EBITDA Reconciliation

	EBITDA			
($ in actuals)	Q1 2020	Q4 2019	Q3 2019	Q2 2019[1]
Net income (loss)	$(1,029,826)	$(1,069,396)	$(392,317)	$(498,468)
Contractual interest expense	728,226	463,365	48,916	228,040
Amortization of deferred financing costs	104,462	233,205	4,523	1,854
Early extinguishment of debt	-	-	-	185,586
Income tax expense (benefit)	10,197	-	(6,259)	6,259
Depreciation and amortization	2,034,868	1,485,506	1,066,338	522,459
Equity-based compensation	713,810	411,652	394,530	190,343
EBITDA	$2,561,737	$1,524,332	$1,115,731	$636,073
Acquisition costs	295,037	444,544	82,065	-
Adjusted EBITDA	$2,856,774	$1,968,876	$1,197,796	$636,073

Source: Company Filings

(1) Period from May 17, 2019 to June 30, 2019

Debt Summary

Debt Breakdown			
Lender	Interest Rate		Outstanding
	Fixed	Variable	
Fixed Rate Debt	4.61%	N/A	$3,219,053
Variable Rate	N/A	LIBOR + 170 BPS	$68,000,000
Total Principal			$71,219,053
Deferred Financing Costs, Net			(34,534)
Total Debt:	**4.61%**	**LIBOR + 170 BPS**	**$71,184,519**

- On September 27, 2019, we closed a Credit Agreement that provides for a $100.0 million senior revolving credit facility with a 4-year term through September 2023
- The floating rate facility carries an interest rate of either a base rate plus a range of 70 to 140 basis points or LIBOR plus a range of 170 to 240 basis points, each depending on a consolidated leverage ratio
- On January 30, 2020, we exercised a portion of the accordion feature on our Credit Agreement. Increased the available borrowing capacity to $150.0 from $100.0 million. The additional undrawn capacity is subject to certain financial restrictions in the Company's credit facility, including restrictions on its borrowing base

Source: Company Filings

Debt Statistics

Debt Statistics	
($ in actuals)	**Q1 2020**
Market Capitalization	
Debt Principal	$71,219,053
Cash	2,844,040
Net Debt	68,375,013
Market Value of Common Equity	130,851,539
Total Enterprise Value	199,226,552
Net Debt to Enterprise Value	34.3%
Leverage	
Net Debt	$68,375,013
Annualized Adjusted EBITDA	11,427,096
Net Debt / Annualized Adjusted EBITDA	6.0x
Adjusted Interest Coverage Ratio	
Cash Interest Expense	$728,226
Adjusted EBITDA	2,856,774
Adjusted Interest Coverage Ratio	3.9x
Fixed Charge Coverage Ratio	
Contractual Interest Expense	$728,226
Debt Amortization	27,010
Total Fixed Charges	755,236
Adjusted EBITDA	2,856,774
Fixed Charge Coverage Ratio	3.8x

Acquisition Summary Since IPO by Region

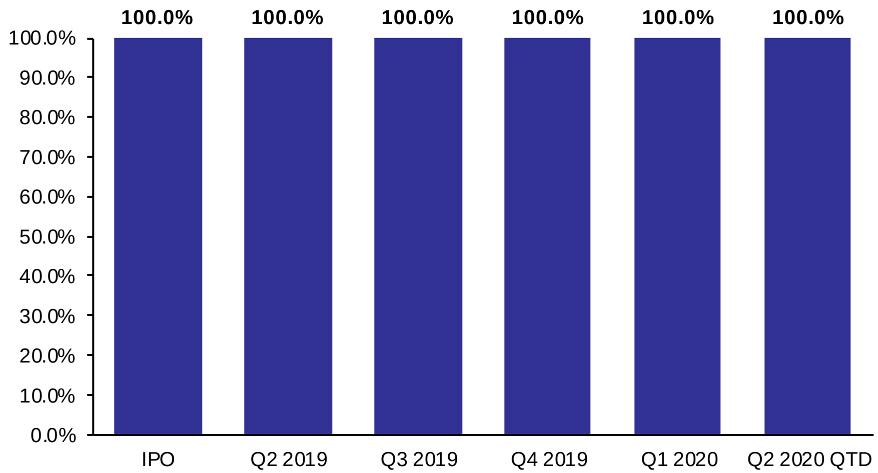
Acquisition Summary Since IPO				
Acquisitions Region	Property Count	Purchase Price	Interior Square Feet	Annualized Rent
2019 Acquisitions				
Midwest	74 Properties	$14,521,257	171,029	$1,379,044
Northeast	22 Properties	6,954,723	47,600	625,394
South	86 Properties	28,309,213	290,490	2,633,642
West	13 Properties	7,667,071	50,440	523,911
2019 Totals	**195 Properties**	**$57,452,264**	**559,559**	**$5,161,992**
Q1 2020 Acquisitions				
Midwest	52 Properties	$12,339,020	133,553	$1,171,093
Northeast	4 Properties	3,838,191	37,796	344,859
South	10 Properties	3,014,362	26,925	283,664
West	17 Properties	11,334,637	69,872	1,104,639
Q1 2020 Totals	**83 Properties**	**$30,526,210**	**268,146**	**$2,904,255**
Q2 2020 Acquisitions				
Midwest	3 Properties	$575,000	5,021	$65,584
Northeast	5 Properties	2,738,544	13,403	228,151
South	8 Properties	4,831,207	32,671	395,469
West	2 Properties	1,800,249	11,370	164,700
Q2 2020 Totals	**18 Properties**	**$9,945,000**	**62,465**	**$853,904**
Total Since IPO	**296 Properties**	**$97,923,474**	**890,170**	**$8,920,151**

Source: Company Filings

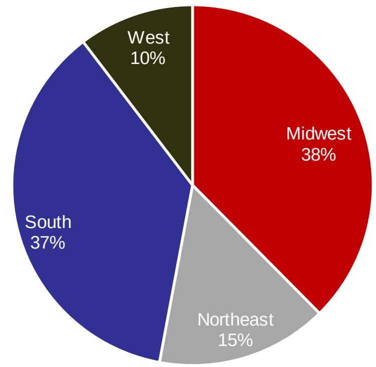
Portfolio Fundamentals

Diversified Portfolio with High Historic Lease Retention

Historic Lease Retention Rate Since IPO

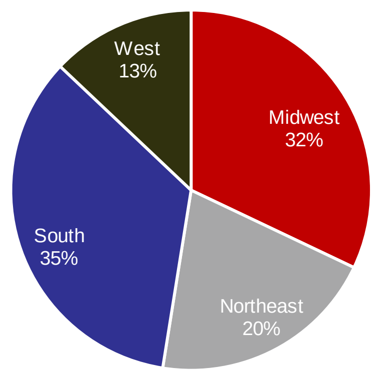


Portfolio By % of Aggregate Interior Sq Ft



Region	Sq Ft	% Sq Ft
Midwest	662,217	38%
Northeast	270,518	15%
South	646,749	37%
West	182,529	10%
Total	**1,762,013**	**100%**

Portfolio By % of Annualized Gross Rent(1)



Region	Rent	% Rent
Midwest	$5,552,537	32%
Northeast	3,543,535	20%
Northeast	5,982,029	35%
West	2,240,526	13%
Total	**$17,318,627**	**100%**

Source: Company Filings

Note: Portfolio statistics as of 05/14/2020

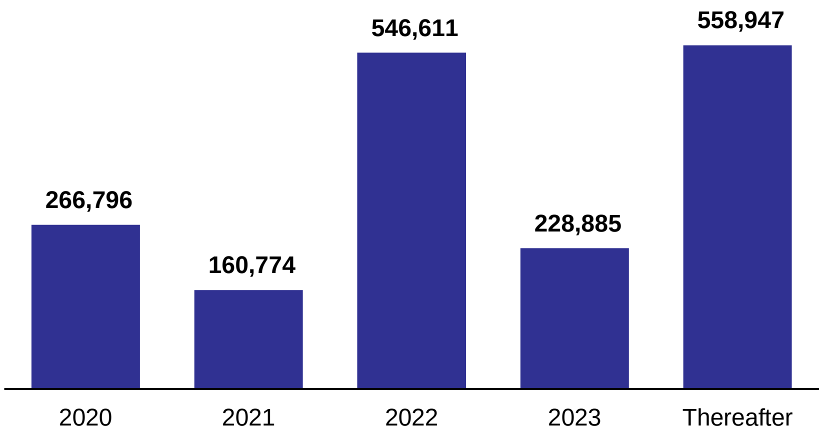
(1) Annualized gross rent is calculated by multiplying (a) the most recent contractual rent by (b) 12 for all Purchased Properties

Lease Rollover Drives Significant Upside

Upcoming Lease Expirations Provide Organic Growth Opportunity

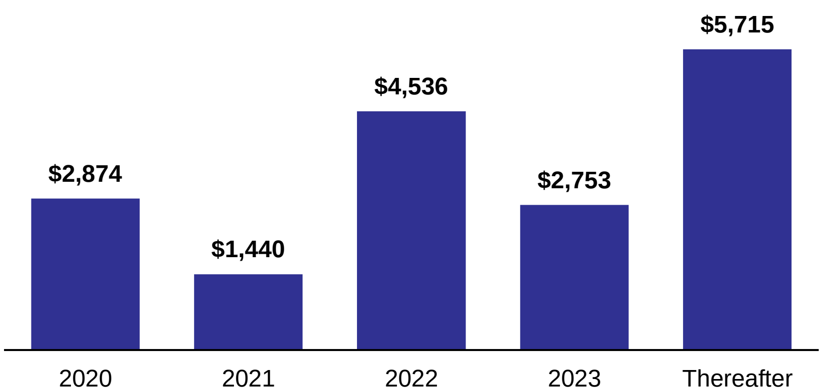
Year	Number of Leases	Square Feet	Annual Rent
2020[1]	88	266,796	$2,874,373
2021	70	160,774	$1,440,121
2022	217[2]	546,611	$4,536,299
2023	56	228,885	$2,753,034
Thereafter	136	558,947	$5,714,800
Total	**567**	**1,762,013**	**$17,318,627**

Lease Expirations (by Square Feet)



Lease Expirations (by Annual Rent)

($ in thousands)



Source: Company Filings

Note: Portfolio statistics as of 05/14/2020

(1) Includes 19 holdover leases that expired in 2019 and 20 additional holdover leases that expired in 2020 and are paying month-to-month while a new lease is being negotiated with the USPS

(2) 135 of the 218 leases set to expire are under a master lease that expires in 2022

Property Breakdown by State

Property Breakdown by State							
State	Property Count	% Property Count	Square Footage	% Square Footage	Gross Rent	% Gross Rent	Occupany
Wisconsin	53	9.35%	193,516	10.98%	1,628,135	9.40%	100.00%
Pennsylvania	55	9.70%	138,067	7.84%	1,457,254	8.41%	100.00%
Texas	37	6.53%	121,735	6.91%	1,281,174	7.40%	100.00%
Colorado	15	2.65%	67,354	3.82%	1,014,677	5.86%	100.00%
Massachusetts	10	1.76%	49,526	2.81%	898,873	5.19%	100.00%
Ohio	10	1.76%	85,611	4.86%	882,871	5.10%	100.00%
North Carolina	23	4.06%	76,314	4.33%	613,766	3.54%	100.00%
Oklahoma	27	4.76%	75,519	4.29%	612,824	3.54%	100.00%
Illinois	31	5.47%	80,058	4.54%	571,443	3.30%	100.00%
Louisiana	20	3.53%	58,156	3.30%	566,404	3.27%	100.00%
California	6	1.06%	45,903	2.61%	505,889	2.92%	100.00%
Arkansas	15	2.65%	51,667	2.93%	493,982	2.85%	100.00%
Tennessee	12	2.12%	71,430	4.05%	481,470	2.78%	100.00%
Florida	8	1.41%	32,117	1.82%	448,518	2.59%	100.00%
Missouri	25	4.41%	57,653	3.27%	445,419	2.57%	100.00%
New York	12	2.12%	30,488	1.73%	440,119	2.54%	100.00%
Michigan	20	3.53%	65,456	3.71%	432,656	2.50%	100.00%
Indiana	12	2.12%	46,028	2.61%	417,591	2.41%	100.00%
Georgia	18	3.17%	36,640	2.08%	322,321	1.86%	100.00%
Minnesota	16	2.82%	36,615	2.08%	289,942	1.67%	100.00%
Iowa	13	2.29%	33,655	1.91%	265,140	1.53%	100.00%
Mississippi	9	1.59%	27,806	1.58%	255,814	1.48%	100.00%
Connecticut	3	0.53%	19,511	1.11%	255,703	1.48%	100.00%
Kansas	8	1.41%	16,882	0.96%	200,336	1.16%	100.00%

Note: As of 05/14/2020

Property Breakdown by State (continued)

Property Breakdown by State							
State	Property Count	% Property Count	Square Footage	% Square Footage	Gross Rent	% Gross Rent	Occupany
Alabama	7	1.23%	21,955	1.25%	193,162	1.12%	100.00%
Montana	8	1.41%	16,682	0.95%	182,953	1.06%	100.00%
South Carolina	5	0.88%	18,441	1.05%	177,984	1.03%	100.00%
Vermont	8	1.41%	11,674	0.66%	177,461	1.02%	100.00%
Virginia	5	0.88%	22,748	1.29%	169,440	0.98%	100.00%
North Dakota	12	2.12%	17,591	1.00%	159,664	0.92%	100.00%
South Dakota	9	1.59%	15,161	0.86%	151,029	0.87%	100.00%
Kentucky	5	0.88%	13,139	0.75%	146,690	0.85%	100.00%
Maryland	4	0.71%	9,316	0.53%	125,470	0.72%	100.00%
Maine	3	0.53%	8,341	0.47%	123,816	0.71%	100.00%
Nebraska	9	1.59%	13,991	0.79%	108,312	0.63%	100.00%
Idaho	9	1.59%	13,983	0.79%	104,873	0.61%	100.00%
Oregon	1	0.18%	7,685	0.44%	104,700	0.60%	100.00%
West Virginia	5	0.88%	9,766	0.55%	93,010	0.54%	100.00%
Utah	1	0.18%	4,425	0.25%	87,141	0.50%	100.00%
Washington	4	0.71%	8,846	0.50%	86,035	0.50%	100.00%
New Mexico	3	0.53%	7,987	0.45%	83,579	0.48%	100.00%
New Hampshire	3	0.53%	5,238	0.30%	77,501	0.45%	100.00%
New Jersey	2	0.35%	4,613	0.26%	60,009	0.35%	100.00%
Delaware	1	0.18%	3,060	0.17%	52,800	0.30%	100.00%
Nevada	2	0.35%	3,803	0.22%	36,773	0.21%	100.00%
Wyoming	2	0.35%	3,041	0.17%	22,808	0.13%	100.00%
Alaska	1	0.18%	2,820	0.16%	11,100	0.06%	100.00%
Total:	**567**	**100.00%**	**1,762,013**	**100.00%**	**$17,318,627**	**100.00%**	**100.00%**

Note: As of 05/14/2020

Definitions

Non-GAAP Financial Measures

Funds from Operation (FFO)

The Company calculates FFO in accordance with the current National Association of Real Estate Investment Trusts ("NAREIT") definition. NAREIT currently defines FFO as follows: net income (loss) (computed in accordance with GAAP) excluding depreciation and amortization related to real estate, gains and losses from the sale of certain real estate assets, gains and losses 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 an entity. Other REITs may not define FFO in accordance with the NAREIT definition or may interpret the current NAREIT definition differently than we do and therefore our computation of FFO may not be comparable to such other REITs.

Adjusted Funds from Operations (AFFO)

The Company calculates AFFO by starting with FFO and adjusting for recurring capital expenditures (defined as all capital expenditures that are recurring in nature, excluding capital improvements that are incurred in connection with the acquisition of a property or obtaining a lease or lease renewal) and acquisition related expenses (defined as acquisition-related expenses that are incurred for investment purposes and do not correlate with the ongoing operations of our existing portfolio, including due diligence costs for acquisitions not consummated and certain auditing and accounting fees incurred that were directly related to completed acquisitions or dispositions) that are not capitalized and then adding back non-cash items including: non-real estate depreciation, loss on extinguishment of debt, write-off and amortization of debt issuance costs, straight-line rent adjustments, fair value lease adjustments and non-cash components of compensation expense. AFFO is a non-GAAP financial measure and should not be viewed as an alternative to net income calculated in accordance with GAAP as a measurement of our operating performance. We believe that AFFO is widely used by other REITs and is helpful to investors as a meaningful additional measure of our ability to make capital investments. Other REITs may not define AFFO in the same manner as we do and therefore our calculation of AFFO may not be comparable to such other REITs.

Earnings before Interest Tax and Depreciation and Amortization (EBITDA)

The Company computes EBITDA as earnings before interest, income taxes, depreciation and amortization. The Company presents EBITDA as it is a measure commonly used in its industry and the Company believes that this measure is useful to investors and analysts because they provide important supplemental information concerning its operating performance, exclusive of certain non-cash items and other costs. The Company uses EBITDA as a measure of its operating performance and not as a measure of liquidity.

EBITDA is not a measure of financial performance under GAAP. You should not consider EBITDA as an alternative to net income or cash flows from operating activities determined in accordance with GAAP. Additionally, the Company's computation of EBITDA may differ from the methodology for calculating this metric used by other equity REITs and, therefore, may not be comparable to similarly titled measures reported by other equity REITs.

Definitions (continued)

Non-GAAP Financial Measures

Net Debt

The Company calculates its net debt as gross debt (defined as total debt plus net deferred financing costs on its secured borrowings) less cash and cash equivalents and restricted cash deposits held for the benefit of lenders. The Company believes excluding cash and cash equivalents and restricted cash deposits held for the benefit of lenders from gross debt, all of which could be used to repay debt, provides an estimate of the net contractual amount of borrowed capital to be repaid, which it believes is a beneficial disclosure to investors and analysts.

Net Operating Income (NOI)

The Company computes NOI as rental and tenant reimbursements less real estate taxes and property operating expenses (excluding property management expenses). NOI excludes all other items of expense and income included in the financial statements in calculating net income or loss. The Company believes NOI provides useful and relevant information because it reflects only those revenue and expense items that are incurred at the property level and present such items on an unlevered basis. NOI is not a measure of financial performance under GAAP. You should not consider the Company's NOI as an alternative to net income or cash flows from operating activities determined in accordance with GAAP. Additionally, the Company's computation of NOI may differ from the methodology for calculating these metrics used by other equity REITs, and, therefore, may not be comparable to similarly titled measures reported by other equity REITs.