POSTAL REALTY TRUST, INC.

NYSE: PSTL

Q1 2021 Supplemental

Forward-Looking Cautionary Statements

This presentation regarding Postal Realty Trust, Inc. ("our", "us", "we" or the "Company") contains "forward-looking statements." Forward-looking statements include 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. 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, among others, change in the status of the USPS as an independent agency of the executive branch of the U.S. federal government, change in the demand for postal services delivered by the USPS, our ability to come to an agreement with the USPS regarding new leases, the solvency and financial health of the USPS, defaults on, early terminations of or non-renewal of leases by the USPS, the competitive market in which we operate, changes in the availability of acquisition opportunities, our inability to successfully complete real estate acquisitions or dispositions on the terms and timing we expect, or at all, our failure to successfully operate developed and acquired properties, adverse economic or real estate developments, either nationally or in the markets in which our properties are located, decreased rental rates or increased vacancy rates, change in our business, financing or investment strategy or the markets in which we operate, fluctuations in mortgage rates and increased operating costs, changes in the method pursuant to which reference rates are determined and the elimination of LIBOR after 2023, general economic conditions, financial market fluctuations, our failure to generate sufficient cash flows to service our outstanding indebtedness, our failure to obtain necessary outside financing on favorable terms or at all, failure to hedge effectively against interest rate changes, our reliance on key personnel whose continued service is not guaranteed, the outcome of claims and litigation involving or affecting us, changes in real estate, taxation, zoning laws and other legislation and government activity and changes to real property tax rates and the taxation of REITs in general, operations through joint ventures and reliance on or disputes with co-venturers, cybersecurity threats, environmental uncertainties and risks related to adverse weather conditions and natural disasters, governmental approvals, actions and initiatives, including the need for compliance with environmental requirements, lack or insufficient amounts of insurance, limitations imposed on our business in order to qualify and maintain our status as a REIT and our failure to qualify for or maintain such status, public health threats such as COVID-19 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. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by applicable securities laws.

Corporate Information & Analyst Coverage

Key Management

Andrew Spodek	Chief Executive Officer
Jeremy Garber	President, Treasurer & Secretary
Robert Klein	Chief Financial 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

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Research Coverage

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BTIG	Michael Gorman	212-738-6138	Jefferies	Jonathan Petersen	212-284-1705
Compass Point	Merrill Ross	202-534-1392	Stifel Nicolaus & Company, Inc.	Stephen Manaker	212-271-3716
Height Capital Markets	Ed Groshan	202-629-0025			

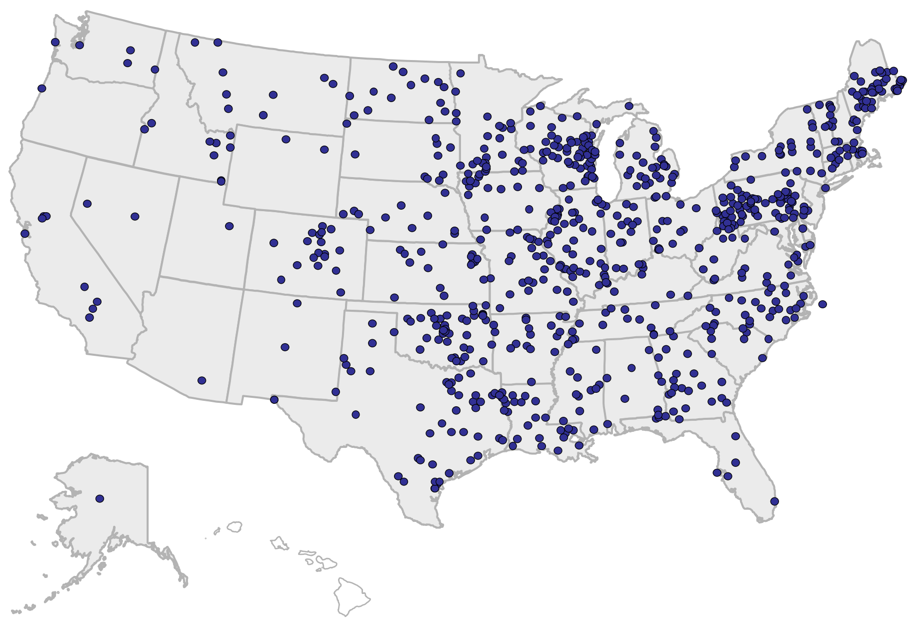
Company Overview

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 facilitates cost effective and efficient last-mile delivery solutions. At March 31, 2021, PSTL owned 780 postal properties (including a property accounted for as a financing lease) located in 47 states comprising approximately 3.4 million net leasable interior square feet, all of which are leased to the USPS. Subsequent to quarter-end and through May 4, 2021, the Company closed on an additional 13 properties comprising approximately 39,000 net leasable interior square feet.

PSTL believes its competitive strengths are:

- 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 Properties



Source: Company Filings
Note: Map as of 5/4/2021

Executive Summary

Figures for the quarter ended March 31, 2021

Price of Common Shares	
High closing price during period	$17.24
Low closing price during period	$15.67
End of period closing price	$17.18

Outstanding Classes of Stock and Partnership Units	
Common shares	13,327
OP Units	2,641
LTIP Units	346
Restricted Stock Units	54
Voting equivalent shares	27
Total shares - fully diluted	16,394

Market Capitalization	
Total equity market capitalization - fully diluted (1)	$281,649
Net debt	93,331
Enterprise value	$374,980

Debt Ratios	
Net debt to enterprise value	24.9%
Net debt to annualized adjusted EBITDA	4.2x
Adjusted interest coverage ratio	8.5x
Fixed charge coverage ratio	7.3x

Earnings	
Net income attributable to common stockholders	$103
Net income attributable to common stockholders per share	$0.00
Funds From Operations ("FFO")	$3,295
FFO per share - fully diluted basis	$0.21
Adjusted Funds From Operations ("AFFO")	$4,264
AFFO per share - fully diluted basis	$0.27
Dividend per share	$0.2200
Net Operating Income	$6,907

Current Metrics (2)	
Annualized total owned rental revenue	$29,241
Total owned square footage	3,393
Weighted average rent per square foot	$8.62
Total owned property count	793
Total managed property count	399
Portfolio occupancy	100.0%
Total current net debt (3)	$96,303
Total share count - fully diluted	16,451

Source: Company Filings

Note: Figures in thousands, except for per share, per square foot, and property count data

(1) Total equity market capitalization – fully diluted calculated with closing share price of $17.18
(2) Based on 5/4/2021 figures
(3) Total current net debt includes cash balance and escrow & reserves as of 3/31/2021

Balance Sheet

($ in thousands)	Balance Sheet March 31, 2021	Balance Sheet December 31, 2020
ASSETS		
Investments:		
Real estate properties, at cost:		
Land	$49,745	$46,303
Building and improvements	216,510	196,340
Tenant improvements	4,830	4,428
Total real estate properties, at cost	271,085	247,071
Less: Accumulated depreciation	(14,981)	(13,215)
Total real estate properties, net	256,104	233,856
Investment in financing lease, net	514	515
Total investments	256,618	234,371
Cash	3,314	2,212
Rent and other receivables	3,915	3,521
Prepaid expenses and other assets, net	4,428	4,434
Escrows and reserves	1,147	1,059
Deferred rent receivable	278	216
In-place lease intangibles, net	13,851	13,022
Above market leases, net	96	50
Total Assets	$283,647	$258,885
LIABILITIES AND EQUITY		
Liabilities:		
Secured borrowings, net	$33,055	$46,629
Revolving credit facility	64,500	78,000
Accounts payable, accrued expenses and other	6,678	5,891
Below market lease, net	8,814	8,726
Total Liabilities	113,047	139,246
Equity:		
PSTL - Class A	$133	$95
Additional paid-in capital	151,114	100,812
Accumulated deficit	(11,730)	(8,917)
Total Stockholders' Equity	139,517	91,990
Operating Partnership unitholders' noncontrolling interests	31,083	27,649
Total Equity	170,600	119,639
Total Liabilities and Equity	$283,647	$258,885

Source: Company Filings

Income Statement

POSTAL REALTY TRUST

($ in thousands)	Statement of Operations				
	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
REVENUE					
Rental income	$8,487	$7,106	$6,014	$5,293	$4,902
Fee and other income	378	471	283	312	296
Total revenues	8,865	7,577	6,296	5,605	5,198
OPERATING EXPENSES					
Real estate taxes	1,089	959	798	697	642
Property operating expenses	910	663	460	394	407
General and administrative	2,569	1,984	2,027	1,917	2,302
Depreciation and amortization	3,169	2,572	2,394	2,162	2,035
Total operating expenses	$7,737	$6,177	$5,680	$5,170	$5,386
Income (loss) from operations	$1,128	$1,399	$617	$435	$(188)
Interest expense, net	(991)	(716)	(607)	(660)	(831)
Income (loss) before income tax expense	$137	$683	$10	$(225)	$(1,019)
Income tax expense	(11)	(44)	(30)	(5)	(10)
Net income (loss)	$126	$639	$(20)	$(230)	$(1,029)
Net (income) loss attributable to Operating Partnership unitholders' non-controlling interests	(23)	(148)	5	79	352
Net income (loss) attributable to common stockholders	**$103**	**$491**	**$(15)**	**$(151)**	**$(677)**

Source: Company Filings

FFO & AFFO Reconciliation

($ in thousands, except per share / unit data)	FFO & AFFO				
	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Net income (loss)	**$126**	**$639**	**$(20)**	**$(230)**	**$(1,029)**
Depreciation and amortization	3,169	2,572	2,394	2,162	2,035
Funds from operations (FFO)	**$3,295**	**$3,211**	**$2,374**	**$1,932**	**$1,006**
Recurring capital expenditures	(189)	(341)	(51)	(123)	(49)
Write-off and amortization of deferred financing fees	145	129	124	115	104
Loss on extinguishment of debt	202	-	-	-	-
Straight-line rent adjustments	24	296	(48)	(36)	(8)
Fair value lease adjustments	(377)	(330)	(323)	(293)	(316)
Acquisition related expenses	71	71	119	51	295
Income on insurance recoveries from casualties	(36)	(158)	(7)	(44)	(23)
Non-cash components of compensation expense	1,129	538	570	535	714
Adjusted funds from operations (AFFO)	**$4,264**	**$3,415**	**$2,758**	**$2,137**	**$1,723**
FFO per common share and common unit outstanding	**$0.21**	**$0.26**	**$0.21**	**$0.23**	**$0.12**
AFFO per common share and common unit outstanding	**$0.27**	**$0.28**	**$0.24**	**$0.26**	**$0.21**
Weighted average common shares and common units outstanding [(1)]	15,709	12,343	11,524	8,250	8,125

Source: Company Filings

(1) Basic and diluted

NOI Reconciliation

POSTAL REALTY TRUST

($ in thousands)	Net Operating Income				
	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
REVENUE					
Rental income	$8,487	$7,106	$6,014	$5,293	$4,902
Total revenues	$8,487	$7,106	$6,014	$5,293	$4,902
OPERATING EXPENSES					
Real estate taxes	$1,089	$959	$798	$697	$642
Property operating expenses[(1)]	491	437	258	205	166
Total operating expenses	$1,580	$1,396	$1,056	$902	$808
Net Operating Income	$6,907	$5,710	$4,958	$4,391	$4,094

Source: Company Filings

(1) Property operating expenses excludes property management expenses; reference Net Operating Income definition on page 19 for further detail

EBITDA Reconciliation

($ in thousands)	EBITDA				
	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Net income (loss)	$126	$639	$(20)	$(230)	$(1,029)
Contractual interest expense	645	588	484	545	728
Write-off and amortization of deferred financing fees	145	129	124	115	104
Loss on extinguishment of debt	202	-	-	-	-
Income tax expense	11	44	30	5	10
Depreciation and amortization	3,169	2,572	2,394	2,162	2,035
EBITDA	$4,298	$3,972	$3,012	$2,597	$1,848
Acquisition related expenses	71	71	119	51	295
Non-cash components of compensation expense	1,129	538	570	535	714
Adjusted EBITDA	$5,498	$4,581	$3,700	$3,183	$2,857

Source: Company Filings

Debt Summary

Debt Outstanding as of 3/31/2021

Debt Breakdown			
Lender	Maturity Date	Interest Rate	Outstanding Balance
($ in thousands)			
Vision Bank	Sep-36	4.00%	$1,442
First Oklahoma Bank	Dec-37	4.50%	360
Vision Bank - 2018	Jan-38	5.00%	861
Seller Financing	Jan-25	6.00%	366
AIG - December 2020	Jan-31	2.80%	30,225
Fixed Rate Debt			**$33,254**
Revolving Credit Facility(1)(2)	Sep-23	1.81%	64,500
Total Principal			$97,754
Unamortized Deferred Financing Costs			(199)
Total Debt:		**2.20%**	**$97,555**

Source: Company Filings

(1) Credit Agreement in place provides for a $150.0 million senior revolving credit facility with an initial maturity date in September 2023, with the floating rate carrying 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

(2) The additional undrawn capacity is subject to certain financial restrictions in the Company's credit facility, including but not limited to restrictions on its borrowing base

Debt Statistics

Debt Statistics	
($ in thousands)	Q1 2021
Market Capitalization	
Debt Principal	$97,754
Cash	3,314
Escrow & Reserves	1,109
Net Debt	93,331
Market Value of Common Equity[1]	281,649
Total Enterprise Value	374,980
Net Debt to Enterprise Value	24.9%
Leverage	
Net Debt	$93,331
Annualized Adjusted EBITDA	21,994
Net Debt / Annualized Adjusted EBITDA	4.2x
Adjusted Interest Coverage Ratio	
Contractual Interest Expense	$645
Adjusted EBITDA	5,498
Adjusted Interest Coverage Ratio	8.5x
Fixed Charge Coverage Ratio	
Contractual Interest Expense	$645
Debt Amortization	107
Total Fixed Charges	752
Adjusted EBITDA	5,498
Fixed Charge Coverage Ratio	7.3x

Source: Company Filings

(1) Calculated using the closing share price of $17.18 as of 3/31/2021

Acquisition Summary by Region

Acquisition Summary as of 5/4/2021

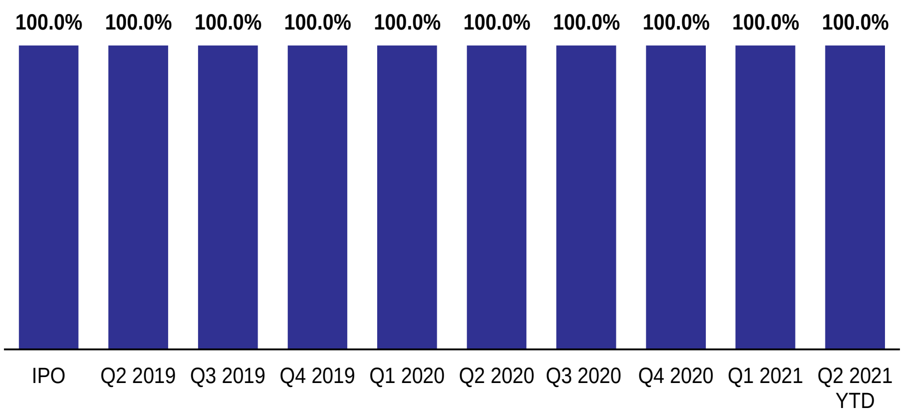
Acquisition Summary				
Acquisitions Region	Property Count (1)	Purchase Price (2)	Interior Square Feet	Annualized Rent
2020 Totals	**261 Properties**	**$132,610,915**	**1,236,454**	**$11,305,517**
Q1 2021 Acquisitions				
Midwest	21 Properties	$9,670,989	428,591	$1,220,535
Northeast	7 Properties	2,364,260	16,272	236,185
South	25 Properties	13,945,582	239,746	1,189,037
West	1 Properties	234,208	1,536	33,120
Q1 2021 Totals	**54 Properties**	**$26,215,039**	**686,145**	**$2,678,877**
Q2 2021 Acquisitions (3)				
Midwest	6 Properties	$1,325,000	12,847	$130,718
Northeast	3 Properties	750,000	7,062	79,266
South	1 Properties	927,130	4,987	79,991
West	3 Properties	2,380,000	13,622	189,569
Q2 2021 Totals	**13 Properties**	**$5,382,130**	**38,518**	**$479,544**

Source: Company Filings
(1) Includes one property accounted for as a financing lease
(2) Q2 2021 purchase price excludes closing costs
(3) Representative of Q2 2021 acquisitions as of 5/4/2021

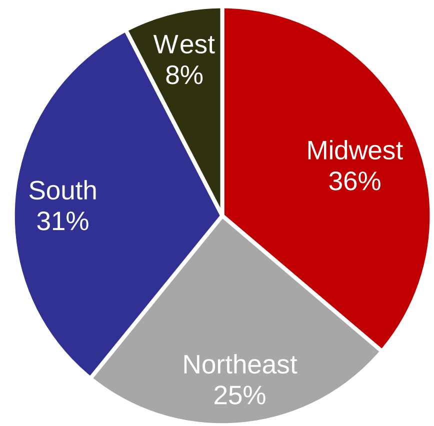
Portfolio Fundamentals

Diversified Portfolio with High Historic Lease Retention

Historic Lease Retention Rate Since IPO

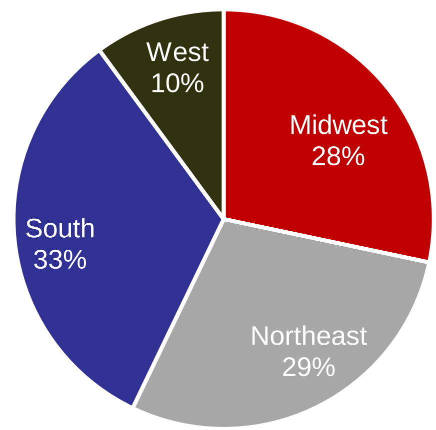


Portfolio By % of Aggregate Interior Sq Ft



Region	Sq Ft
Midwest	1,228,355
South	1,069,898
Northeast	836,071
West	258,514
Total	**3,392,838**

Portfolio By % of Annualized Gross Rent(1)



Region	Rent
South	$9,567,925
Northeast	8,416,445
Midwest	8,194,057
West	3,062,343
Total	**$29,240,770**

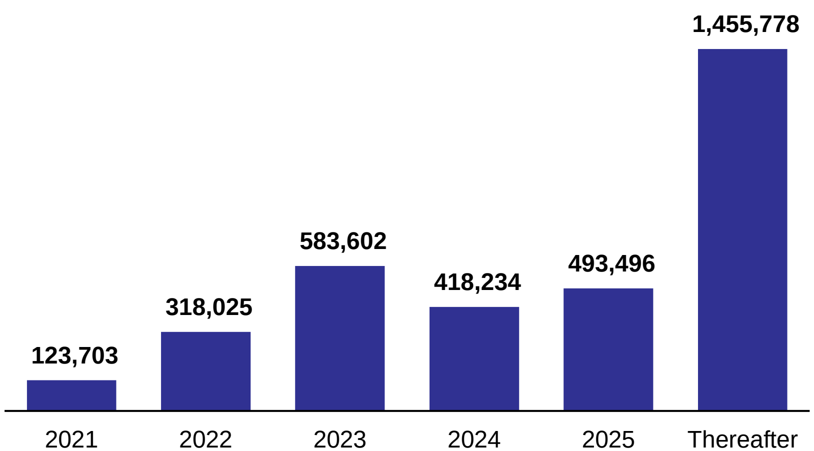
Source: Company Filings
Note: Portfolio statistics as of 5/4/2021
(1) Annualized contractually specified cash base rent in effect on May 4, 2021 for all of our leases (including those accounted for as direct financing leases)

Lease Rollover Drives Significant Upside

Upcoming Lease Expirations Provide Organic Growth Opportunity

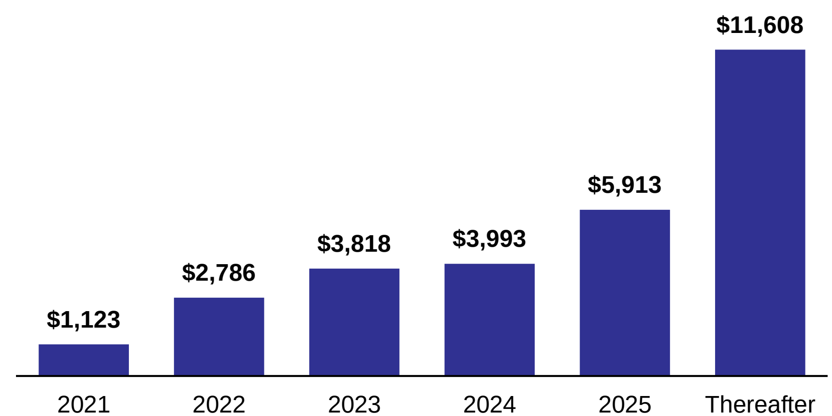
Year	Number of Leases	Square Feet	Annual Rent[1]	% of Total Rent[1]
2021	60	123,703	$1,123,182	3.8%
2022	69	318,025	$2,786,134	9.5%
2023	70	583,602	$3,818,121	13.1%
2024	102	418,234	$3,992,985	13.7%
2025	151	493,496	$5,912,536	20.2%
Thereafter	344	1,455,778	$11,607,812	39.7%
Total	**796**	**3,392,838**	**$29,240,770**	**100.0%**

Lease Expirations (by Square Feet)



Lease Expirations (by Annual Rent)[1]

($ in thousands)



Source: Company Filings
Note: As of 5/4/2021
(1) Annualized contractually specified cash base rent in effect on May 4, 2021 for all of our leases (including those accounted for as direct financing leases)

Property Breakdown by State

Property Breakdown by State							
State	Gross Rent	% Gross Rent	Square Footage	% Square Footage	Property Count	% Property Count	Occupancy
Pennsylvania	5,189,678	17.75%	624,400	18.40%	70	8.83%	100.00%
Wisconsin	1,685,677	5.76%	195,460	5.76%	55	6.94%	100.00%
Texas	1,609,136	5.50%	148,197	4.37%	51	6.42%	100.00%
North Carolina	1,372,972	4.70%	131,513	3.88%	26	3.28%	100.00%
Kansas	1,213,458	4.15%	425,775	12.55%	20	2.52%	100.00%
Colorado	1,160,505	3.97%	74,337	2.19%	18	2.27%	100.00%
Ohio	1,104,564	3.78%	117,585	3.47%	14	1.77%	100.00%
Massachusetts	1,035,570	3.54%	55,840	1.65%	13	1.64%	100.00%
California	959,293	3.28%	102,971	3.03%	10 (1)	1.26%	100.00%
Oklahoma	928,174	3.17%	104,885	3.09%	40	5.04%	100.00%
Michigan	921,852	3.15%	115,513	3.40%	33	4.16%	100.00%
New York	867,485	2.97%	56,771	1.67%	24	3.03%	100.00%
Alabama	837,424	2.86%	207,964	6.13%	10	1.26%	100.00%
Louisiana	834,463	2.85%	74,887	2.21%	26	3.28%	100.00%
Illinois	737,037	2.52%	95,061	2.80%	42	5.30%	100.00%
Indiana	683,770	2.34%	69,408	2.05%	19	2.40%	100.00%
Florida	645,083	2.21%	53,176	1.57%	11	1.39%	100.00%
Maine	590,479	2.02%	50,796	1.50%	40	5.04%	100.00%
Tennessee	578,960	1.98%	75,501	2.23%	13	1.64%	100.00%
Arkansas	539,218	1.84%	58,858	1.73%	19	2.40%	100.00%
Missouri	537,016	1.84%	63,637	1.88%	27	3.40%	100.00%
Mississippi	500,192	1.71%	53,210	1.57%	14	1.77%	100.00%
Georgia	453,869	1.55%	41,946	1.24%	21	2.65%	100.00%
South Carolina	438,432	1.50%	38,420	1.13%	10	1.26%	100.00%

Note: As of 5/4/2021

(1) Includes one property accounted for as a financing lease

Property Breakdown by State (continued)

POSTAL REALTY TRUST

Property Breakdown by State							
State	Gross Rent	% Gross Rent	Square Footage	% Square Footage	Property Count	% Property Count	Occupany
Minnesota	408,792	1.40%	47,972	1.41%	23	2.90%	100.00%
Iowa	361,544	1.24%	42,091	1.24%	18	2.27%	100.00%
Virginia	332,881	1.14%	38,617	1.14%	12	1.51%	100.00%
Vermont	270,088	0.92%	14,914	0.44%	9	1.13%	100.00%
Connecticut	255,703	0.87%	19,511	0.58%	3	0.38%	100.00%
Montana	237,953	0.81%	22,211	0.65%	9	1.13%	100.00%
West Virginia	210,927	0.72%	19,213	0.57%	13	1.64%	100.00%
North Dakota	207,755	0.71%	20,381	0.60%	16	2.02%	100.00%
South Dakota	175,199	0.60%	16,581	0.49%	10	1.26%	100.00%
Nebraska	157,393	0.54%	18,891	0.56%	12	1.51%	100.00%
Kentucky	156,722	0.54%	14,195	0.42%	6	0.76%	100.00%
Oregon	139,858	0.48%	7,685	0.23%	1	0.13%	100.00%
Maryland	129,470	0.44%	9,316	0.27%	4	0.50%	100.00%
Washington	124,033	0.42%	10,180	0.30%	5	0.63%	100.00%
Idaho	104,873	0.36%	13,983	0.41%	9	1.13%	100.00%
New Mexico	95,741	0.33%	7,987	0.24%	3	0.38%	100.00%
New Hampshire	94,633	0.32%	6,166	0.18%	4	0.50%	100.00%
Utah	87,141	0.30%	4,425	0.13%	1	0.13%	100.00%
Arizona	82,267	0.28%	5,071	0.15%	1	0.13%	100.00%
New Jersey	60,009	0.21%	4,613	0.14%	2	0.25%	100.00%
Delaware	52,800	0.18%	3,060	0.09%	1	0.13%	100.00%
Nevada	36,773	0.13%	3,803	0.11%	2	0.25%	100.00%
Wyoming	22,808	0.08%	3,041	0.09%	2	0.25%	100.00%
Alaska	11,100	0.04%	2,820	0.08%	1	0.13%	100.00%
Total:	**$29,240,770**	**100.00%**	**3,392,838**	**100.00%**	**793**	**100.00%**	**100.00%**

Note: As of 5/4/2021

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 the Company does and therefore the Company’s 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 and, beginning with the three months ended September 30, 2020, leasing costs that are recurring in nature, excluding beginning with the three months ended June 30, 2020, as a policy change all capital improvements that are planned at 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 the Company’s 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 and other adjustments (beginning with the quarter ended September 30, 2020, including lump sum catch up payments for increased rents), fair value lease adjustments, income on insurance recoveries from casualties (beginning with the three months ended December 31, 2020) 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 the Company’s operating performance. The Company believes that AFFO is widely-used by other REITs and is helpful to investors as a meaningful additional measure of the Company’s ability to make capital investments. Other REITs may not define AFFO in the same manner as the Company does and therefore its calculation of AFFO may not be comparable to such other REITs.

Earnings before Interest Tax and Depreciation and Amortization (EBITDA) and Adjusted 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. The Company computes Adjusted EBITDA by starting with EBITDA and adjusting for acquisition related expenses (as defined above) and non-cash components of compensation expense.

EBITDA and Adjusted EBITDA are not measures of financial performance under GAAP. You should not consider EBITDA or Adjusted EBITDA as alternatives to net income or cash flows from operating activities determined in accordance with GAAP. Additionally, the Company’s computations of EBITDA and Adjusted EBITDA 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.

Definitions (continued)

Non-GAAP Financial Measures

POSTAL REALTY TRUST

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 property-related escrow and reserves. 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. Below are the property management expenses excluded from NOI.

($ in thousands)	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Property Management Expense	$419	$226	$202	$189	$241