POSTAL REALTY TRUST, INC.

NYSE: PSTL

Q3 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 or lease renewals, 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 June 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, uncertainties and risks related to adverse weather conditions, natural disasters and climate change, exposure to liability relating to environmental and health and safety matters, 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 the COVID-19 pandemic, 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. 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	Chair of the Board, Member - Audit Committee
Andrew Spodek	Chief Executive Officer, Director
Barry Lefkowitz	Chair of Audit Committee, Member - Corporate Governance & Compensation Committee
Anton Feingold	Chair 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
BMO Capital Markets	John Kim	212-885-4115	Height Capital Markets	Ed Groshans	202-629-0025
BTIG	Michael Gorman	212-738-6138	Janney Montgomery Scott	Robert Stevenson	646-840-3217
Colliers	Barry Oxford	203-961-6573	Jefferies	Jonathan Petersen	212-284-1705
Compass Point	Merrill Ross	202-534-1392	Stifel Nicolaus & Company, Inc.	Stephen Manaker	212-271-3716

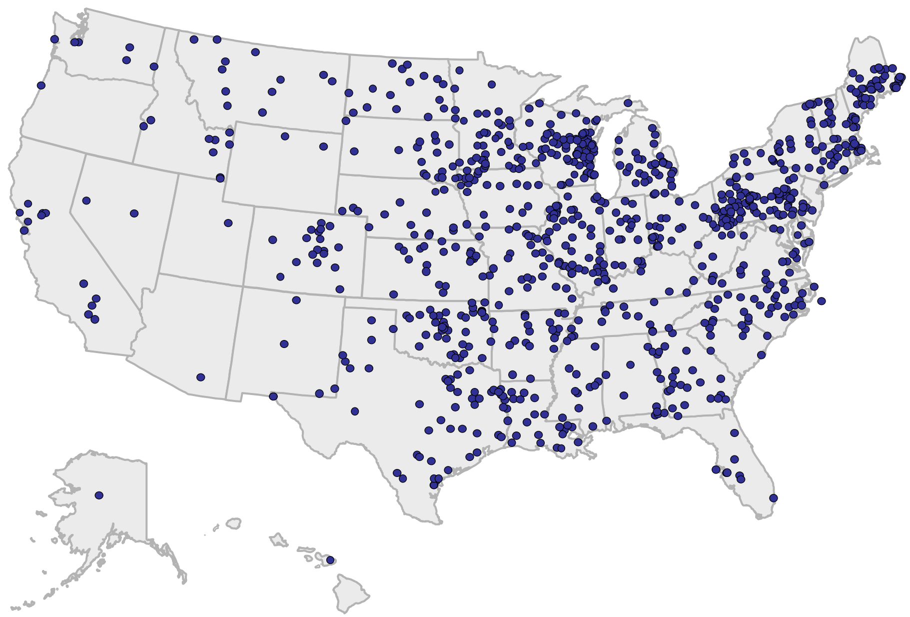
Company Overview

Postal Realty Trust, Inc. (NYSE: PSTL) is an internally managed real estate investment trust that owns properties primarily leased to the United States Postal Service, or the USPS. PSTL 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 September 30, 2021, PSTL owned 911 postal properties (including a property accounted for as a financing lease) located in 49 states comprising approximately 3.7 million net leasable interior square feet. Subsequent to quarter-end and through November 2, 2021, PSTL closed on an additional 15 properties comprising approximately 593,000 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 11/2/2021

Executive Summary

Figures for the quarter ended September 30, 2021

POSTAL REALTY TRUST

Price of Common Shares	
High closing price during period	$20.25
Low closing price during period	$18.32
End of period closing price	$18.64

Outstanding Classes of Stock and Partnership Units	
Common shares	13,682
OP Units	3,472
LTIP Units	375
Restricted Stock Units	43
Voting equivalent shares	27
Total shares - fully diluted	17,599

Market Capitalization and Enterprise Value	
Total equity market capitalization - fully diluted (1)	$328,045
Net debt	122,816
Enterprise value	$450,862

Debt Ratios	
Net debt to enterprise value	27.2%
Net debt to annualized adjusted EBITDA	4.8x
Adjusted interest coverage ratio	8.7x
Fixed charge coverage ratio	8.4x

Earnings	
Net income attributable to common stockholders	$531
Net income attributable to common stockholders per share	$0.03
Funds From Operations ("FFO")	$4,419
FFO per share - fully diluted basis	$0.25
Adjusted Funds From Operations ("AFFO")	$4,750
AFFO per share - fully diluted basis	$0.27
Dividend per share	$0.2250
Net Operating Income	$7,974

Current Metrics (2)	
Annualized total owned rental revenue	$34,217
Total owned square footage	4,337
Weighted average rent per square foot (3)	$7.92
Total owned property count	926
Total managed property count	397
Owned portfolio occupancy	99.6%
Total current net debt (4)	$140,806
Total share count - fully diluted	17,599

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 $18.64
(2) Based on 11/2/2021 figures
(3) Inclusive of owned and occupied square footage
(4) Total current net debt includes cash balance and escrow & reserves as of 9/30/2021

Balance Sheet

($ in thousands)	Balance Sheet September 30, 2021	June 30, 2021
ASSETS		
Investments:		
Real estate properties, at cost:		
Land	$58,441	$55,108
Building and improvements	256,562	240,528
Tenant improvements	5,245	5,098
Total real estate properties, at cost	320,248	300,734
Less: Accumulated depreciation	(18,753)	(16,715)
Total real estate properties, net	301,495	284,019
Investment in financing lease, net	511	512
Total investments	302,006	284,531
Cash	3,997	4,936
Rent and other receivables	3,945	3,689
Prepaid expenses and other assets, net	5,777	4,790
Escrows and reserves	929	1,215
Deferred rent receivable	507	373
In-place lease intangibles, net	14,264	14,578
Above market leases, net	140	116
Total Assets	$331,565	$314,228
LIABILITIES AND EQUITY		
Liabilities:		
Term loan, net	$49,328	$-
Revolving credit facility	44,500	82,500
Secured borrowings, net	32,989	33,031
Accounts payable, accrued expenses and other	7,592	6,673
Below market lease, net	8,738	8,579
Total Liabilities	143,147	130,783
Equity:		
PSTL - Class A & Class B	$137	$136
Additional paid-in capital	163,314	160,061
Accumlated other comprehensive income	310	-
Accumulated deficit	(16,533)	(14,010)
Total Stockholders' Equity	147,228	146,187
Operating Partnership unitholders' noncontrolling interests	41,190	37,258
Total Equity	188,418	183,445
Total Liabilities and Equity	$331,565	$314,228

Source: Company Filings

Statement of Operations

($ in thousands)	Statement of Operations				
	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
REVENUE					
Rental income	$10,204	$8,977	$8,487	$7,106	$6,014
Fee and other	325	470	342	312	276
Total revenues	10,529	9,447	8,829	7,418	6,290
OPERATING EXPENSES					
Real estate taxes	1,625	1,163	1,089	959	798
Property operating expenses	983	815	910	663	461
General and administrative	2,596	2,716	2,569	1,984	2,027
Depreciation and amortization	3,743	3,219	3,169	2,572	2,394
Total operating expenses	$8,947	$7,913	$7,737	$6,178	$5,680
Income from operations	$1,582	$1,534	$1,092	$1,240	$610
Other income	159	81	36	158	7
Interest expense, net	(1,028)	(765)	(991)	(716)	(607)
Income before income tax expense	$713	$850	$137	$682	$10
Income tax expense	(37)	(27)	(11)	(44)	(30)
Net income (loss)	$676	$823	$126	$638	$(20)
Net (income) loss attributable to Operating Partnership unitholders' non-controlling interests	(145)	(152)	(23)	(148)	5
Net income (loss) attributable to common stockholders	**$531**	**$671**	**$103**	**$490**	**$(15)**

Source: Company Filings

FFO & AFFO Reconciliation

($ in thousands, except per share / unit data)	FFO & AFFO				
	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Net income (loss)	**$676**	**$823**	**$126**	**$638**	**$(20)**
Depreciation and amortization	3,743	3,219	3,169	2,572	2,394
Funds from operations (FFO)	**$4,419**	**$4,042**	**$3,295**	**$3,210**	**$2,374**
Recurring capital expenditures	(138)	(125)	(189)	(341)	(51)
Write-off and amortization of deferred financing fees	295	145	145	129	124
Loss on extinguishment of debt	-	-	202	-	-
Straight-line rent and other adjustments	(144)	(110)	24	296	(48)
Fair value lease and other adjustments	(414)	(383)	(377)	(330)	(323)
Acquisition related expenses	55	60	71	71	119
Income on insurance recoveries from casualties	(159)	(81)	(36)	(158)	(7)
Non-cash components of compensation expense	836	787	1,129	538	570
Adjusted funds from operations (AFFO)	**$4,750**	**$4,335**	**$4,264**	**$3,414**	**$2,758**
FFO per common share and common unit outstanding	**$0.25**	**$0.25**	**$0.21**	**$0.26**	**$0.21**
AFFO per common share and common unit outstanding	**$0.27**	**$0.26**	**$0.27**	**$0.28**	**$0.24**
Weighted average common shares and common units outstanding [1]	17,467	16,496	15,709	12,343	11,524

Source: Company Filings

(1) Basic and diluted

NOI Reconciliation

($ in thousands)	Net Operating Income				
	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
REVENUE					
Rental income	$10,204	$8,977	$8,487	$7,106	$6,014
Total revenues	$10,204	$8,977	$8,487	$7,106	$6,014
OPERATING EXPENSES					
Real estate taxes	$1,625	$1,163	$1,089	$959	$798
Property operating expenses (1)	605	493	491	437	259
Total operating expenses	$2,230	$1,656	$1,580	$1,396	$1,057
Net Operating Income	$7,974	$7,321	$6,907	$5,710	$4,957

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				
	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Net income (loss)	$676	$823	$126	$638	$(20)
Contractual interest expense	734	621	645	588	484
Write-off and amortization of deferred financing fees	295	145	145	129	124
Loss on extinguishment of debt	-	-	202	-	-
Income tax expense	37	27	11	44	30
Depreciation and amortization	3,743	3,219	3,169	2,572	2,394
EBITDA	$5,485	$4,835	$4,298	$3,971	$3,012
Acquisition related expenses	55	60	71	71	119
Non-cash components of compensation expense	836	787	1,129	538	570
Adjusted EBITDA	$6,376	$5,682	$5,498	$4,580	$3,700

Source: Company Filings

Debt Summary

Debt Outstanding as of 9/30/2021

Debt Breakdown			
Lender	Maturity Date	Interest Rate(2)	Outstanding Balance
($ in thousands)			
2021 Term Loan (1)	Jan-27	2.29%	$50,000
AIG - December 2020	Jan-31	2.80%	30,225
Vision Bank	Sep-41	3.69%	1,409
Vision Bank - 2018	Sep-41	3.69%	844
Seller Financing	Jan-25	6.00%	366
First Oklahoma Bank	Dec-37	3.63%	353
Fixed Rate Debt			**$83,197**
2021 Revolving Credit Facility (1)	Jan-26	1.58%	44,500
Total Principal			$127,697
Unamortized Deferred Financing Costs			(880)
Total Debt:		**2.20%**	**$126,817**

Source: Company Filings

(1) During the quarter ended 9/30/2021, the Company entered into a new $150 million senior unsecured revolving credit facility and a $50 million senior unsecured term loan with maturity dates in January 2026, and January 2027, respectively. The new credit facilities include an accordion feature permitting the Company to borrow up to an additional $150 million under the revolving credit facility and up to an additional $50 million under the term loan. Concurrently, the Company entered into an interest rate swap having a notional amount of $50 million that fixed the LIBOR component of the interest rate on a portion of the new credit facilities through January 2027.

(2) Interest rates as of September 30, 2021, reflect the interest rate hedge in effect during the period

Debt Statistics

POSTAL REALTY TRUST

Debt Statistics	
($ in thousands)	Q3 2021
Market Capitalization	
Debt Principal	$127,697
Cash	3,997
Escrow & Reserves	884
Net Debt	122,816
Market Value of Common Equity(1)	328,045
Total Enterprise Value	450,862
Net Debt to Enterprise Value	27.2%
Leverage	
Net Debt	$122,816
Annualized Adjusted EBITDA	25,504
Net Debt / Annualized Adjusted EBITDA	4.8x
Adjusted Interest Coverage Ratio	
Contractual Interest Expense	$734
Adjusted EBITDA	6,376
Adjusted Interest Coverage Ratio	8.7x
Fixed Charge Coverage Ratio	
Contractual Interest Expense	$734
Debt Amortization	29
Total Fixed Charges	763
Adjusted EBITDA	6,376
Fixed Charge Coverage Ratio	8.4x

Source: Company Filings

(1) Calculated using the closing share price of $18.64 as of 9/30/2021

Acquisition Summary by Region

Acquisition Summary as of 11/2/2021

POSTAL REALTY TRUST

Acquisition Summary					
Acquisitions By Property Type	**Property Count**	**Purchase Price (1)**	**Interior Square Feet**	**Purchase Price per Int. Sq Ft**	**Annualized Rent(2)**
Q1 2021 Acquisitions					
Last Mile	36 Properties	$5,018,933	52,009	$96.50	$562,818
Flex	15 Properties	6,089,336	58,348	$104.36	629,592
Industrial	3 Properties	14,650,000	575,788	$25.44	1,495,208
Q1 2021 Totals	**54 Properties**	**$25,758,269**	**686,145**	**$37.54**	**$2,687,618**
Q2 2021 Acquisitions					
Last Mile	42 Properties	$6,516,200	61,462	$106.02	$650,531
Flex	29 Properties	24,235,130	184,404	$131.42	1,941,597
Industrial	0 Properties	-	-	-	-
Q2 2021 Totals	**71 Properties**	**$30,751,330**	**245,866**	**$125.07**	**$2,592,128**
Q3 2021 Acquisitions					
Last Mile	39 Properties	$5,419,978	55,023	$98.50	$545,149
Flex	20 Properties	13,820,000	89,203	$154.93	1,164,678
Industrial	0 Properties	-	-	-	-
Q3 2021 Totals	**59 Properties**	**$19,239,978**	**144,226**	**$133.40**	**$1,709,827**
Q4 2021 Acquisitions (3)					
Last Mile	11 Properties	$698,717	8,392	$83.26	$76,515
Flex	3 Properties	1,857,783	9,393	$197.78	148,358
Industrial	1 Properties	15,000,000	575,253	$26.08	1,091,850
Q4 2021 Totals	**15 Properties**	**$17,556,500**	**593,038**	**$29.60**	**$1,316,723**
2021 Totals	**199 Properties**	**$93,306,077**	**1,669,275**	**$55.90**	**$8,306,295**

Source: Company Filings

(1) Purchase price excludes closing costs

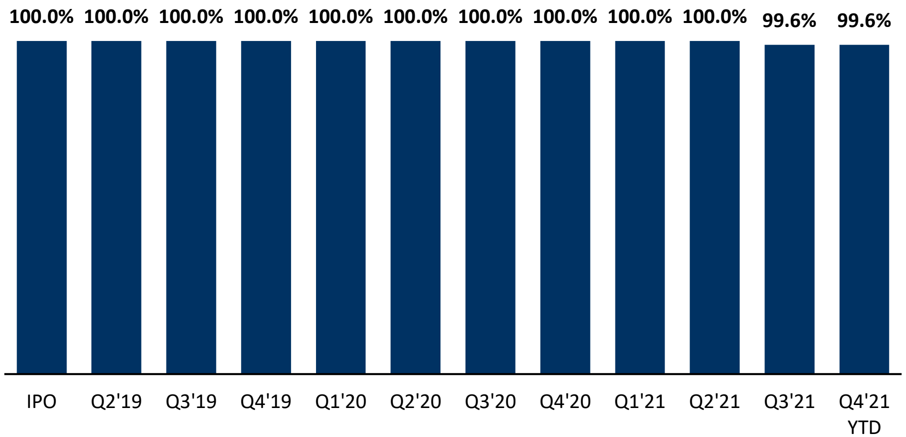
(2) Annualized contractually specified cash base rent in effect on November 2, 2021, for all of our leases (including those accounted for as direct financing leases)

(3) Representative of Q4 2021 acquisitions as of 11/2/2021

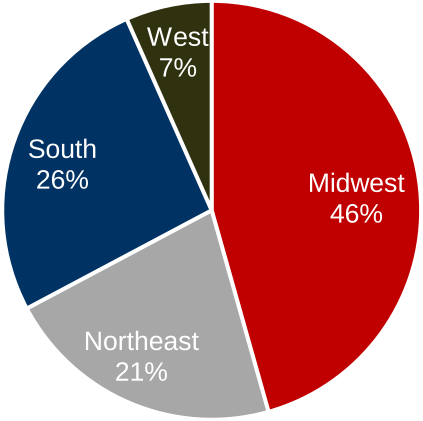
Portfolio Fundamentals

Diversified Portfolio with High Historic Occupancy

Historic Occupancy Rate Since IPO(1)

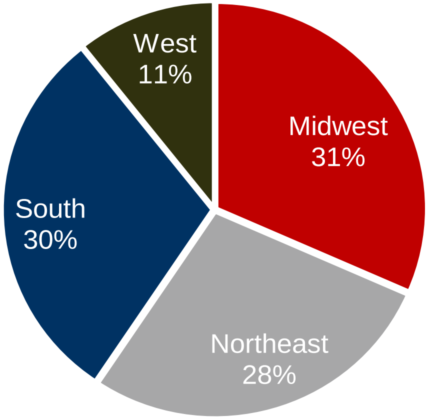


Portfolio By % of Aggregate Interior Sq Ft



Region	Sq Ft
Midwest	1,978,959
South	1,132,803
Northeast	937,050
West	288,638
Total	**4,337,450**

Portfolio By % of Annualized Gross Rent(2)



Region	Rent
Midwest	$10,808,751
South	10,236,055
Northeast	9,513,951
West	3,657,828
Total	**$34,216,585**

Source: Company Filings

Note: Portfolio statistics as of 11/2/2021

(1) Reflects historical occupancy of REIT owned properties since IPO

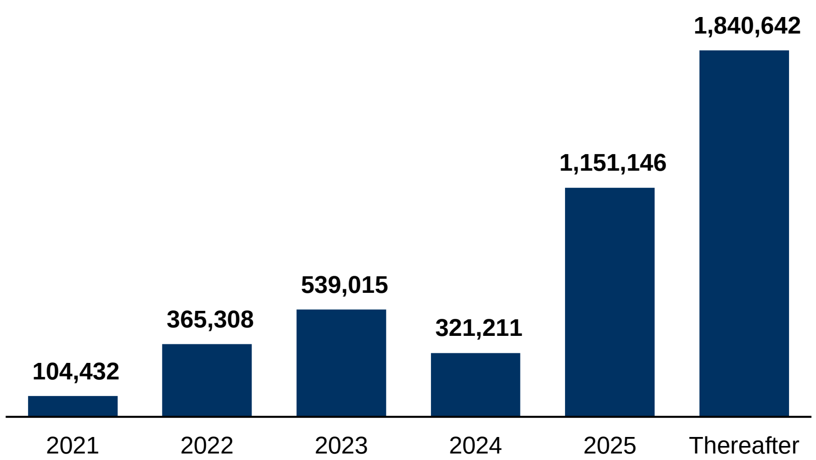
(2) Annualized contractually specified cash base rent in effect on November 2, 2021, for all of our leases (including those accounted for as direct financing leases)

Lease Rollover Drives Significant Upside

Upcoming Lease Expirations Provide Organic Growth Opportunity

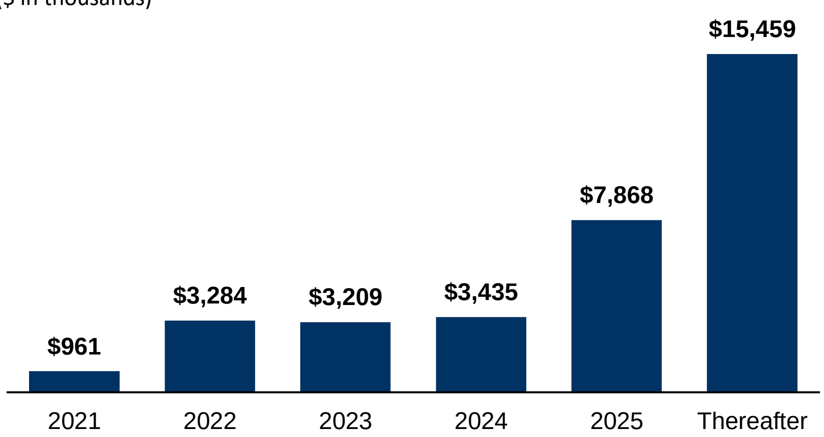
Year	Number of Leases	Square Feet	Annual Rent[2]	% of Total Rent[2]
2021	47[1]	104,432	$960,987	2.8%
2022	82	365,308	$3,283,963	9.6%
2023	64	539,015	$3,209,271	9.4%
2024	82	321,211	$3,435,227	10.0%
2025	186	1,151,146	$7,868,357	23.0%
Thereafter	467	1,840,642	$15,458,780	45.2%
Total	**928**	**4,321,754**	**$34,216,585**	**100.0%**

Lease Expirations (by Square Feet)



Lease Expirations (by Annual Rent)[2]

($ in thousands)



Source: Company Filings

Note: As of 11/2/2021; excludes any vacant property

(1) Executed letters of intent in place for renewals of the remaining 47 leases that expire in 2021

(2) Annualized contractually specified cash base rent in effect on November 2, 2021, for all of our leases (including those accounted for as direct financing leases)

Property Breakdown by State

State	Gross Rent	% Gross Rent	Square Footage	% Square Footage	Property Count[1]	% Property Count
Pennsylvania	5,504,702	16.09%	676,257	15.59%	76	8.20%
Wisconsin	3,107,539	9.07%	799,553	18.42%	67	7.23%
North Carolina	1,635,134	4.77%	158,149	3.64%	30	3.23%
Texas	1,621,081	4.74%	149,243	3.44%	52	5.62%
Massachusetts	1,305,568	3.82%	66,593	1.54%	15	1.62%
Kansas	1,286,530	3.76%	435,356	10.04%	25	2.70%
Ohio	1,241,791	3.63%	135,962	3.13%	24	2.59%
Colorado	1,160,505	3.39%	74,337	1.71%	18	1.94%
California	1,144,070	3.34%	109,035	2.51%	14	1.51%
New York	1,142,721	3.34%	80,543	1.86%	34	3.67%
Michigan	1,073,164	3.14%	144,454	3.33%	40	4.32%
Oklahoma	933,049	2.73%	104,885	2.42%	40	4.32%
Louisiana	877,953	2.57%	79,069	1.82%	27	2.92%
Alabama	837,424	2.45%	207,964	4.79%	10	1.08%
Illinois	826,672	2.42%	105,407	2.43%	48	5.18%
Indiana	728,888	2.13%	73,563	1.70%	21	2.27%
Florida	719,898	2.10%	61,322	1.41%	14	1.51%
Minnesota	713,710	2.09%	77,872	1.80%	36	3.89%
Tennessee	614,718	1.80%	78,262	1.80%	14	1.51%
Maine	593,345	1.73%	50,796	1.17%	40	4.32%
Arkansas	574,218	1.68%	62,785	1.45%	22	2.38%
Iowa	572,508	1.67%	68,779	1.59%	23	2.48%
Missouri	543,566	1.59%	64,416	1.49%	28	3.02%
Mississippi	500,192	1.46%	53,210	1.23%	14	1.51%
Georgia	493,149	1.44%	46,231	1.07%	24	2.59%

Note: As of 11/2/2021

(1) Includes properties accounted for as direct financing leases

Property Breakdown by State (continued)

Property Breakdown by State						
State	Gross Rent	% Gross Rent	Square Footage	% Square Footage	Property Count[1]	% Property Count
South Carolina	440,638	1.29%	38,420	0.89%	10	1.08%
Virginia	403,841	1.18%	44,433	1.02%	15	1.62%
Connecticut	368,923	1.08%	26,394	0.61%	6	0.65%
Montana	353,273	1.03%	33,038	0.76%	12	1.30%
Vermont	280,288	0.82%	15,730	0.36%	10	1.08%
South Dakota	259,090	0.76%	24,314	0.56%	17	1.84%
Hawaii	247,701	0.72%	9,705	0.22%	1	0.11%
North Dakota	236,082	0.69%	23,307	0.54%	18	1.94%
West Virginia	220,587	0.64%	19,213	0.44%	13	1.40%
Nebraska	219,211	0.64%	25,976	0.60%	17	1.84%
Maryland	200,250	0.59%	14,638	0.34%	6	0.65%
New Hampshire	170,494	0.50%	10,744	0.25%	7	0.76%
Washington	165,173	0.48%	12,883	0.30%	6	0.65%
Kentucky	163,922	0.48%	14,979	0.35%	7	0.76%
Oregon	139,858	0.41%	7,685	0.18%	1	0.11%
Idaho	104,873	0.31%	13,983	0.32%	9	0.97%
New Mexico	98,741	0.29%	8,812	0.20%	4	0.43%
New Jersey	95,109	0.28%	6,933	0.16%	3	0.32%
Utah	87,141	0.25%	4,425	0.10%	1	0.11%
Arizona	82,267	0.24%	5,071	0.12%	1	0.11%
Delaware	52,800	0.15%	3,060	0.07%	1	0.11%
Nevada	40,320	0.12%	3,803	0.09%	2	0.22%
Wyoming	22,808	0.07%	3,041	0.07%	2	0.22%
Alaska	11,100	0.03%	2,820	0.07%	1	0.11%
Total:	**$34,216,585**	**100.00%**	**4,337,450**	**100.00%**	**926**	**100.00%**

Note: As of 11/2/2021

(1) Includes properties accounted for as direct financing leases

Definitions

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 deferred financing fees, 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)

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)	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Property Management Expense	$378	$322	$419	$226	$202

Occupancy

The Company calculates occupancy by dividing the amount of the Company's owned portfolio's total net leasable interior square feet currently under lease agreements, regardless of the actual use or occupation by the tenant of the area being leased, by the Company's owned portfolio's total net leasable interior square feet.