POSTAL REALTY TRUST, INC.

NYSE: PSTL

Q2 2022 Supplemental

Forward-Looking Cautionary Statements

This presentation regarding Postal Realty Trust, Inc. (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, the Company’s 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 or relocation, closure or consolidation of postal offices by the USPS, the competitive market in which the Company operates, changes in the availability of acquisition opportunities, the Company’s inability to successfully complete real estate acquisitions or dispositions on the terms and timing it expects, or at all, the Company’s failure to successfully operate developed and acquired properties, adverse economic or real estate developments, either nationally or in the markets in which the Company’s properties are located, decreased rental rates or increased vacancy rates, change in the Company’s business, financing or investment strategy or the markets in which it operates, fluctuations in interest rates and increased operating costs, general economic conditions (including inflation, rising interest rates, uncertainty regarding ongoing conflict between Russia and Ukraine and their related impact on macroeconomic conditions), financial market fluctuations, the Company’s failure to generate sufficient cash flows to service its outstanding indebtedness, the Company’s failure to obtain necessary outside financing on favorable terms or at all, failure to hedge effectively against interest rate changes, the Company’s reliance on key personnel whose continued service is not guaranteed, the outcome of claims and litigation involving or affecting the Company, 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 the Company’s business in order to qualify and maintain its status as a REIT and the Company’s 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. The Company undertakes 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
Aegis Capital	Brian Hollenden	646-502-2450	Janney Montgomery Scott	Robert Stevenson	646-840-3217
BMO Capital Markets	John Kim	212-885-4115	Jefferies	Jonathan Petersen	212-284-1705
BTIG	Michael Gorman	212-738-6138	Stifel Nicolaus & Company, Inc.	Stephen Manaker	212-271-3716
Colliers	Barry Oxford	203-961-6573	Truist Securities	Ki Bin Kim	212-303-4124
Height Capital Markets	Ed Groshans	202-629-0025			

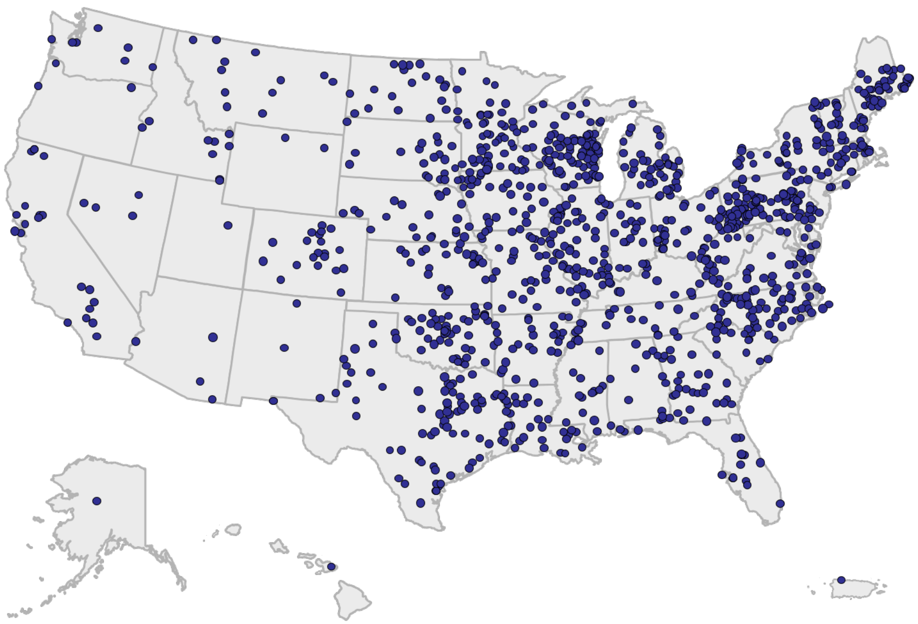
Company Overview

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 ("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 June 30, 2022, PSTL owned 1,166 properties (including two properties accounted for as financing leases) located in 49 states and one territory comprising approximately 5.0 million net leasable interior square feet. Subsequent to quarter-end and through July 29, 2022, PSTL closed on 16 additional properties comprising approximately 42,000 net leasable interior square feet.

PSTL believes its competitive strengths are:

- 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 July 29, 2022

Executive Summary

Figures for the quarter ended June 30, 2022

POSTAL REALTY TRUST

Price of Common Shares	
High closing price during period	$17.78
Low closing price during period	$14.32
End of period closing price	$14.90

Outstanding Classes of Stock and Partnership Units	
Common shares	18,750
OP Units	3,782
LTIP Units	532
Restricted Stock Units	87
Voting equivalent shares	27
Total shares - fully diluted	23,178

Market Capitalization and Enterprise Value	
Total equity market capitalization - fully diluted[1]	$345,352
Net debt	170,260
Enterprise value	$515,612

Debt Ratios	
Net debt to enterprise value	33.0 %
Net debt to annualized adjusted EBITDA	5.5x
Adjusted interest coverage ratio	7.0x
Fixed charge coverage ratio	7.0x

Earnings	
Net income attributable to common stockholders	$953
Net income attributable to common stockholders per share	$0.04
Funds From Operations ("FFO")	$5,367
FFO per share - fully diluted basis	$0.23
Adjusted Funds From Operations ("AFFO")	$5,499
AFFO per share - fully diluted basis	$0.24
Quarterly dividend per share	$0.2325
Net Operating Income	$9,923

Current Metrics[2]	
Annualized total owned cash base rent	$43,196
Total owned square footage	5,074
Weighted average rent per square foot[3]	$8.54
Total owned property count	1,182
Total managed property count	397
Owned portfolio occupancy	99.7 %
Total current net debt[4]	$173,259
Total share count - fully diluted	23,231

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 $14.90
(2) Based on July 29, 2022 figures
(3) Inclusive of owned and occupied square footage
(4) Total current net debt includes cash balance and escrow & reserves as of June 30, 2022

Balance Sheet

($ in thousands)	Balance Sheet	
ASSETS	June 30, 2022	March 31, 2022
Investments:		
Real estate properties, at cost:		
Land	$82,999	$69,960
Building and improvements	343,928	301,023
Tenant improvements	6,025	5,645
Total real estate properties, at cost	432,952	376,628
Less: Accumulated depreciation	(25,601)	(23,139)
Total real estate properties, net	407,351	353,489
Investment in financing leases, net	16,168	16,189
Total real estate investments	423,519	369,678
Cash	4,569	5,958
Escrows and reserves	1,378	1,297
Rent and other receivables	2,826	2,454
Prepaid expenses and other assets, net	10,701	10,839
Goodwill	1,536	1,536
Deferred rent receivable	959	822
In-place lease intangible, net	16,400	14,579
Above market leases, net	241	259
Total Assets	$462,129	$407,422
LIABILITIES AND EQUITY		
Term loans, net	$123,824	$49,391
Revolving credit facility	18,000	40,000
Secured borrowings, net	32,908	32,907
Accounts payable, accrued expenses and other, net	8,565	6,563
Below market leases, net	11,133	9,978
Total Liabilities	194,430	138,839
PSTL - Class A & Class B	188	188
Additional paid-in-capital	240,403	239,779
Accumulated other comprehensive income	3,250	2,838
Accumulated deficit	(25,968)	(22,579)
Total Stockholders' Equity	217,873	220,226
Operating Partner unitholders' noncontrolling interests	49,826	48,357
Total Equity	267,699	268,583
Total Liabilities and Equity	$462,129	$407,422

Source: Company Filings

Statement of Operations

POSTAL REALTY TRUST

($ in thousands)	Statement of Operations Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
REVENUE					
Rental income	$12,135	$11,349	$10,608	$10,204	$8,977
Fee and other	589	582	525	325	470
Total revenues	12,724	11,931	11,133	10,529	9,447
OPERATING EXPENSES					
Real estate taxes	1,705	1,590	1,522	1,625	1,163
Property operating expenses	1,230	1,530	1,279	983	815
General and administrative	3,309	3,642	2,762	2,596	2,716
Depreciation and amortization	4,219	4,110	3,859	3,743	3,219
Total operating expenses	10,463	10,872	9,422	8,947	7,913
Income from operations	2,261	1,059	1,711	1,582	1,534
Other income	187	487	125	159	81
Interest expense, net	(1,265)	(814)	(867)	(1,028)	(765)
Income before income tax expense	1,183	732	969	713	850
Income tax expense	(18)	(11)	(36)	(37)	(27)
Net income	1,165	721	933	676	823
Net income attributable to Operating Partnership unitholders' non-controlling interests	(212)	(126)	(181)	(145)	(152)
Net income attributable to common stockholders	$953	$595	$752	$531	$671

Source: Company Filings

FFO & AFFO Reconciliation

($ in thousands, except per share / unit data)	FFO & AFFO				
	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Net income	**$1,165**	**$721**	**$933**	**$676**	**$823**
Depreciation and amortization of real estate assets	4,202	4,110	3,859	3,743	3,219
Funds from operations (FFO)	**$5,367**	**$4,831**	**$4,792**	**$4,419**	**$4,042**
Recurring capital expenditures	(251)	(259)	(409)	(138)	(125)
Write-off and amortization of deferred financing fees	155	129	129	295	145
Straight-line rent and other adjustments	(159)	(143)	(133)	(144)	(110)
Fair value lease adjustments	(525)	(522)	(425)	(414)	(383)
Acquisition related expenses	96	101	75	55	60
Income on insurance recoveries from casualties	(187)	(487)	(125)	(159)	(81)
Non-real estate depreciation and amortization	17	—	—	—	—
Non-cash components of compensation expense	986	1,706	968	836	787
Adjusted funds from operations (AFFO)	**$5,499**	**$5,356**	**$4,872**	**$4,750**	**$4,335**
FFO per common share and common unit outstanding	**$0.23**	**$0.21**	**$0.24**	**$0.25**	**$0.25**
AFFO per common share and common unit outstanding	**$0.24**	**$0.24**	**$0.25**	**$0.27**	**$0.26**
Weighted average common shares and common units outstanding[1]	23,072	22,780	19,868	17,467	16,496

Source: Company Filings
(1) Basic and diluted

NOI Reconciliation

POSTAL REALTY TRUST

($ in thousands)	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
	Net Operating Income				
REVENUE					
Rental income[1]	$10,482	$9,664	$8,978	$8,622	$7,823
Tenant reimbursements[1]	1,653	1,685	1,630	1,582	1,154
Revenue from direct financing leases[2]	263	261	216	10	10
Total Revenues	12,398	11,610	10,824	10,214	8,987
OPERATING EXPENSES					
Real estate taxes	1,705	1,590	1,522	1,625	1,163
Property operating expenses[3]	770	901	872	605	493
Total operating expenses	2,475	2,491	2,394	2,230	1,656
Net Operating Income	$9,923	$9,119	$8,430	$7,984	$7,331

Source: Company Filings

(1) Revenue from tenant reimbursements is included in rental income in the consolidated statements of operations
(2) Revenue from direct financing leases is included in fee and other in the consolidated statements of operations
(3) Property operating expenses excludes property management expenses; reference Net Operating Income definition on page 19 for further detail

EBITDA Reconciliation

POSTAL REALTY TRUST

($ in thousands)	EBITDA				
	Q2 2022	**Q1 2022**	**Q4 2021**	**Q3 2021**	**Q2 2021**
Net income	$1,165	$721	$933	$676	$823
Contractual interest expense	1,111	686	739	734	621
Write-off and amortization of deferred financing fees	155	129	129	295	145
Income tax expense	18	11	36	37	27
Depreciation and amortization	4,219	4,110	3,859	3,743	3,219
EBITDA	$6,668	$5,657	$5,696	$5,485	$4,835
Acquisition related expenses	96	101	75	55	60
Non-cash components of compensation expense	986	1,706	968	836	787
Adjusted EBITDA	$7,750	$7,464	$6,739	$6,376	$5,682

Source: Company Filings

Debt Summary

Debt Outstanding as of June 30, 2022

Debt Breakdown			
Lender	Maturity Date	Effective Interest Rate[2]	Outstanding Balance
($ in thousands)			
2022 Term Loan[1]	February-28	4.43 %	$75,000
2021 Term Loan[1]	January-27	2.29 %	50,000
AIG - December 2020	January-31	2.80 %	30,225
Vision Bank	September-41	3.69 %	1,409
Vision Bank - 2018	September-41	3.69 %	844
First Oklahoma Bank	December-37	3.63 %	341
Seller Financing	January-25	6.00 %	282
Fixed Rate Debt		**3.43 %**	**$158,101**
2021 Revolving Credit Facility[1]	January-26	3.29 %	18,000
Floating Rate Debt		**3.29 %**	**$18,000**
Total Principal			**$176,101**
Unamortized Deferred Financing Costs			(1,369)
Total Debt:		**3.42 %**	**$174,732**

Source: Company Filings

(1) The 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 $75 million under the term loans. The Company also entered into several interest rate swaps having a notional amount of $125 million that fixed the SOFR component of the interest rate on a portion of the credit facilities through January 2027 or February 2028.

(2) Interest rates as of June 30, 2022, reflect the interest rate hedges in effect during the period and account for the $25 million forward-starting interest rate swap that became effective in July 2022.

Debt Statistics

Debt Statistics	
($ in thousands)	Q2 2022
Market Capitalization	
Debt Principal	$176,101
Cash	4,569
Escrow & Reserves	1,272
Net Debt	170,260
Market Value of Common Equity[1]	345,352
Total Enterprise Value	515,612
Net Debt to Enterprise Value	33.0 %
Leverage	
Net Debt	$170,260
Annualized Adjusted EBITDA	31,000
Net Debt / Annualized Adjusted EBITDA	5.5x
Adjusted Interest Coverage Ratio	
Contractual Interest Expense	$1,111
Adjusted EBITDA	7,750
Adjusted Interest Coverage Ratio	7.0x
Fixed Charge Coverage Ratio	
Contractual Interest Expense	$1,111
Debt Amortization	4
Total Fixed Charges	1,115
Adjusted EBITDA	7,750
Fixed Charge Coverage Ratio	7.0x

Source: Company Filings

(1) Calculated using the closing share price of $14.90 as of June 30, 2022

Acquisition Summary

Acquisition Summary as of July 29, 2022

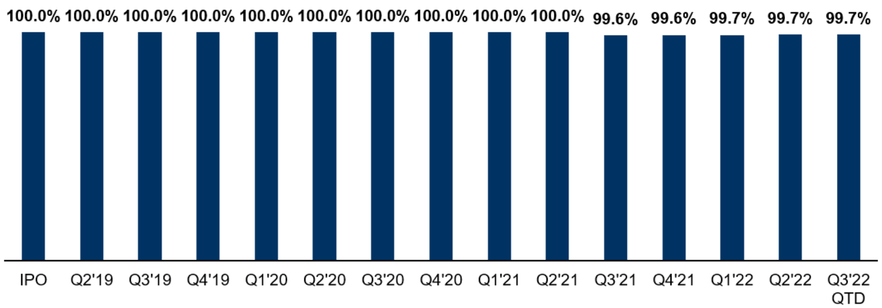
Acquisition Summary					
Acquisitions By Property Type	Property Count	Purchase Price[1]	Interior Square Feet	Purchase Price per Int. Sq Ft	Annualized Rent[2]
2021 Totals[3]	**239 Properties**	**$118,121,713**	**1,806,815**	**$65.38**	**$10,325,516**
Q1 2022 Acquisitions					
Last-Mile	28 Properties	$4,472,186	37,561	$119.06	$393,525
Flex	22 Properties	$22,474,964	141,475	158.86	1,540,772
Industrial	—	—	—	—	—
Q1 2022 Totals	**50 Properties**	**$26,947,150**	**179,036**	**$150.51**	**$1,934,297**
Q2 2022 Acquisitions					
Last-Mile	111 Properties	$15,855,814	141,246	$112.26	$1,428,176
Flex	39 Properties	$39,220,187	236,527	165.82	2,636,599
Industrial	—	—	—	—	—
Q2 2022 Totals	**150 Properties**	**$55,076,001**	**377,773**	**$145.79**	**$4,064,775**
Q3 2022 Acquisitions[4]					
Last-Mile	9 Properties	$1,405,000	12,441	$112.93	$134,057
Flex	7 Properties	$3,212,500	29,527	108.80	273,088
Industrial	—	—	—	—	—
Q3 2022 Totals	**16 Properties**	**$4,617,500**	**41,968**	**$110.02**	**$407,145**
2022 YTD Acquisitions[4]					
Last-Mile	148 Properties	$21,733,000	191,248	$113.64	$1,955,758
Flex	68 Properties	$64,907,651	407,529	159.27	4,450,459
Industrial	—	—	—	—	—
2022 YTD Totals	**216 Properties**	**$86,640,651**	**598,777**	**$144.70**	**$6,406,217**

Source: Company Filings
(1) Purchase price defined by GAAP, excluding closing costs
(2) Annualized contractually specified cash base rent in effect on July 29, 2022, for all of our leases (including those accounted for as direct financing leases)
(3) Includes one property accounted for as a financing lease
(4) Representative of Q3 2022 acquisitions as of July 29, 2022

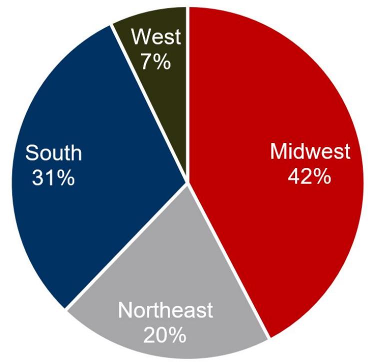
Portfolio Fundamentals

Diversified Portfolio with High Historic Occupancy

Historic Occupancy Rate Since IPO(1)

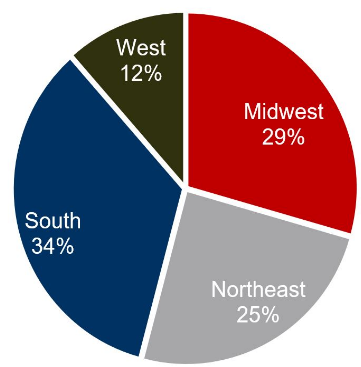


Portfolio By % of Aggregate Interior Sq Ft



Region	Sq Ft
Midwest	2,147,080
South(2)	1,555,358
Northeast	1,007,894
West	363,435
Total	**5,073,767**

Portfolio By % of Annualized Gross Rent(3)



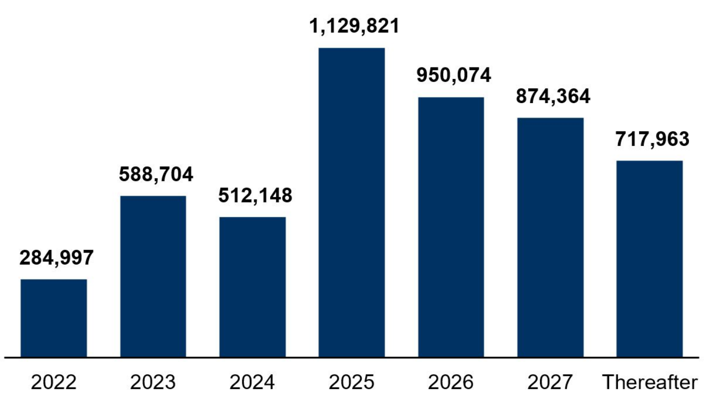
Region	Rent
South(2)	$14,840,170
Midwest	$12,705,787
Northeast	$10,677,051
West	$4,972,540
Total	**$43,195,548**

Source: Company Filings
Note: Portfolio statistics as of July 29, 2022
(1) Reflects historical occupancy of REIT owned properties since IPO
(2) South region includes one property located in Puerto Rico
(3) Annualized contractually specified cash base rent in effect on July 29, 2022, for all of our leases (including those accounted for as direct financing leases)

Lease Expiration Schedule

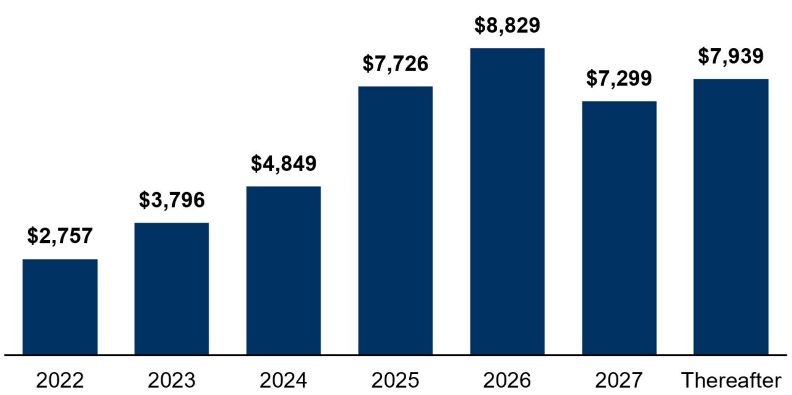
Year	Number of Leases	Square Feet	Annual Rent[1]	% of Total Rent[1]
2022	86	284,997	$2,757,108	6.4%
2023	83	588,704	$3,795,648	8.8%
2024	90	512,148	$4,848,767	11.2%
2025	175	1,129,821	$7,726,471	17.9%
2026	233	950,074	$8,829,373	20.4%
2027	272	874,364	$7,299,422	16.9%
Thereafter	245	717,963	$7,938,759	18.4%
Total	**1,184**	**5,058,071**	**$43,195,548**	**100.0%**

Lease Expirations (by Square Feet)



Lease Expirations (by Annual Rent)[1]

($ in thousands)



Source: Company Filings
Note: As of July 29, 2022; excludes any vacant property
(1) Annualized contractually specified cash base rent in effect on July 29, 2022, for all of our leases (including those accounted for as direct financing leases). Assumes tenants do not exercise any existing renewal, termination or purchase options.

Property Breakdown by Location

Property Breakdown by Location						
Location	Gross Rent	% Gross Rent	Square Footage	% Square Footage	Property Count[1]	% Property Count
Pennsylvania	$5,690,063	13.17 %	696,785	13.73 %	85	7.19 %
Wisconsin	3,309,739	7.65 %	816,309	16.09 %	78	6.61 %
North Carolina	2,372,157	5.49 %	213,579	4.20 %	53	4.49 %
Texas	2,266,067	5.25 %	230,005	4.53 %	80	6.78 %
California	1,931,393	4.47 %	151,073	2.98 %	22	1.86 %
New York	1,622,705	3.76 %	103,092	2.03 %	42	3.55 %
Michigan	1,495,634	3.45 %	172,285	3.40 %	51	4.31 %
Alabama	1,428,908	3.31 %	248,961	4.90 %	14	1.18 %
Ohio	1,415,459	3.28 %	155,760	3.07 %	30	2.54 %
Kansas	1,353,349	3.13 %	442,254	8.72 %	29	2.45 %
Colorado	1,322,093	3.06 %	83,735	1.65 %	20	1.69 %
Massachusetts	1,308,536	3.02 %	66,593	1.31 %	15	1.27 %
Florida	1,241,286	2.87 %	120,278	2.37 %	21	1.78 %
Oklahoma	1,043,739	2.42 %	114,885	2.26 %	46	3.89 %
Virginia	1,037,125	2.40 %	91,371	1.80 %	23	1.95 %
Illinois	991,603	2.30 %	117,616	2.32 %	60	5.08 %
Louisiana	956,544	2.21 %	84,285	1.66 %	29	2.45 %
Minnesota	919,730	2.13 %	99,284	1.96 %	49	4.15 %
Indiana	822,168	1.90 %	81,289	1.60 %	22	1.86 %
Missouri	830,049	1.92 %	91,095	1.80 %	35	2.96 %
Tennessee	794,646	1.84 %	102,870	2.03 %	18	1.52 %
Georgia	712,023	1.65 %	63,937	1.26 %	28	2.37 %
Arkansas	704,201	1.63 %	74,707	1.47 %	28	2.37 %
Iowa	689,029	1.60 %	79,832	1.57 %	31	2.62 %
South Carolina	660,781	1.53 %	56,163	1.11 %	20	1.69 %

Note: As of July 29, 2022

(1) Includes properties accounted for as direct financing leases

Property Breakdown by Location (continued)

POSTAL REALTY TRUST

Property Breakdown by Location						
Location	Gross Rent	% Gross Rent	Square Footage	% Square Footage	Property Count[1]	% Property Count
Maine	654,705	1.52 %	54,300	1.07 %	43	3.64 %
West Virginia	636,294	1.47 %	62,812	1.24 %	30	2.54 %
Mississippi	547,054	1.27 %	56,466	1.11 %	16	1.35 %
Connecticut	518,976	1.20 %	35,726	0.70 %	7	0.59 %
Vermont	497,868	1.15 %	26,848	0.53 %	16	1.35 %
Montana	357,675	0.83 %	33,038	0.65 %	12	1.02 %
South Dakota	291,704	0.68 %	26,894	0.53 %	20	1.69 %
Nebraska	319,787	0.74 %	38,246	0.75 %	22	1.86 %
North Dakota	267,534	0.62 %	26,216	0.52 %	21	1.78 %
Hawaii	247,701	0.57 %	9,705	0.19 %	1	0.08 %
Nevada	221,536	0.51 %	14,047	0.28 %	4	0.34 %
Oregon	212,320	0.49 %	13,554	0.27 %	3	0.25 %
Maryland	208,475	0.48 %	14,638	0.29 %	6	0.51 %
Kentucky	191,181	0.44 %	17,461	0.34 %	9	0.76 %
New Hampshire	186,935	0.43 %	11,523	0.23 %	8	0.68 %
Washington	186,820	0.43 %	14,677	0.29 %	7	0.59 %
Arizona	148,375	0.34 %	10,525	0.21 %	4	0.34 %
New Jersey	118,463	0.27 %	8,101	0.16 %	4	0.34 %
Idaho	111,864	0.26 %	13,983	0.28 %	9	0.76 %
New Mexico	109,862	0.25 %	8,812	0.17 %	4	0.34 %
Utah	87,141	0.20 %	4,425	0.09 %	1	0.08 %
Delaware	78,800	0.18 %	4,926	0.10 %	2	0.17 %
Puerto Rico	39,690	0.09 %	2,940	0.06 %	1	0.08 %
Wyoming	24,328	0.06 %	3,041	0.06 %	2	0.17 %
Alaska	11,433	0.03 %	2,820	0.06 %	1	0.08 %
Total:	**$43,195,548**	**100.0%**	**5,073,767**	**100.0%**	**1,182**	**100.0%**

Note: As of July 29, 2022

(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 leasing costs that are recurring in nature, excluding 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 business acquisitions 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, legal and accounting fees incurred that were directly related to completed acquisitions or dispositions and integration of acquired business) that are not capitalized and then adding back non-cash items including: write-off and amortization of deferred financing fees, straight-line rent and other adjustments (including lump sum catch up payments for increased rents), fair value lease adjustments, income on insurance recoveries from casualties, non-real estate depreciation and amortization 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 total debt less cash and property-related reserves. The Company believes excluding cash and restricted cash deposits held for the benefit of lenders from total 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 income, tenant reimbursements and revenue from direct financing leases 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)	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Property Management Expense	$460	$629	$407	$378	$322

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.