



POSTAL REALTY TRUST, INC.

NYSE: PSTL



Q3 2023 Supplemental

Corporate Information & Analyst Coverage



Key Management

Andrew Spodek
Jeremy Garber
Robert Klein

Chief Executive Officer
President, Treasurer & Secretary
Chief Financial Officer

Board of Directors

Patrick Donahoe
Andrew Spodek
Barry Lefkowitz
Anton Feingold
Jane Gural-Senders

Board Responsibilities

Chair of the Board, Member - Audit Committee
Chief Executive Officer, Director
Chair of Audit Committee, Member - Corporate Governance & Compensation Committee
Chair of Corporate Governance & Compensation Committee, Member - Audit Committee
Member - Corporate Governance & Compensation Committee

Corporate Information

Corporate Headquarters

75 Columbia Avenue
Cedarhurst, NY 11516
www.postalrealtytrust.com
Investorrelations@postalrealtytrust.com
516-232-8900

Corporate Counsel

Hunton Andrews Kurth LLP
200 Park Avenue
New York, NY 10166
212-309-1000

Transfer Agent

Equiniti Trust Company, LLC
800-937-5449

Independent Registered Public Accounting Firm

Deloitte & Touche LLP
30 Rockefeller Plaza
New York, NY 10112
212-492-4000

Research Coverage

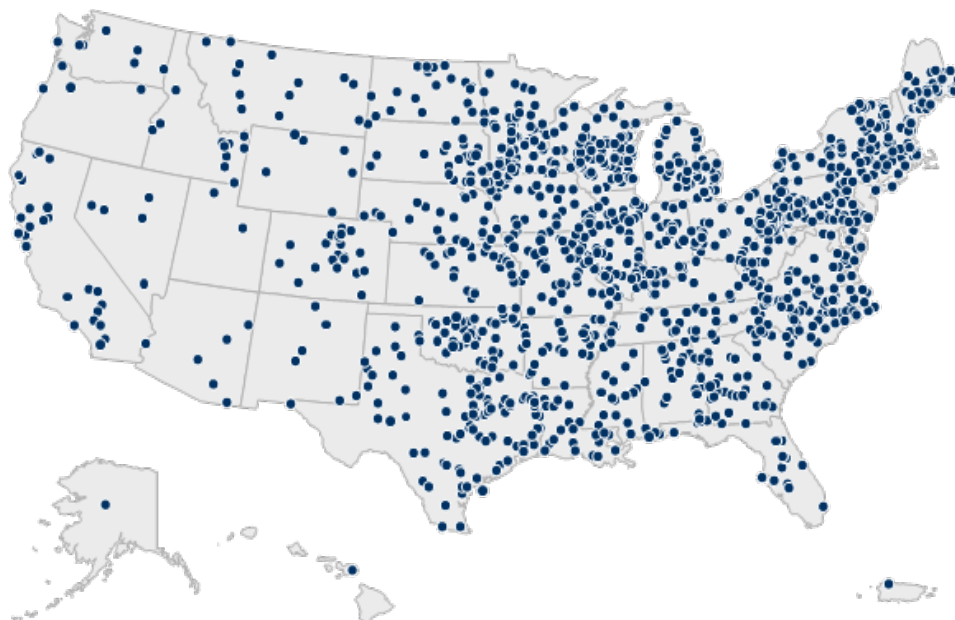
Firm	Analyst	Phone	Firm	Analyst	Phone
BMO Capital Markets	John Kim	212-885-4115	Jefferies	Jonathan Petersen	212-284-1705
BTIG	Michael Gorman	212-738-6138	J.P. Morgan Securities	Anthony Paolone	212-622-6682
Colliers	Barry Oxford	203-961-6573	Stifel Nicolaus & Company, Inc.	Stephen Manaker	212-271-3716
Janney Montgomery Scott	Robert Stevenson	646-840-3217	Truist Securities	Ki Bin Kim	212-303-4124

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. As of September 30, 2023, PSTL owned 1,434 properties (including two properties accounted for as financing leases) located in 49 states and one territory comprising approximately 5.7 million net leasable interior square feet. Subsequent to quarter-end and through October 20, 2023, PSTL closed on five additional properties comprising approximately 12,000 net leasable interior square feet.

PSTL's Footprint of Owned Properties



Executive Summary

Figures for the quarter ended September 30, 2023



Price of Common Shares	
High closing price during period	\$15.49
Low closing price during period	\$13.22
End of period closing price	\$13.50

Outstanding Classes of Stock and Partnership Units	
Common shares	21,513
OP Units	3,937
LTIP Units	887
Restricted Stock Units	155
Voting equivalent shares	27
Total shares - fully diluted	26,519

Market Capitalization and Enterprise Value	
Total equity market capitalization - fully diluted ⁽¹⁾	\$358,007
Net debt	230,150
Enterprise value	\$588,156

Debt Ratios	
Net debt to enterprise value	39.1%
Net debt to annualized adjusted EBITDA	5.5x
Adjusted interest coverage ratio	4.3x
Fixed charge coverage ratio	4.2x

Earnings	
Net income attributable to common stockholders	\$1,166
Net income attributable to common stockholders per share	\$0.04
Funds From Operations ("FFO")	\$6,329
FFO per share - fully diluted basis	\$0.25
Adjusted Funds From Operations ("AFFO")	\$6,914
AFFO per share - fully diluted basis	\$0.27
Quarterly dividend per share	\$0.2375
Net Operating Income	\$12,283

Current Metrics ⁽²⁾	
Annualized total owned cash base rent	\$53,150
Total owned square footage	5,737
Weighted average rent per square foot ⁽³⁾	\$9.29
Total owned property count	1,439
Total managed property count	397
Owned portfolio occupancy	99.7%
Total current net debt ⁽⁴⁾	\$230,149
Total share count - fully diluted	26,752

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 \$13.50 as of September 30, 2023

(2) Based on figures as of October 20, 2023

(3) Inclusive of owned and occupied square footage

(4) Total current net debt includes cash balance and escrow & reserves as of September 30, 2023

Balance Sheet



(\$ in thousands and unaudited)

ASSETS

Investments:

Real estate properties, at cost:

Land

Building and improvements

Tenant improvements

Total real estate properties, at cost

Less: Accumulated depreciation

Total real estate properties, net

Investment in financing leases, net

Total real estate investments, net

Cash

Escrows and reserves

Rent and other receivables

Prepaid expenses and other assets, net

Goodwill

Deferred rent receivable

In-place lease intangible, net

Above market leases, net

Total Assets

LIABILITIES AND EQUITY

Term loans, net

Revolving credit facility

Secured borrowings, net

Accounts payable, accrued expenses and other, net

Below market leases, net

Total Liabilities

PSTL - Class A & Class B

Additional paid-in-capital

Accumulated other comprehensive income

Accumulated deficit

Total Stockholders' Equity

Operating Partner unitholders' noncontrolling interests

Total Equity

Total Liabilities and Equity

Balance Sheet	
September 30, 2023	June 30, 2023
\$100,979	\$96,063
426,230	405,927
6,825	6,643
534,034	508,633
(40,464)	(37,286)
493,570	471,347
16,062	16,083
509,632	487,430
2,462	2,191
425	751
5,344	3,936
18,144	15,225
1,536	1,536
1,443	1,356
14,313	14,340
401	385
\$553,700	\$527,150
\$198,718	\$163,887
—	29,000
32,823	32,822
10,610	7,996
12,214	11,875
254,365	245,580
215	200
279,585	258,331
9,614	7,934
(44,529)	(40,754)
244,885	225,711
54,450	55,859
299,335	281,570
\$553,700	\$527,150

Statement of Operations



(\$ in thousands and unaudited)

	Statement of Operations				
	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
REVENUE					
Rental income	\$15,438	\$14,762	\$14,499	\$14,211	\$13,181
Fee and other	668	695	649	689	594
Total revenues	16,106	15,457	15,148	14,900	13,775
OPERATING EXPENSES					
Real estate taxes	\$2,089	\$2,029	\$1,983	\$2,037	\$1,836
Property operating expenses	1,917	1,414	1,624	1,519	1,346
General and administrative	3,352	3,610	4,159	3,119	3,040
Depreciation and amortization	4,919	4,781	4,837	4,761	4,637
Total operating expenses	12,277	11,834	12,603	11,436	10,859
Income from operations	\$3,829	\$3,623	\$2,545	\$3,464	\$2,916
Other income	246	125	114	311	44
Interest expense, net	(2,620)	(2,466)	(2,210)	(2,068)	(1,826)
Income before income tax (expense) benefit	1,455	1,282	449	1,707	1,134
Income tax (expense) benefit	(19)	(21)	(16)	1	16
Net income	1,436	1,261	433	1,708	1,150
Net income attributable to Operating Partnership unitholders' non-controlling interests	(270)	(249)	(85)	(333)	(219)
Net income attributable to common stockholders	\$1,166	\$1,012	\$348	\$1,375	\$931

FFO & AFFO Reconciliation



(\$ in thousands and unaudited, except per share / unit data)

Net income

Depreciation and amortization of real estate assets

Funds from operations (FFO)

Recurring capital expenditures

Write-off and amortization of deferred financing fees

Straight-line rent and other adjustments

Fair value lease adjustments

Acquisition-related and other expenses⁽¹⁾

Income on insurance recoveries from casualties

Non-real estate depreciation and amortization

Non-cash components of compensation expense

Adjusted funds from operations (AFFO)

FFO per common share and common unit outstanding

AFFO per common share and common unit outstanding

Weighted average common shares and common units outstanding⁽²⁾

FFO & AFFO				
Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
\$1,436	\$1,261	\$433	\$1,708	\$1,150
4,893	4,755	4,811	4,735	4,616
\$6,329	\$6,016	\$5,244	\$6,443	\$5,766
(97)	(94)	(106)	(119)	(200)
174	165	165	156	156
(42)	(100)	(107)	(122)	(159)
(632)	(623)	(601)	(625)	(613)
81	301	137	144	111
(246)	(125)	(114)	(311)	(44)
26	26	26	26	21
1,321	1,247	1,960	1,006	1,021
\$6,914	\$6,813	\$6,604	\$6,598	\$6,059
\$0.25	\$0.24	\$0.21	\$0.27	\$0.25
\$0.27	\$0.27	\$0.27	\$0.28	\$0.26
25,632	25,005	24,659	23,991	23,524



Source: Company Filings

(1) Includes non-recurring expenses of approximately \$0.2 million for the quarter ended June 30, 2023 related to transition of the Company's independent registered public accounting firm

(2) Basic and diluted

NOI Reconciliation



(\$ in thousands and unaudited)

REVENUE

Rental income⁽¹⁾
 Tenant reimbursements⁽¹⁾
 Revenue from direct financing leases⁽²⁾
 Total revenues

OPERATING EXPENSES

Real estate taxes
 Property operating expenses⁽³⁾
 Total operating expenses
 Net Operating Income

Net Operating Income				
Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
\$13,299	\$12,854	\$12,550	\$12,227	\$11,435
2,139	1,908	1,949	1,984	1,746
264	262	259	265	266
15,702	15,024	14,758	14,476	13,447
\$2,089	\$2,029	\$1,983	\$2,037	\$1,836
1,330	876	873	1,024	845
3,419	2,905	2,856	3,061	2,681
\$12,283	\$12,119	\$11,902	\$11,415	\$10,766



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 18 for further detail

EBITDA Reconciliation



(\$ in thousands and unaudited)

	EBITDA				
	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Net income	\$1,436	\$1,261	\$433	\$1,708	\$1,150
Contractual interest expense	2,446	2,302	2,045	1,913	1,670
Write-off and amortization of deferred financing fees	174	165	165	156	156
Income tax expense (benefit)	19	21	16	(1)	(16)
Depreciation and amortization	4,919	4,781	4,837	4,761	4,637
EBITDA	\$8,994	\$8,530	\$7,496	\$8,537	\$7,597
Acquisition-related and other expenses ⁽¹⁾	81	301	137	144	111
Non-cash components of compensation expense	1,321	1,247	1,960	1,006	1,021
Adjusted EBITDA	\$10,396	\$10,078	\$9,593	\$9,687	\$8,729



Source: Company Filings

(1) Includes non-recurring expenses of approximately \$0.2 million for the quarter ended June 30, 2023 related to transition of the Company's independent registered public accounting firm

Debt Summary

Debt Outstanding as of September 30, 2023



Debt Breakdown			
Lender	Maturity Date	Effective Interest Rate ⁽³⁾	Outstanding Balance
(\$ in thousands)			
2022 Term Loan ⁽¹⁾	February-28	4.71%	\$125,000
2021 Term Loan ⁽¹⁾	January-27	3.43%	75,000
AIG	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%	320
Seller Financing	January-25	6.00%	194
Fixed Rate Debt		4.04%	\$232,992
2021 Revolving Credit Facility ⁽²⁾	January-26	—	—
Floating Rate Debt		—	—
Total Principal			\$232,992
Unamortized Deferred Financing Costs			(1,451)
Total Debt:		4.04%	\$231,541



Source: Company Filings

(1) On July 24, 2023, the Company exercised \$25.0 million of term loan accordion under the 2021 Term Loan and, on a delayed-draw basis, \$10.0 million of term loan accordion under the 2022 Term Loan, which was fully exercised by the Company on September 27, 2023.

(2) The credit facilities include an accordion feature permitting the Company to borrow up to an additional \$150 million under the revolving credit facility.

(3) Interest rates as of September 30, 2023, reflect the interest rate hedges in effect during the period.

Debt Statistics



Debt Statistics

(\$ in thousands)

Q3 2023

Market Capitalization

Debt Principal	\$232,992
Cash	2,462
Escrow & Reserves	380
Net Debt	230,150
Market Value of Common Equity ⁽¹⁾	358,007
Total Enterprise Value	588,157
Net Debt to Enterprise Value	39.1%

Leverage

Net Debt	\$230,150
Annualized Adjusted EBITDA	41,584
Net Debt / Annualized Adjusted EBITDA	5.5x

Adjusted Interest Coverage Ratio

Contractual Interest Expense	\$2,446
Adjusted EBITDA	10,396
Adjusted Interest Coverage Ratio	4.3x

Fixed Charge Coverage Ratio

Contractual Interest Expense	\$2,446
Debt Amortization	4
Total Fixed Charges	2,450
Adjusted EBITDA	10,396
Fixed Charge Coverage Ratio	4.2x



Source: Company Filings

(1) Calculated using the closing share price of \$13.50 as of September 30, 2023

Acquisition Summary

Acquisition Summary as of October 20, 2023



Acquisition Summary					
Acquisitions By Property Type	Property Count	Purchase Price ⁽¹⁾	Interior Square Feet	Purchase Price per Int. Sq Ft	Annualized Rent ⁽²⁾
Q1 2023 Acquisitions					
Last-Mile	20 Properties	\$3,249,500	24,582	\$132.19	\$319,291
Flex	19 Properties	13,989,780	96,828	\$144.48	1,143,126
Industrial	—	—	—	—	—
Q1 2023 Totals	39 Properties	\$17,239,280	121,410	\$141.99	\$1,462,417
Q2 2023 Acquisitions					
Last-Mile	24 Properties	\$2,927,000	29,875	\$97.97	\$286,202
Flex	15 Properties	12,847,031	63,478	\$202.39	1,038,643
Industrial	—	—	—	—	—
Q2 2023 Totals	39 Properties	\$15,774,031	93,353	\$168.97	\$1,324,845
Q3 2023 Acquisitions					
Last-Mile	45 Properties	\$7,668,152	62,587	\$122.52	\$714,240
Flex	25 Properties	16,504,707	102,327	\$161.29	1,468,538
Industrial	—	—	—	—	—
Q3 2023 Totals	70 Properties	\$24,172,859	164,914	\$146.58	\$2,182,778
Q4 2023 Acquisitions⁽³⁾					
Last-Mile	3 Properties	\$459,000	4,218	\$108.82	\$48,780
Flex	2 Properties	852,547	7,403	\$115.16	81,537
Industrial	—	—	—	—	—
Q4 2023 Totals	5 Properties	\$1,311,547	11,621	\$112.86	\$130,317
2023 Acquisitions					
Last-Mile	92 Properties	\$14,303,652	121,262	\$117.96	\$1,368,513
Flex	61 Properties	44,194,065	270,036	\$163.66	3,731,844
Industrial	—	—	—	—	—
2023 Totals	153 Properties	\$58,497,717	391,298	\$149.50	\$5,100,357



Source: Company Filings

Note: The Company also owns several land parcels that may be added to existing or future leases with the USPS or used for other purposes.

(1) Purchase price defined by GAAP, excluding closing costs

(2) Annualized contractually specified cash base rent in effect on October 20, 2023, for all of the Company's leases

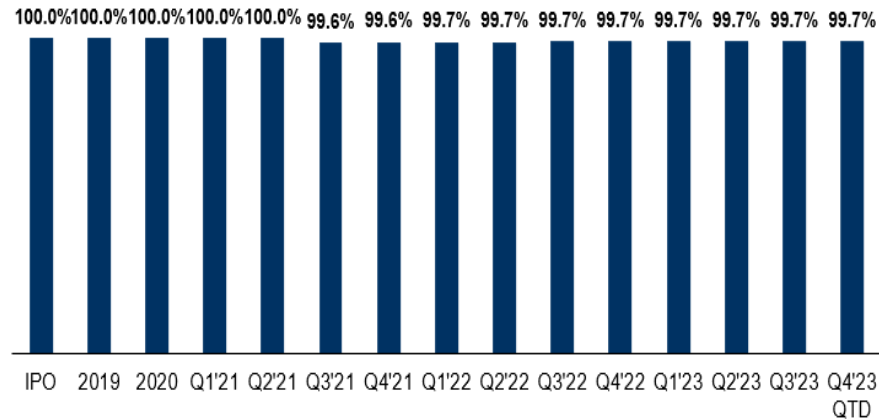
(3) Representative of Q4 2023 acquisitions of leased properties as of October 20, 2023

Portfolio Fundamentals

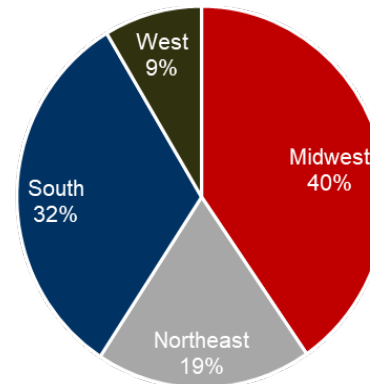
Diversified Portfolio with High Historic Occupancy



Historic Occupancy Rate Since IPO⁽¹⁾



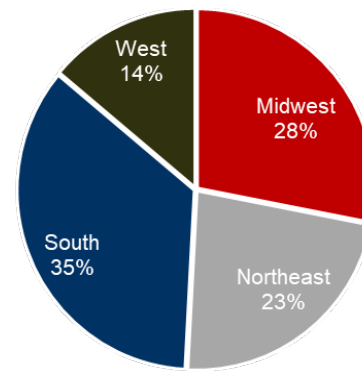
Portfolio By % of Aggregate Interior Sq Ft



Region	Sq Ft
Midwest	2,314,694
South ⁽²⁾	1,847,020
Northeast	1,083,492
West	492,084
Total	5,737,290



Portfolio By % of Annualized Gross Rent⁽³⁾



Region	Rent
South ⁽²⁾	\$18,747,459
Midwest	\$14,913,568
Northeast	\$12,096,628
West	\$7,392,497
Total	\$53,150,152

Source: Company Filings

Note: Portfolio statistics as of October 20, 2023

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

(2) South region includes one property located in Puerto Rico

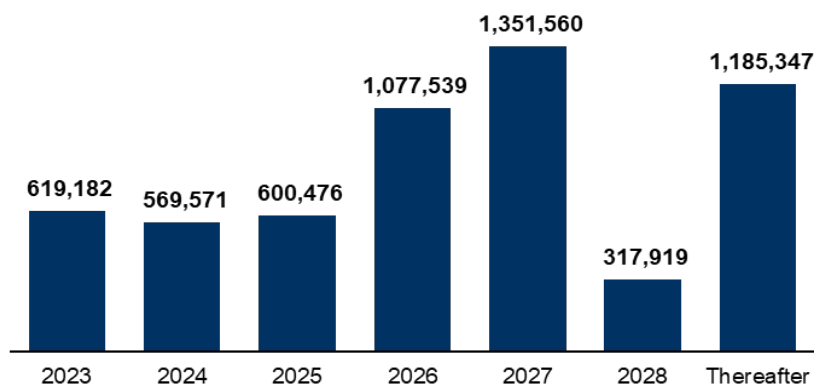
(3) Annualized contractually specified cash base rent in effect on October 20, 2023, for all of our leases (including those accounted for as direct financing leases)

Lease Expiration Schedule



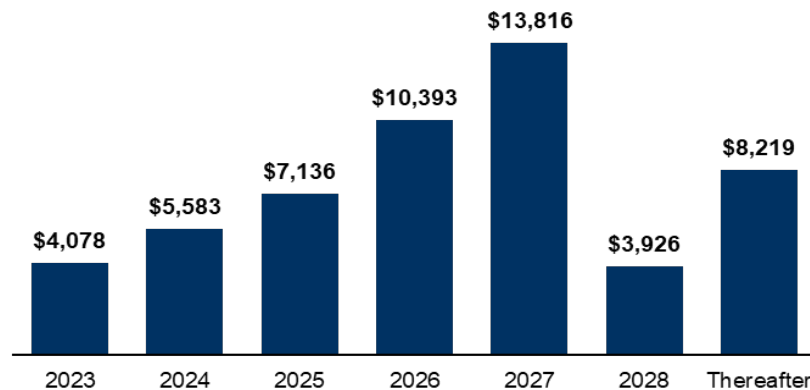
Year	Number of Leases	Square Feet	Annual Rent ⁽¹⁾	% of Total Rent ⁽¹⁾
2023	88	619,182	\$4,077,999	7.7%
2024	102	569,571	\$5,582,668	10.5%
2025	208	600,476	\$7,136,054	13.4%
2026	284	1,077,539	\$10,392,619	19.6%
2027	423	1,351,560	\$13,815,948	26.0%
2028	103	317,919	\$3,925,830	7.4%
Thereafter	233	1,185,347	\$8,219,034	15.4%
Total	1,441	5,721,594	\$53,150,152	100.0%

Lease Expirations (by Square Feet)



Lease Expirations (by Annual Rent)⁽¹⁾

(\$ in thousands)



Source: Company Filings

Note: As of October 20, 2023; excludes any vacant property

(1) Annualized contractually specified cash base rent in effect on October 20, 2023, 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	\$6,074,350	11.43%	716,932	12.50%	95	6.60%
Wisconsin	3,526,727	6.63%	828,417	14.44%	84	5.83%
Texas	2,758,095	5.19%	263,319	4.59%	94	6.53%
California	2,652,861	4.98%	179,971	3.14%	30	2.07%
North Carolina	2,630,759	4.95%	228,190	3.97%	57	3.96%
New York	1,983,027	3.72%	128,678	2.24%	52	3.61%
Alabama	1,944,434	3.66%	286,084	4.99%	29	2.02%
Michigan	1,754,045	3.30%	181,386	3.16%	56	3.89%
Ohio	1,704,426	3.21%	182,722	3.18%	36	2.50%
Massachusetts	1,578,147	2.97%	76,503	1.33%	18	1.25%
Kansas	1,460,438	2.75%	453,293	7.90%	32	2.22%
Illinois	1,416,721	2.67%	141,723	2.47%	75	5.21%
Oklahoma	1,400,086	2.63%	148,104	2.58%	56	3.89%
Colorado	1,385,150	2.61%	86,271	1.50%	21	1.46%
Florida	1,337,286	2.52%	127,038	2.21%	24	1.67%
Minnesota	1,286,245	2.42%	135,633	2.36%	59	4.10%
Louisiana	1,204,707	2.27%	110,085	1.92%	33	2.29%
Tennessee	1,199,199	2.26%	129,096	2.25%	27	1.88%
Virginia	1,195,524	2.25%	100,720	1.76%	26	1.81%
Mississippi	989,867	1.86%	85,243	1.49%	26	1.81%
Missouri	976,099	1.84%	104,280	1.82%	45	3.13%
Indiana	973,209	1.83%	94,422	1.65%	30	2.08%
Georgia	914,407	1.72%	78,289	1.36%	31	2.15%
South Carolina	828,330	1.56%	69,183	1.21%	24	1.67%
West Virginia	810,315	1.52%	77,830	1.36%	38	2.64%

Note: As of October 20, 2023

(1) Includes properties accounted for as direct financing leases

Property Breakdown by Location (continued)



Property Breakdown by Location						
Location	Gross Rent	% Gross Rent	Square Footage	% Square Footage	Property Count ⁽¹⁾	% Property Count
Iowa	798,331	1.50%	87,408	1.52%	35	2.43%
Arkansas	765,539	1.44%	79,339	1.38%	31	2.15%
Arizona	692,434	1.30%	39,469	0.69%	12	0.83%
Maine	673,272	1.27%	55,180	0.96%	43	2.99%
Connecticut	603,240	1.13%	38,926	0.68%	8	0.56%
Vermont	556,199	1.05%	30,486	0.53%	20	1.39%
Kentucky	490,946	0.92%	44,138	0.77%	26	1.81%
Oregon	472,337	0.89%	25,000	0.44%	5	0.35%
Montana	424,872	0.80%	35,623	0.62%	13	0.90%
Nebraska	375,488	0.71%	44,719	0.78%	27	1.88%
South Dakota	364,453	0.69%	33,244	0.58%	23	1.60%
New Jersey	336,908	0.63%	18,925	0.33%	8	0.56%
Nevada	327,051	0.62%	18,216	0.32%	5	0.35%
New Mexico	292,634	0.55%	22,148	0.39%	8	0.56%
Hawaii	281,251	0.53%	9,705	0.17%	1	0.07%
North Dakota	277,386	0.52%	27,447	0.48%	22	1.53%
Wyoming	245,439	0.46%	24,063	0.42%	9	0.63%
Maryland	236,290	0.44%	17,422	0.30%	8	0.56%
Washington	211,320	0.40%	16,604	0.29%	8	0.56%
Utah	197,073	0.37%	13,680	0.24%	4	0.28%
New Hampshire	192,082	0.36%	11,523	0.20%	8	0.56%
Idaho	163,304	0.31%	18,514	0.32%	12	0.83%
Delaware	99,402	0.19%	6,339	0.11%	3	0.21%
Alaska	46,772	0.09%	2,820	0.05%	1	0.07%
Puerto Rico	41,675	0.08%	2,940	0.05%	1	0.07%
Total:	\$53,150,152	100.0%	5,737,290	100.0%	1,439	100.0%

Note: As of October 20, 2023

(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 expenditures that (i) are for items identified or existing at the time a property was acquired or contributed (including through the Company’s formation transactions), (ii) are part of a strategic plan intended to increase the value or revenue-generating ability of a property, (iii) are considered infrequent or extraordinary in nature, or (iv) for casualty damage), acquisition-related expenses (defined as 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 professional fees incurred that were directly related to completed acquisitions or dispositions and integration of acquired business) that are not capitalized, and certain other non-recurring expenses 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 amounts for increased rents, net of any lease incentives), 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. For additional details regarding the Company’s recurring and non-recurring capital expenditures, please see the table below.

	Total Capital Expenditures				
	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
<i>(\$ in thousands)</i>					
Recurring	\$97	\$94	\$106	\$119	\$200
Non-Recurring	857	680	221	406	597
Total Capital Expenditures	\$954	\$774	\$327	\$525	\$797

Definitions (continued)



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 certain other non-recurring expenses 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.

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.

<i>(\$ in thousands)</i>	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Property Management Expense	\$587	\$538	\$751	\$495	\$501

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.

Forward-Looking Cautionary Statements



This presentation regarding 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 on terms and timing the Company expects, or at all, the solvency and financial health of the USPS, defaults on, early terminations of or non-renewal of leases or relocation, or actual, potential or threatened closure or consolidation of postal offices or delivery units 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, repair and maintenance expenses and capital expenditures, 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.