



NYSE: PSTL | [POSTALREALTYTRUST.COM](https://postalrealtytrust.com)

Q3 2024 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

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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, 2024, PSTL owned 1,642 properties (including two properties accounted for as financing leases) located in 49 states and one territory comprising approximately 6.3 million net leasable interior square feet. Subsequent to quarter-end and through October 21, 2024, PSTL closed on thirteen additional properties comprising approximately 29,000 net leasable interior square feet.

PSTL's Footprint of Owned Properties



Executive Summary

Figures for the quarter ended September 30, 2024



Price of Common Shares	
High closing price during period	\$14.96
Low closing price during period	\$13.15
End of period closing price	\$14.64

Outstanding Classes of Stock and Partnership Units	
Common shares	23,313
OP Units	4,827
LTIP Units	1,242
Restricted Stock Units	162
Voting equivalent shares	27
Total shares - fully diluted	29,571

Market Capitalization and Enterprise Value	
Total equity market capitalization - fully diluted ⁽¹⁾	\$432,919
Net debt	276,831
Enterprise value	\$709,750

Debt Ratios	
Net debt to enterprise value	39.0%
Net debt to annualized adjusted EBITDA	5.6x
Adjusted interest coverage ratio	3.8x
Fixed charge coverage ratio	3.8x

Earnings	
Net income attributable to common stockholders	\$1,071
Net income attributable to common stockholders per share	\$0.03
Funds From Operations ("FFO")	\$7,078
FFO per share - fully diluted basis	\$0.24
Adjusted Funds From Operations ("AFFO")	\$8,757
AFFO per share - fully diluted basis	\$0.30
Quarterly dividend per share	\$0.24
Net Operating Income	\$14,688

Current Metrics ⁽²⁾	
Annualized total owned cash base rent	\$63,927
Total owned square footage	6,295
Weighted average rent per square foot ⁽³⁾	\$10.19
Total owned property count	1,653
Total managed property count	360
Owned portfolio occupancy	99.6%
Total current net debt ⁽⁴⁾	\$279,830
Total share count - fully diluted	29,874

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 \$14.64 as of September 30, 2024

(2) Based on figures as of October 21, 2024

(3) Based on owned and occupied square footage

(4) Total current net debt includes cash balance and escrow & reserves as of September 30, 2024

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

Assets held for sale, 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, 2024		June 30, 2024	
\$	119,293	\$	118,696
	489,156		479,232
	7,333		7,219
	615,782		605,147
	(54,406)		(50,767)
	561,376		554,380
	15,973		15,994
	577,349		570,374
	970		1,743
	537		868
	6,086		4,043
	10,254		14,061
	1,536		1,536
	2,004		1,754
	12,392		13,479
	270		308
	3,657		—
\$	615,055	\$	608,166
\$	199,051	\$	198,968
	44,000		42,000
	33,915		32,730
	14,715		10,672
	14,408		14,264
	306,089		298,634
	233		228
	306,006		296,886
	2,316		6,899
	(63,001)		(58,533)
	245,554		245,480
	63,412		64,052
	308,966		309,532
\$	615,055	\$	608,166

Statement of Operations



(\$ in thousands and unaudited)

REVENUE

Rental income

Fee and other

Total revenues

OPERATING EXPENSES

Real estate taxes

Property operating expenses

General and administrative

Casualty and impairment losses, net

Depreciation and amortization

Total operating expenses

Income from operations

Other income

Interest expense, net

Income before income tax expense

Income tax expense

Net income

Net income attributable to Operating Partnership unitholders' non-controlling interests

Net income attributable to common stockholders

Statement of Operations				
Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
\$18,772	\$17,364	\$16,604	\$16,271	\$15,438
895	686	683	730	668
19,667	18,050	17,287	17,001	16,106
\$2,487	\$2,385	\$2,302	\$2,448	\$2,089
2,536	2,118	2,353	1,870	1,917
3,884	3,920	4,292	3,533	3,352
216	—	—	—	—
5,756	5,518	5,301	5,151	4,919
14,879	13,941	14,248	13,002	12,277
\$4,788	\$4,109	\$3,039	\$3,999	\$3,829
9	15	50	195	246
(3,419)	(3,064)	(2,817)	(2,724)	(2,620)
1,378	1,060	272	1,470	1,455
(29)	(28)	(16)	(16)	(19)
1,349	1,032	256	1,454	1,436
(278)	(215)	(50)	(270)	(270)
\$1,071	\$817	\$206	\$1,184	\$1,166

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 and amortization of debt

Straight-line rent and other adjustments

Fair value lease adjustments

Acquisition-related and other expenses

Income on insurance recoveries from casualties

Casualty losses, net

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⁽¹⁾

FFO & AFFO				
Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
1,349	\$1,032	\$256	\$1,454	\$1,436
5,729	5,491	5,274	5,125	4,893
\$7,078	\$6,523	\$5,530	\$6,579	\$6,329
(253)	(135)	(150)	(211)	(97)
181	181	181	182	174
847	162	(142)	(125)	(42)
(828)	(799)	(743)	(695)	(632)
63	99	112	105	81
(9)	(15)	(50)	(195)	(246)
216	—	—	—	—
27	27	27	26	26
1,435	1,439	2,126	1,305	1,321
\$8,757	\$7,482	\$6,891	\$6,971	\$6,914
\$0.24	\$0.23	\$0.20	\$0.24	\$0.25
\$0.30	\$0.26	\$0.25	\$0.26	\$0.27
29,327	28,893	28,067	26,904	25,632



Source: Company Filings

(1) 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 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
\$16,219	\$15,119	\$14,439	\$13,965	\$13,299
2,553	2,245	2,165	2,306	2,139
263	260	261	264	264
19,035	17,624	16,865	16,535	15,702
\$2,487	\$2,385	\$2,302	\$2,448	\$2,089
1,860	1,449	1,443	1,252	1,330
4,347	3,834	3,745	3,700	3,419
\$14,688	\$13,790	\$13,120	\$12,835	\$12,283



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 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Net income	\$1,349	\$1,032	\$256	\$1,454	\$1,436
Contractual interest expense	3,246	2,888	2,637	2,546	2,446
Write-off and amortization of deferred financing fees and amortization of debt discounts	180	181	181	182	174
Income tax expense	29	28	16	16	19
Depreciation and amortization	5,756	5,518	5,301	5,151	4,919
EBITDA	\$10,560	\$9,647	\$8,391	\$9,349	\$8,994
Acquisition-related and other expenses	63	99	112	105	81
Casualty and impairment losses, net	216	—	—	—	—
Non-cash components of compensation expense	1,435	1,439	2,126	1,305	1,321
Adjusted EBITDA	\$12,274	\$11,185	\$10,629	\$10,759	\$10,396



Debt Summary

Debt Outstanding as of September 30, 2024



Debt Breakdown			
Lender	Maturity Date	Effective Interest Rate ⁽³⁾	Outstanding Balance
(\$ in thousands)			
2022 Term Loan ⁽¹⁾	Feb 2028	4.81%	\$125,000
2021 Term Loan	Jan 2027	3.53%	75,000
AIG	Jan 2031	2.80%	30,225
Vision Bank	Sep 2041	3.69%	1,409
Vision Bank - 2018	Sep 2041	3.69%	844
First Oklahoma Bank	Dec 2037	3.63%	303
Seller Financing	Jan 2025	6.00%	100
Seller Financing - 2024	Sep 2039	5.00%	1,400
Fixed Rate Debt		4.13%	\$234,281
2021 Revolving Credit Facility ⁽²⁾	Jan 2026	6.53%	44,000
Floating Rate Debt		6.53%	\$44,000
Total Principal			\$278,281
Unamortized deferred financing costs			(1,104)
Unamortized debt discount			(211)
Total Debt:		4.51%	\$276,966



Source: Company Filings

(1) Subsequent to quarter end, \$50 million of commitments were added to the term loan maturing February 2028, of which \$40 million was drawn at closing of the transaction. The company entered into an interest rate swap having a notional amount of \$40 million that fixed the SOFR component of the interest rate through February 2028.

(2) The credit facilities include an accordion feature permitting the Company to borrow up to an additional \$150 million under the revolving credit facility and \$50 million under the term loans.

(3) Interest rates as of September 30, 2024, reflect the interest rate hedges in effect during the period.

Debt Statistics



Debt Statistics

(\$ in thousands)

Q3 2024

Market Capitalization

Debt Principal	\$278,281
Cash	970
Escrow & Reserves	480
Net Debt	276,831
Market Value of Common Equity ⁽¹⁾	432,919
Total Enterprise Value	709,750
Net Debt to Enterprise Value	39.0%

Leverage

Net Debt	\$276,831
Annualized Adjusted EBITDA	49,096
Net Debt / Annualized Adjusted EBITDA	5.6x

Adjusted Interest Coverage Ratio

Contractual Interest Expense	\$3,246
Adjusted EBITDA	12,274
Adjusted Interest Coverage Ratio	3.8x

Fixed Charge Coverage Ratio

Contractual Interest Expense	\$3,246
Debt Amortization	4
Total Fixed Charges	3,250
Adjusted EBITDA	12,274
Fixed Charge Coverage Ratio	3.8x



Source: Company Filings

(1) Calculated using the closing share price of \$14.64 as of September 30, 2024

Acquisition Summary

Acquisition Summary as of October 21, 2024



Acquisition Summary					
Acquisitions By Property Type	Property Count	Purchase Price ⁽¹⁾	Interior Square Feet	Purchase Price per Int. Sq Ft	Annualized Rent ⁽²⁾
Q1 2024 Acquisitions					
Last-Mile	16 Properties	\$2,663,228	26,267	\$101.39	\$289,045
Flex	13 Properties	15,858,411	86,122	\$184.14	1,329,373
Industrial	—	—	—	—	—
Q1 2024 Totals	29 Properties	\$18,521,639	112,389	\$164.80	\$1,618,418
Q2 2024 Acquisitions					
Last-Mile	47 Properties	\$9,301,690	65,538	\$141.93	\$831,556
Flex	23 Properties	19,011,610	110,710	\$171.72	1,485,346
Industrial	—	—	—	—	—
Q2 2024 Totals	70 Properties	\$28,313,300	176,248	\$160.64	\$2,316,902
Q3 2024 Acquisitions					
Last-Mile	20 Properties	\$2,937,445	28,671	\$102.45	\$333,598
Flex	15 Properties	10,372,431	77,153	\$134.44	932,385
Industrial	—	—	—	—	—
Q3 2024 Totals	35 Properties	\$13,309,876	105,824	\$125.77	\$1,265,983
Q4 2024 Acquisitions⁽³⁾					
Last-Mile	10 Properties	\$2,638,460	16,814	\$156.92	\$237,356
Flex	3 Properties	1,587,756	12,159	\$130.58	161,647
Industrial	—	—	—	—	—
Q4 2024 Totals	13 Properties	\$4,226,216	28,973	\$145.87	\$399,003
2024 Acquisitions					
Last-Mile	93 Properties	\$17,540,823	137,290	\$127.76	\$1,691,556
Flex	54 Properties	46,830,208	286,144	\$163.66	3,908,750
Industrial	—	—	—	—	—
2024 Totals	147 Properties	\$64,371,031	423,434	\$152.02	\$5,600,306



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 21, 2024, for all of the Company's leases

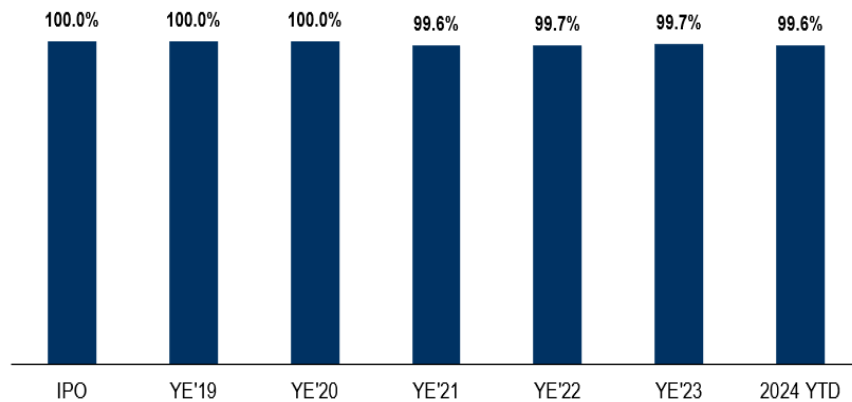
(3) Representative of Q4 2024 acquisitions of leased properties as of October 21, 2024

Portfolio Fundamentals

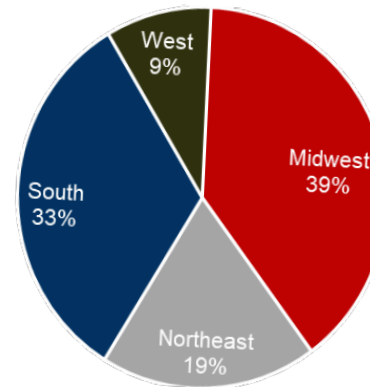
Diversified Portfolio with High Historic Occupancy



Historic Occupancy Rate Since IPO⁽¹⁾



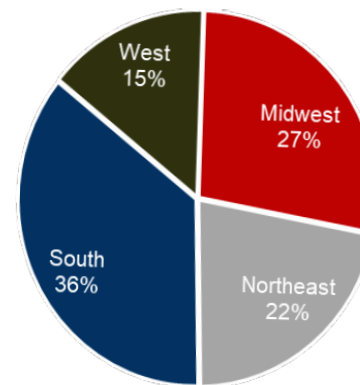
Portfolio By % of Aggregate Interior Sq Ft



Region	Sq Ft
Midwest	2,456,759
South ⁽²⁾	2,071,151
Northeast	1,167,603
West	599,333
Total	6,294,846



Portfolio By % of Annualized Gross Rent⁽³⁾



Region	Rent
South ⁽²⁾	\$23,031,555
Midwest	\$17,617,414
Northeast	\$13,887,470
West	\$9,390,906
Total	\$63,927,345

Source: Company Filings

Note: Portfolio statistics as of October 21, 2024

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

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

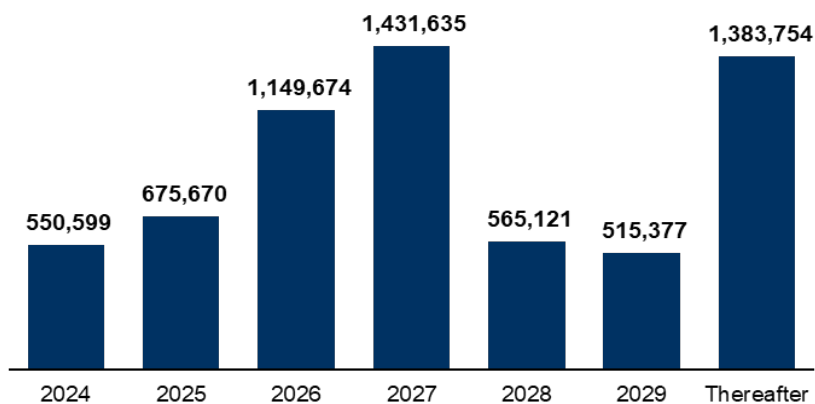
(3) Annualized contractually specified cash base rent in effect on October 21, 2024, for all of our leases (including those accounted for as direct financing leases)

Lease Expiration Schedule

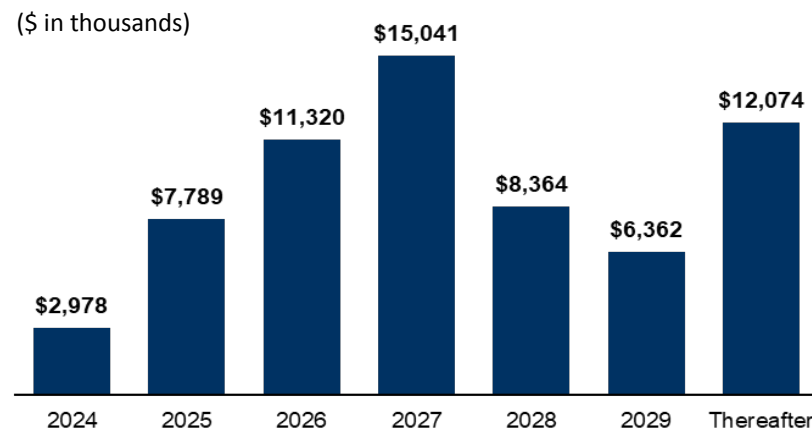


Year	Number of Leases	Square Feet	Annual Rent ⁽¹⁾	% of Total Rent ⁽¹⁾
2024	24 ⁽²⁾	550,599	\$2,978,052	4.7%
2025	245	675,670	\$7,788,611	12.2%
2026	324	1,149,674	\$11,320,333	17.7%
2027	449	1,431,635	\$15,041,006	23.5%
2028	198	565,121	\$8,364,104	13.1%
2029	145	515,377	\$6,361,522	10.0%
Thereafter	270	1,383,754	\$12,073,717	18.8%
Total	1,655	6,271,830	\$63,927,345	100.0%

Lease Expirations (by Square Feet)



Lease Expirations (by Annual Rent)⁽¹⁾



Source: Company Filings

Note: As of October 21, 2024; excludes any vacant property

(1) Annualized contractually specified cash base rent in effect on October 21, 2024, 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.

(2) Includes 19 leases that are in holdover while new leases are under negotiation. The tenant remains current on monthly payments.

Property Breakdown by Location



Property Breakdown by Location						
Location	Gross Rent	% Gross Rent	Square Footage	% Square Footage	Property Count ⁽¹⁾	% Property Count
Pennsylvania	\$6,412,685	10.03%	734,531	11.67%	104	6.29%
Texas	3,640,917	5.70%	296,546	4.71%	108	6.53%
Wisconsin	3,633,559	5.68%	836,368	13.29%	88	5.33%
California	3,235,570	5.06%	211,457	3.36%	36	2.18%
North Carolina	2,836,426	4.43%	240,431	3.82%	63	3.81%
New York	2,668,020	4.16%	162,869	2.59%	66	3.99%
Florida	2,369,385	3.70%	195,410	3.10%	34	2.06%
Ohio	2,320,159	3.63%	228,271	3.64%	52	3.15%
Michigan	2,231,508	3.49%	191,046	3.03%	64	3.87%
Alabama	2,125,838	3.33%	299,890	4.76%	31	1.88%
Colorado	1,825,197	2.86%	115,578	1.84%	30	1.81%
Minnesota	1,751,338	2.74%	164,175	2.61%	72	4.36%
Massachusetts	1,704,779	2.67%	84,707	1.35%	21	1.27%
Kansas	1,682,093	2.63%	459,545	7.30%	35	2.12%
Illinois	1,677,574	2.62%	157,820	2.51%	85	5.14%
Oklahoma	1,598,133	2.50%	158,852	2.52%	63	3.81%
Louisiana	1,461,656	2.29%	123,725	1.97%	38	2.30%
Tennessee	1,405,420	2.20%	132,416	2.10%	29	1.75%
Virginia	1,379,334	2.16%	112,352	1.78%	31	1.88%
Mississippi	1,191,970	1.86%	95,071	1.51%	33	2.00%
West Virginia	1,090,028	1.71%	90,264	1.43%	47	2.84%
Missouri	1,088,795	1.70%	105,224	1.67%	45	2.72%
Indiana	1,060,814	1.66%	100,056	1.59%	34	2.06%
South Carolina	1,037,136	1.62%	84,014	1.33%	29	1.75%
Connecticut	942,165	1.47%	52,114	0.83%	12	0.73%

Note: As of October 21, 2024

(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
Georgia	941,649	1.47%	78,289	1.24%	31	1.88%
Arkansas	877,269	1.37%	86,347	1.37%	35	2.12%
Iowa	875,852	1.37%	87,408	1.39%	35	2.12%
Arizona	797,586	1.25%	44,019	0.70%	13	0.79%
Maine	746,240	1.17%	58,860	0.94%	44	2.66%
Oregon	675,708	1.06%	36,260	0.58%	9	0.54%
Montana	620,581	0.97%	46,796	0.74%	16	0.97%
Vermont	613,168	0.96%	33,723	0.54%	21	1.27%
Kentucky	568,744	0.89%	46,987	0.75%	27	1.63%
Nebraska	532,001	0.83%	58,815	0.93%	37	2.24%
New Mexico	503,761	0.79%	30,747	0.49%	10	0.60%
New Jersey	476,253	0.74%	22,937	0.36%	9	0.54%
Maryland	465,974	0.73%	27,617	0.44%	11	0.67%
South Dakota	465,184	0.73%	40,584	0.64%	27	1.63%
Washington	458,633	0.72%	27,478	0.44%	12	0.73%
Nevada	327,051	0.51%	18,216	0.29%	5	0.30%
North Dakota	298,537	0.47%	27,447	0.44%	22	1.33%
Hawaii	291,095	0.46%	9,705	0.15%	1	0.06%
Wyoming	245,939	0.38%	24,063	0.38%	9	0.54%
New Hampshire	202,479	0.32%	11,523	0.18%	8	0.48%
Utah	197,073	0.31%	13,680	0.22%	4	0.24%
Idaho	164,304	0.26%	18,514	0.29%	12	0.73%
Delaware	121,681	0.19%	6,339	0.10%	3	0.18%
Alaska	48,409	0.08%	2,820	0.04%	1	0.06%
Puerto Rico	41,675	0.07%	2,940	0.05%	1	0.06%
Total:	\$63,927,345	100.0%	6,294,846	100.0%	1,653	100.0%

Note: As of October 21, 2024

(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 for replacements of roof or parking lots, (iv) are considered infrequent or extraordinary in nature, or (v) 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, casualty losses and 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 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
<i>(\$ in thousands)</i>					
Recurring	\$253	\$135	\$150	\$211	\$97
Non-Recurring	458	783	330	782	857
Total Capital Expenditures	\$711	\$918	\$480	\$993	\$954

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 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Property Management Expense	\$676	\$669	\$910	\$618	\$587

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 actual, potential or threatened relocation, closure or consolidation of postal offices or delivery routes 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, increased operating costs, repair and maintenance expenses and capital expenditures for our properties, 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.