

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2025

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-38903

POSTAL REALTY TRUST, INC.
(Exact name of registrant as specified in its charter)

Maryland

83-2586114

(State or other jurisdiction of
incorporation or organization)

(IRS Employer
Identification No.)

75 Columbia Avenue
Cedarhurst, NY 11516
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (516) 295-7820

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Class A Common Stock, par value \$0.01 per share	PSTL	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 4, 2025, the registrant had 24,580,206 shares of Class A common stock outstanding.

TABLE OF CONTENTS

	Page
<u>PART I. FINANCIAL INFORMATION</u>	
Item 1. Financial Statements	1
Consolidated Balance Sheets (Unaudited) as of June 30, 2025 and December 31, 2024	1
Consolidated Statements of Operations and Comprehensive Income (Unaudited) for the Three and Six Months Ended June 30, 2025 and 2024	2
Consolidated Statements of Changes in Equity (Unaudited) for the Three and Six Months Ended June 30, 2025 and 2024	3
Consolidated Statements of Cash Flows (Unaudited) for the Six Months Ended June 30, 2025 and 2024	5
Notes to Consolidated Financial Statements (Unaudited)	7
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	29
Item 3. Quantitative and Qualitative Disclosures about Market Risk	41
Item 4. Controls and Procedures	41
<u>PART II. OTHER INFORMATION</u>	
Item 1. Legal Proceedings	42
Item 1A. Risk Factors	42
Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchase of Equity Securities	42
Item 3. Defaults Upon Senior Securities	42
Item 4. Mine Safety Disclosures	42
Item 5. Other Information	42
Item 6. Exhibits	43
Signatures	44

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

POSTAL REALTY TRUST, INC. CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(In thousands, except par value and share data)

	June 30, 2025	December 31, 2024
Assets		
Investments:		
Real estate properties, at cost:		
Land	\$ 140,831	\$ 128,457
Building and improvements	554,644	512,248
Tenant improvements	7,874	7,501
Total real estate properties, at cost	703,349	648,206
Less: Accumulated depreciation	(66,023)	(58,175)
Total real estate properties, net	637,326	590,031
Investment in financing leases, net	15,897	15,951
Total real estate investments, net	653,223	605,982
Cash	1,080	1,799
Escrow and reserves	1,007	744
Rent and other receivables	5,237	6,658
Prepaid expenses and other assets, net	9,848	14,519
Goodwill	1,536	1,536
Deferred rent receivable	3,880	2,639
In-place lease intangibles, net	13,123	12,636
Above market leases, net	251	305
Assets held for sale, net	637	—
Total Assets	\$ 689,822	\$ 646,818
Liabilities and Equity		
Liabilities:		
Term loans, net	\$ 249,012	\$ 248,790
Revolving credit facility	46,000	14,000
Secured borrowings, net	33,823	33,918
Accounts payable, accrued expenses and other, net	17,367	16,441
Below market leases, net	19,066	16,171
Total Liabilities	365,268	329,320
Commitments and Contingencies		
Equity:		
Class A common stock, par value \$0.01 per share; 500,000,000 shares authorized; 24,237,197 and 23,494,487 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	242	235
Class B common stock, par value \$0.01 per share; 27,206 shares authorized; 27,206 shares issued and outstanding as of June 30, 2025 and December 31, 2024	—	—
Additional paid-in capital	318,914	310,031
Accumulated other comprehensive income	1,744	5,230
Accumulated deficit	(70,098)	(64,211)
Total Stockholders' Equity	250,802	251,285
Operating partnership unitholders' non-controlling interests	73,752	66,213
Total Equity	324,554	317,498
Total Liabilities and Equity	\$ 689,822	\$ 646,818

The accompanying notes are an integral part of these unaudited consolidated financial statements.

POSTAL REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(UNAUDITED)
(in thousands, except share and per share data)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues:				
Rental income	\$ 22,730	\$ 17,364	\$ 44,210	\$ 33,969
Fee and other	621	686	1,291	1,369
Total revenues	23,351	18,050	45,501	35,338
Operating expenses:				
Real estate taxes	2,773	2,385	5,422	4,687
Property operating expenses	1,984	2,118	4,445	4,471
General and administrative	4,316	3,920	9,252	8,213
Casualty and impairment losses (gains), net	(345)	—	(195)	—
Depreciation and amortization	5,914	5,518	11,538	10,819
Total operating expenses	14,642	13,941	30,462	28,190
Loss on sale of real estate assets	—	—	(49)	—
Income from operations	8,709	4,109	14,990	7,148
Other income	—	15	30	65
Interest expense, net:				
Contractual interest expense	(3,817)	(2,888)	(7,254)	(5,525)
Write-off and amortization of deferred financing fees and amortization of debt discount	(211)	(181)	(422)	(362)
Interest income	1	5	7	6
Total interest expense, net	(4,027)	(3,064)	(7,669)	(5,881)
Income before income tax expense	4,682	1,060	7,351	1,332
Income tax expense	(10)	(28)	(24)	(44)
Net income	4,672	1,032	7,327	1,288
Net income attributable to operating partnership unitholders' non-controlling interests	(1,058)	(215)	(1,631)	(265)
Net income attributable to common stockholders	\$ 3,614	\$ 817	\$ 5,696	\$ 1,023
Net income per share:				
Basic and Diluted	\$ 0.12	\$ 0.02	\$ 0.19	\$ 0.01
Weighted average common shares outstanding:				
Basic and Diluted	23,509,083	22,339,245	23,375,607	22,192,277
Comprehensive income:				
Net income	\$ 4,672	\$ 1,032	\$ 7,327	\$ 1,288
Unrealized (loss) gain on derivative instruments	(1,625)	14	(4,469)	2,833
Comprehensive income	3,047	1,046	2,858	4,121
Comprehensive income attributable to operating partnership unitholders' non-controlling interests	(690)	(218)	(648)	(820)
Comprehensive income attributable to common stockholders	\$ 2,357	\$ 828	\$ 2,210	\$ 3,301

The accompanying notes are an integral part of these unaudited consolidated financial statements.

POSTAL REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(UNAUDITED)
(in thousands, except share data)

	Number of shares of Common Stock	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' equity	Operating Partnership Unitholders' Non- controlling Interests	Total Equity
Balance – December 31, 2024	23,521,693	\$ 235	\$ 310,031	\$ 5,230	\$ (64,211)	\$ 251,285	\$ 66,213	\$ 317,498
Net proceeds from sale of common stock	139,626	1	1,819	—	—	1,820	—	1,820
Issuance of operating partnership units in connection with acquisition transactions	—	—	—	—	—	—	1,026	1,026
Issuance and amortization of equity-based compensation, net of forfeitures	77,623	1	817	—	—	818	1,514	2,332
Issuance and amortization under the employee stock purchase plan ("ESPP")	5,527	—	77	—	—	77	—	77
Restricted stock withholdings	(21,092)	—	(277)	—	—	(277)	—	(277)
Dividends and distributions	—	—	—	—	(5,761)	(5,761)	(1,621)	(7,382)
Unrealized loss on derivative instruments	—	—	—	(2,229)	—	(2,229)	(615)	(2,844)
Net income	—	—	—	—	2,082	2,082	573	2,655
Reallocation of non-controlling interest	—	—	(2,336)	—	—	(2,336)	2,336	—
Balance – March 31, 2025	23,723,377	\$ 237	\$ 310,131	\$ 3,001	\$ (67,890)	\$ 245,479	\$ 69,426	\$ 314,905
Net proceeds from sale of common stock	529,828	5	7,556	—	—	7,561	—	7,561
Issuance of operating partnership units in connection with acquisition transactions	—	—	—	—	—	—	5,005	5,005
Shares issued upon redemption of operating partnership units	11,198	—	157	—	—	157	(157)	—
Issuance and amortization of equity-based compensation, net of forfeitures	—	—	700	—	—	700	870	1,570
Issuance and amortization under the ESPP	—	—	19	—	—	19	—	19
Dividends and distributions	—	—	—	—	(5,822)	(5,822)	(1,731)	(7,553)
Unrealized loss on derivative instruments	—	—	—	(1,257)	—	(1,257)	(368)	(1,625)
Net income	—	—	—	—	3,614	3,614	1,058	4,672
Reallocation of non-controlling interest	—	—	351	—	—	351	(351)	—
Balance – June 30, 2025	24,264,403	\$ 242	\$ 318,914	\$ 1,744	\$ (70,098)	\$ 250,802	\$ 73,752	\$ 324,554
Balance – December 31, 2023	21,960,211	\$ 219	\$ 287,268	\$ 4,621	\$ (48,546)	\$ 243,562	\$ 58,063	\$ 301,625
Net proceeds from sale of common stock	576,087	6	7,861	—	—	7,867	—	7,867

Issuance of operating partnership units in connection with acquisition transactions	—	—	—	—	—	—	5,788	5,788
Issuance and amortization of equity-based compensation, net of forfeitures	120,941	1	1,147	—	—	1,148	965	2,113
Issuance and amortization under the ESPP	5,137	—	77	—	—	77	—	77
Restricted stock withholdings	(27,919)	—	(396)	—	—	(396)	—	(396)
Dividends and distributions	—	—	—	—	(5,520)	(5,520)	(1,339)	(6,859)
Unrealized gain on derivative instruments	—	—	—	2,267	—	2,267	552	2,819
Net income	—	—	—	—	206	206	50	256
Reallocation of non-controlling interest	—	—	(1,079)	—	—	(1,079)	1,079	—
Balance – March 31, 2024	22,634,457	\$ 226	\$ 294,878	\$ 6,888	\$ (53,860)	\$ 248,132	\$ 65,158	\$ 313,290
Net proceeds from sale of common stock	57,993	1	684	—	—	685	—	685
Shares issued upon redemption of operating partnership units	52,778	1	861	—	—	862	(862)	—
Issuance and amortization of equity-based compensation, net of forfeitures	(316)	—	722	—	—	722	711	1,433
Issuance and amortization under the ESPP	—	—	6	—	—	6	—	6
Dividends and distributions	—	—	—	—	(5,490)	(5,490)	(1,438)	(6,928)
Unrealized gain on derivative instruments	—	—	—	11	—	11	3	14
Net income	—	—	—	—	817	817	215	1,032
Reallocation of non-controlling interest	—	—	(265)	—	—	(265)	265	—
Balance – June 30, 2024	22,744,912	\$ 228	\$ 296,886	\$ 6,899	\$ (58,533)	\$ 245,480	\$ 64,052	\$ 309,532

The accompanying notes are an integral part of these unaudited consolidated financial statements.

POSTAL REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(in thousands)

	For the Six Months Ended June 30,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 7,327	\$ 1,288
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	11,538	10,819
Write-off and amortization of deferred financing fees and debt discounts	422	362
Amortization of above/below market leases	(1,582)	(1,423)
Amortization of intangible liability	(161)	(119)
Casualty and impairment losses	707	—
Loss on sale of real estate assets	49	—
Gain on insurance proceeds received for damage due to property	(842)	(22)
Equity based compensation	3,945	3,565
Deferred rent receivable	(1,241)	(212)
Other	(10)	(16)
Changes in assets and liabilities:		
Rent and other receivables	1,475	770
Prepaid expenses and other assets	1,371	1,544
Accounts payable, accrued expenses and other	(774)	(270)
Net cash provided by operating activities	22,224	16,286
Cash flows from investing activities:		
Acquisition of real estate	(46,875)	(41,775)
Proceeds from sale of real estate assets	825	—
Escrows for acquisition deposits	(349)	(221)
Capital improvements	(3,007)	(1,568)
Insurance proceeds related to property damage claims	842	22
Other investing activities	(140)	(75)
Net cash used in investing activities	(48,704)	(43,617)
Cash flows from financing activities:		
Repayments of secured borrowings	(109)	(103)
Proceeds from revolving credit facility	55,000	48,000
Repayments of revolving credit facility	(23,000)	(15,000)
Net proceeds from issuance of shares	9,510	8,552
Debt issuance costs	(5)	—
Proceeds from issuance of ESPP shares	61	64
Value of shares withheld for payment of taxes related to employee stock compensation	(331)	(513)
Dividends and distributions	(14,935)	(13,787)
Other financing activities	(167)	(138)
Net cash provided by financing activities	26,024	27,075
Net decrease in Cash and Escrows and Reserves	(456)	(256)
Cash and Escrows and Reserves at the beginning of period	2,543	2,867
Cash and Escrow and Reserves at the end of period	\$ 2,087	\$ 2,611
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Operating partnership units issued for property acquisitions	6,031	5,788
Unrealized (loss) gain on derivative instruments, net	(4,469)	2,833
Reallocation of non-controlling interest	1,985	1,344
Transfer of investment properties, net to assets held for sale	637	—
Reclassification of acquisition deposits included in prepaid expenses and other assets	312	147
Write-off of fixed assets no longer in service	—	25

Accrued capital expenditures included in accounts payable and accrued expenses	902	120
Reclassification of construction deposits included in prepaid expenses and other assets	38	57
Right of use assets, net	93	25
Accrued costs of capital included in accounts payable and accrued expenses	131	130
Shares issued upon redemption of operating partnership units	157	862

The accompanying notes are an integral part of these unaudited consolidated financial statements.

POSTAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Note 1. Organization and Description of Business

Postal Realty Trust, Inc. (the “Company”) was organized in the state of Maryland on November 19, 2018. On May 17, 2019, the Company completed its initial public offering (“IPO”) of the Company’s Class A common stock, par value \$0.01 per share (the “Class A common stock”). The Company contributed the net proceeds from the IPO to Postal Realty LP, a Delaware limited partnership (the “Operating Partnership”), in exchange for common units of limited partnership interest in the Operating Partnership (the “OP Units”). Both the Company and the Operating Partnership commenced operations upon completion of the IPO and certain related formation transactions. Prior to the completion of the IPO and the formation transactions, the Company had no operations.

The Company’s interest in the Operating Partnership entitles the Company to share in distributions from, and allocations of profits and losses of, the Operating Partnership in proportion to the Company’s percentage ownership of OP Units. As the sole general partner of the Operating Partnership, the Company has the exclusive power under the partnership agreement to manage and conduct the Operating Partnership’s business, subject to limited approval and voting rights of the limited partners. As of June 30, 2025, the Company held an approximately 77.3% interest in the Operating Partnership. As the sole general partner and the majority interest holder, the Company consolidates the financial position and results of operations of the Operating Partnership. The Operating Partnership is considered a variable interest entity (“VIE”) in which the Company is the primary beneficiary.

As of June 30, 2025, the Company owned a portfolio of 1,806 properties located in 49 states and one territory. The Company’s properties are leased primarily to a single tenant, the United States Postal Service (the “USPS”). The Company also owns several, and may in the future further acquire, land parcels that may be added to existing or future leases with the USPS or used for other purposes that are consistent with the Company’s investment strategy.

In addition, through its taxable REIT subsidiary (“TRS”), Real Estate Asset Counseling, LLC (“REAC”), the Company provides fee-based third-party property management services for an additional 358 postal properties, which are owned by Andrew Spodek, the Company’s chief executive officer (“CEO”), and his affiliates, and certain advisory services to third-party owners of postal properties.

Pursuant to the Company’s charter, the Company is currently authorized to issue up to 500,000,000 shares of Class A common stock, 27,206 shares of Class B common stock, \$0.01 par value per share (the “Voting Equivalency stock”), and up to 100,000,000 shares of preferred stock.

The Company elected to be taxed as a real estate investment trust (“REIT”) under the Internal Revenue Code of 1986, as amended (the “Code”), commencing with the Company’s short taxable year ended December 31, 2019, and intends to continue to qualify as a REIT. As a REIT, the Company generally will not be subject to federal income tax to the extent that it distributes its REIT taxable income for each tax year to its stockholders. REITs are subject to a number of organizational and operational requirements. Additionally, any income earned by the TRS and any other TRS the Company may form in the future will be subject to federal, state and local corporate income tax.

Note 2. Summary of Significant Accounting Policies***Basis of Presentation***

The accompanying unaudited Consolidated Financial Statements include the financial position and results of operations of the Company, the Operating Partnership and its wholly owned subsidiaries.

The Company consolidates the Operating Partnership, a VIE in which the Company is considered the primary beneficiary. The primary beneficiary is the entity that has (i) the power to direct the activities that most significantly impact the entity’s economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could be significant to the VIE. Substantially all of the assets and liabilities of the Company relate to the Operating Partnership.

A non-controlling interest is defined as the portion of the equity in an entity not attributable, directly or indirectly, to the Company. Non-controlling interests are required to be presented as a separate component of equity in the Consolidated

Balance Sheets. Accordingly, the presentation of net income reflects the income attributed to controlling and non-controlling interests.

The accompanying unaudited Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements.

This interim financial information should be read in conjunction with the Consolidated Financial Statements included in the Company's [Annual Report on Form 10-K](#) for the year ended December 31, 2024. Management believes that all adjustments of a normal, recurring nature considered necessary for a fair presentation have been included. This interim financial information does not necessarily represent or indicate what the operating results will be for the year ending December 31, 2025. All material intercompany accounts and transactions have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses during the reporting period. As discussed in the Consolidated Financial Statements in the Company's [Annual Report on Form 10-K](#) for the year ended December 31, 2024, the Company's most significant assumptions and estimates are related to the valuation of investments in real estate properties and impairment of long-lived assets. Although management believes its estimates are reasonable, actual results could differ from those estimates.

Offering and Other Costs

Offering costs are recorded in "Total Stockholders' Equity" on the Consolidated Balance Sheets as a reduction of additional paid-in capital.

Segment Reporting

The Company leases its properties primarily to the USPS and reports its business as a single reportable segment. The Company's Chief Executive Officer is the Chief Operating Decision Maker ("CODM") who allocates resources and assesses financial performance. The CODM reviews net income and assesses the performance of the Company's current portfolio of properties primarily leased to the USPS and makes operating decisions accordingly. Net income is used by the CODM in assessing the operating performance of the segment and to monitor budget versus actual results. The measure of segment assets is reported on the Consolidated Balance Sheets as total assets. As a result, the Company conducts its business as a single operating segment. All expense categories on the consolidated statement of operations are significant. Interest income is not a significant component of interest expense, net. As a part of his review as the CODM, the CEO also separately examines the equity-based compensation component of general and administrative expenses, which is also considered a significant segment expense.

Deferred Costs and Discounts

Financing costs related to the issuance of the Company's long-term debt, including the term loan facility component of the Company's existing credit facilities (the "Credit Facilities"), are deferred and amortized as an increase to interest expense over the term of the related debt instrument using the straight-line method, which approximates the effective-interest rate method, and are reported as a reduction of the related debt balance on the Consolidated Balance Sheets. Deferred financing costs related to the revolving credit facility component (the "Revolving Credit Facility") of the Credit Facilities are deferred and amortized as an increase to interest expense over the terms of the Revolving Credit Facility and are included in "Prepaid expenses and other assets, net" on the Consolidated Balance Sheets. Debt discounts represent fair value adjustments to account for the difference between the stated rates and market rates of debt assumed or entered in connection with the Company's property acquisitions. The debt discounts are amortized to interest expense over the term of the related loans using the straight-line method, which approximates the effective-interest rate method, and are reported as a reduction of the related debt balance on the Consolidated Balance Sheets. As of June 30, 2025 and December 31, 2024, the net unamortized debt discounts was \$0.2 million.

POSTAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)

Reclassifications

Certain prior period amounts have been reclassified to conform to the current period's presentation.

Cash and Escrows and Reserves

Cash includes unrestricted cash with a maturity of three months or less. Escrows and reserves consist of restricted cash. The following table provides a reconciliation of cash and escrows and reserves reported within the Consolidated Balance Sheets and Consolidated Statements of Cash Flows:

	As of	
	June 30, 2025	December 31, 2024
	(in thousands)	
Cash	\$ 1,080	\$ 1,799
Escrows and reserves:		
Maintenance reserve	476	422
Real estate tax reserve	405	225
ESPP reserve	126	97
Total escrows and reserves	\$ 1,007	\$ 744
Cash and escrows and reserves	\$ 2,087	\$ 2,543

Revenue Recognition

The Company has operating lease agreements with tenants, some of which contain provisions for future rental increases. Rental income is recognized on a straight-line basis over the term of the lease. In addition, certain lease agreements provide for reimbursements from tenants for real estate taxes and other recoverable costs, which are recorded on an accrual basis as part of "Rental income" in the Consolidated Statements of Operations and Comprehensive Income. The Company's determination of the probability to collect lease payments is impacted by numerous factors, including the Company's assessment of the tenant's creditworthiness, economic conditions, historical experience with the tenant, future prospects for the tenant and the length of the lease term. If leases currently classified as probable of collection are subsequently reclassified as not probable, any outstanding lease receivables (including straight-line rent receivables) would be written-off with a corresponding decrease in rental income. For certain leases with lease incentive costs, such costs are included in "Prepaid expenses and other assets, net" on the Consolidated Balance Sheets and amortized on a straight-line basis over the respective lease terms as a reduction of rental revenues.

Fee and other primarily consists of (i) property management fees, (ii) income recognized from properties accounted for as financing leases and (iii) fees earned from providing advisory services to third-party owners of postal properties.

The management fees arise from contractual agreements with entities that are affiliated with the Company's CEO. Management fee income is recognized as earned under the respective agreements.

Revenue from direct financing leases is recognized over the lease term using the effective interest rate method. At lease inception, the Company records an asset within "Investment in financing leases, net" on the Consolidated Balance Sheets, which represents the Company's net investment in the direct financing lease. This initial net investment is determined by aggregating the total future minimum lease payments attributable to the direct financing lease and the estimated residual value of the property, if any, less unearned income. Over the lease term, the investment in the direct financing lease is reduced and interest is recognized as revenue in "Fee and other" in the Consolidated Statements of Operations and Comprehensive Income and produces a constant periodic rate of return on the "Investment in financing leases, net."

Revenue from advisory services is generated from service contracts generally based on (i) time and expense arrangements (where the Company recognizes revenues based on hours incurred and contracted rates), (ii) fixed-fee arrangements (where the Company recognizes revenues earned to date by applying the proportional performance method) or (iii) performance-based or contingent arrangements (where the Company recognizes revenues at a point in time when the client receives the benefit of the promised service). Reimbursable expenses for the advisory services, including those relating to

travel, out-of-pocket expenses, outside consultants and other outside service costs, are generally included in revenues and in general and administrative expenses in the period in which the expense is incurred.

Fair Value Measurements

The following disclosure of estimated fair value was determined by management using available market information and appropriate valuation methodologies. However, considerable judgment is necessary to interpret market data and develop estimated fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could have realized on disposition of the assets and liabilities as of June 30, 2025 and December 31, 2024. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts. Cash, escrows and reserves, receivables, prepaid expenses and other assets (excluding derivatives), accounts payable and accrued expenses are carried at amounts which reasonably approximate their fair values as of June 30, 2025 and December 31, 2024 due to their short maturities.

The fair value of the Company's borrowings under its Credit Facilities approximates carrying value because such borrowings are subject to a variable market rate, which reprices frequently. The fair value was determined using the Adjusted Term SOFR (as defined below) as of June 30, 2025 and December 31, 2024, plus an applicable spread under the Credit Facilities, a Level 2 classification in the fair value hierarchy. The fair value of the Company's secured borrowings aggregated approximately \$29.5 million and \$28.7 million as compared to the principal balance of \$34.2 million and \$34.3 million as of June 30, 2025 and December 31, 2024, respectively. The fair value of the Company's secured borrowings was categorized as a Level 3 fair value estimate (as provided by ASC 820, Fair Value Measurements and Disclosures) and was determined by discounting the future contractual interest and principal payments by a market rate.

The Company's derivative assets and liabilities, comprised of interest rate swap derivative instruments entered into in connection with the Credit Facilities, are recorded at fair value based on a variety of observable inputs, including contractual terms, interest rate curves, yield curves, measure of volatility and correlations of such inputs. The Company measures its derivatives at fair value on a recurring basis based on the expected amount of future cash flows on a discounted basis and incorporating a measure of non-performance risk. The fair value of the Company's derivative assets and liabilities was categorized as a Level 2 fair value estimate (as provided by ASC 820, Fair Value Measurements and Disclosures). The Company considers its own credit risk, as well as the credit risk of its counterparties, when evaluating the fair value of its derivative assets and liabilities. As of June 30, 2025 and December 31, 2024, the fair value of the Company's interest rate swap derivative assets was approximately \$3.1 million and \$6.7 million, respectively, included in "Prepaid expenses and other assets, net" on the Consolidated Balance Sheets. As of June 30, 2025 and December 31, 2024, the fair value of the Company's interest rate swap derivative liabilities was approximately \$1.1 million and \$0.3 million, respectively, included in "Accounts payable, accrued expenses and other, net" on the Consolidated Balance Sheets.

Disclosures about fair value of assets and liabilities are based on pertinent information available to management as of June 30, 2025 and December 31, 2024. Although management is not aware of any factors that would significantly affect the fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since June 30, 2025 and current estimates of fair value may differ significantly from the amounts presented herein.

Derivative Instruments and Hedging Activities

In accordance with ASC 815, Derivatives and Hedging, the Company records all derivative instruments on the Consolidated Balance Sheets at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows are considered cash flow hedges. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the recognition of the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk in a fair value hedge or the earnings effect of the hedged forecasted transactions in a cash flow hedge. The Company may enter into derivative contracts that are intended to economically hedge certain of its risks, even though hedge accounting does not apply or the Company elects not to apply hedge accounting. See Note 6. Derivatives and Hedging Activities for further details.

Assets Held for Sale

POSTAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)

The Company may sell properties from time to time for various reasons, including the exercise of purchase options by our tenants. The Company classifies long-lived assets as held for sale once certain criteria have been met. The Company classifies a real estate property, or portfolio, as held for sale when: (i) management has approved the disposal, (ii) the property is available for sale in its present condition, (iii) an active program to locate a buyer has been initiated, (iv) it is probable that the property will be disposed of within one year, (v) the property is being marketed at a reasonable price relative to its fair value, and (vi) it is unlikely that the disposal plan will significantly change or be withdrawn. Following the classification of a property as "held for sale," no further depreciation or amortization is recorded on the assets and the assets are recorded at the lower of carrying value or fair market value, less cost to sell. The Company had one property classified as held for sale as of June 30, 2025 as a result of a tenant exercising a purchase option. No properties were classified as held for sale as of December 31, 2024.

Impairment of Long-Lived Assets

The carrying value of real estate investments and related intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment exists when the carrying amount of an asset exceeds the aggregate projected future cash flows over the anticipated holding period on an undiscounted basis. An impairment loss is measured based on the excess of the asset's carrying amount over its estimated fair value. Impairment analyses will be based on current plans, intended holding periods and available market information at the time the analyses are prepared. If estimates of the projected future cash flows, anticipated holding periods or market conditions change, the evaluation of impairment losses may be different and such differences may be material. The evaluation of anticipated cash flows is subjective and is based, in part, on assumptions regarding future occupancy, rental rates and capital requirements that could differ materially from actual results.

During the six months ended June 30, 2025, the Company assessed the recoverability of the carrying amount of its real estate and related intangibles. The assessment resulted in the remeasurement of one property, based upon an accumulation of costs in excess of what was originally expected, and such property was written down to its estimated fair value and was classified as Level 3 in the fair value hierarchy. The Company's estimate of the fair value was based on a discounted cash flow analysis. The Company used two significant unobservable inputs which was the cash flow discount rate (11.0%) and the terminal capitalization rate (10.0%). The remeasurement resulted in an impairment loss of \$0.1 million, which is included in "Casualty and impairment losses (gains), net" in the Company's Consolidated Statements of Operations and Comprehensive Income. No impairments were recorded for the six months ended June 30, 2024.

The Company uses the held for sale impairment model for our properties classified as held for sale, which is different from the held and used impairment model. Under the held for sale impairment model, an impairment charge is recognized if the carrying amount of the long-lived asset classified as held for sale exceeds its fair value less cost to sell. Because of these two different models, it is possible for a long-lived asset previously classified as held and used to require the recognition of an impairment charge upon classification as held for sale. The Company recorded an impairment of \$0.2 million which is included in "Casualty and impairment losses (gains), net" in the Company's Consolidated Statements of Operations and Comprehensive Income for the three and six months ended June 30, 2025.

Concentration of Credit Risks

As of June 30, 2025, the Company's properties were leased primarily to a single tenant, the USPS. For the six months ended June 30, 2025, approximately 10.6% of the Company's total rental income, or \$4.7 million, was concentrated in Pennsylvania. For the six months ended June 30, 2024, approximately 12.2% of the Company's total rental income, or \$4.1 million, was concentrated in Pennsylvania. The ability of the USPS to honor the terms of its leases is dependent upon regulatory, economic, environmental or competitive conditions in Pennsylvania or other regions where the Company operates in and could have a material effect on the Company's overall business results.

The Company has deposited cash and maintains its bank deposits with large financial institutions in amounts that, from time to time, exceed federally insured limits. The Company has not experienced any losses in such accounts.

Equity-Based Compensation

The Company accounts for equity-based compensation in accordance with ASC Topic 718 Compensation – Stock Compensation, which requires the Company to recognize an expense for the grant date fair value of equity-based awards. Equity-classified stock awards granted to employees and non-employees that have a service condition and/or a market condition

are measured at fair value at date of grant and remeasured at fair value only upon a modification of the award. The Company records forfeitures as a reduction of equity-based compensation expense as such forfeitures occur.

The Company recognizes compensation expense on a straight-line basis over the requisite service period of each award, with the amount of compensation expense recognized at the end of a reporting period at least equal to the portion of fair value of the respective award at grant date or modification date, as applicable, that has vested through that date. For awards with a market condition, compensation cost is not reversed if a market condition is not met so long as the requisite service has been rendered, as a market condition does not represent a vesting condition.

See Note 11. Stockholders' Equity for further details.

Insurance Accounting

The Company carries liability insurance to mitigate its exposure to certain losses, including those relating to property damage and business interruption. The Company records the estimated amount of expected insurance proceeds for property damage and other losses incurred as an asset (typically a receivable from the insurer) and income up to the amount of the losses incurred when the amount is determinable and approved by the insurance company. Any amount of insurance recovery in excess of the amount of the losses incurred is considered a gain contingency and is not recorded in casualty and impairment losses (gains), net until the amount is determinable and approved by the insurance company. Insurance recoveries for business interruption for lost revenue or profit are accounted for as gain contingencies in their entirety, and therefore are not recorded in income until the amount is determinable and approved by the insurance company.

Earnings Per Share

The Company calculates earnings per share ("EPS") based upon the weighted average shares outstanding less issued and outstanding non-vested shares of Class A common stock. As of June 30, 2025 and 2024, the Company had unvested restricted shares of Class A common stock, long term incentive units of the Operating Partnership ("LTIP Units") and certain restricted stock units ("RSUs"), which provide for non-forfeitable rights to dividend and dividend equivalent payments. Accordingly, these unvested restricted shares of Class A common stock, LTIP Units and RSUs are considered participating securities and are included in the computation of basic and diluted EPS pursuant to the two-class method. Diluted EPS is calculated after giving effect to all potential dilutive shares outstanding during the period. See Note 10. Earnings Per Share for further details.

Recent Accounting Standards

In November 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses ("ASU 2024-03"). The amendments in ASU 2024-03 apply to all public business entities and require disclosure of specified information about certain costs and expenses. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. We are currently evaluating the potential impact of adopting ASU 2024-03.

POSTAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)

Note 3. Real Estate Transactions

The following table summarizes the Company's acquisitions for the six months ended June 30, 2025. The purchase prices including transaction costs were allocated to the separately identifiable tangible and intangible assets and liabilities based on their relative fair values at the date of acquisition. The total purchase price including transaction costs was allocated as follows (in thousands, except for the number of properties):

Three Months Ended	Number of Properties	Land	Building and Improvements	Tenant Improvements	In-place lease intangibles	Above-market leases	Below-market leases	Other ⁽¹⁾	Total ⁽²⁾
2025									
March 31, 2025 ⁽³⁾	36	\$ 3,990	\$ 12,579	\$ 114	\$ 1,192	\$ —	\$ (1,415)	\$ (119)	\$ 16,341
June 30, 2025 ⁽⁴⁾	68	\$ 8,402	\$ 28,473	\$ 269	\$ 2,775	\$ 11	\$ (3,131)	\$ 68	\$ 36,867
Total	104	12,392	41,052	383	3,967	11	(4,546)	(51)	53,208

Explanatory Notes:

- (1) Includes intangible liabilities related to unfavorable operating leases with purchase options on three properties during the three months ended March 31, 2025 and two properties during the three months ended June 30, 2025 that is included in "Accounts payable, accrued expenses and other, net" on the Consolidated Balance Sheets. Also, includes a below market ground lease intangible asset on four properties during the three months ended June 30, 2025 that is included in "Prepaid expenses and other assets, net" on the Consolidated Balance Sheets.
- (2) Includes closing costs of approximately \$0.5 million for the three months ended March 31, 2025 and \$1.0 million for the three months ended June 30, 2025.
- (3) Includes the acquisition of 36 properties in various states in individual or portfolio transactions for a price of approximately \$16.3 million, including closing costs, which was funded with both the issuance of OP Units to the sellers (valued at approximately \$1.0 million using the share price of Class A common stock on the date of the issuance of such OP units) and cash consideration.
- (4) Includes the acquisition of 68 properties in various states in individual or portfolio transactions for a price of approximately \$36.9 million, including closing costs, which were funded with both the issuance of OP Units to the sellers (valued at approximately \$5.0 million using the share price of Class A common stock on the date of each issuance of such OP units) and cash consideration.

Sale of Real Estate

During the six months ended June 30, 2025, the Company sold one real estate property for net proceeds of \$0.8 million and recorded a loss of \$0.05 million.

Assets Held for Sale

During the three and six months ended June 30, 2025 as a result of a tenant exercising a purchase option for one property, the Company reclassified the carrying value consisting of \$0.1 million of land and \$0.5 million of buildings and other real estate assets to "Assets held for sale, net" on the Company's Consolidated Balance Sheet and liabilities held for sale of \$0.1 million is included as "Accounts payable, accrued expenses and other, net" on the Company's Consolidated Balance Sheet. Refer to Note 2, Impairment of Long-lived Assets for further discussion.

Casualty and Impairment Losses (Gains), Net

During the three and six months ended June 30, 2025, the Company recognized \$0.1 million and \$0.6 million, respectively, in gross charges primarily related to the estimated net book value of several properties damaged and related repairs, offset by an estimated \$0.6 million and \$1.0 million, respectively, of related insurance claims, resulting in a net recovery of \$0.5 million and

\$0.4 million, respectively, included within “Casualty and impairment losses (gains), net” on the Consolidated Statement of Operations and Comprehensive Income. The Company expects insurance proceeds to cover substantially all of such loss subject to applicable deductibles.

To the extent insurance proceeds ultimately exceed the difference between replacement cost and net book value of the damaged assets and any related expenses incurred, the excess will be reflected as income in the period those amounts are determinable and approved by the insurance company.

No determination has been made as to the total amount of timing of insurance payments that may be received as a result of the events.

POSTAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)

Note 4. Intangible Assets and Liabilities

The following table summarizes the Company's intangible assets and liabilities:

As of	Gross Asset (Liability)	Accumulated Amortization	Net Carrying Amount
(in thousands)			
June 30, 2025:			
In-place lease intangibles	\$ 55,482	\$ (42,359)	\$ 13,123
Above-market leases	805	(554)	251
Other intangibles	(1,138)	438	(700)
Below-market leases	(33,595)	14,529	(19,066)
December 31, 2024:			
In-place lease intangibles	\$ 51,630	\$ (38,994)	\$ 12,636
Above-market leases	795	(490)	305
Other intangibles	(1,262)	523	(739)
Below-market leases	(29,069)	12,898	(16,171)

Amortization of in-place lease intangibles was \$1.8 million and \$3.5 million for the three and six months ended June 30, 2025, respectively, and \$2.0 million and \$3.8 million for the three and six months ended June 30, 2024, respectively. This amortization is included in "Depreciation and amortization" in the Consolidated Statements of Operations and Comprehensive Income.

Amortization of acquired above-market leases was \$0.03 million and \$0.06 million for the three and six months ended June 30, 2025, respectively, and \$0.04 million and \$0.09 million for the three and six months ended June 30, 2024, respectively, and is included in "Rental income" in the Consolidated Statements of Operations and Comprehensive Income. Amortization of other intangibles was \$0.1 million and \$0.2 million for the three and six months ended June 30, 2025, respectively, and \$0.1 million and \$0.1 million for the three and six months ended June 30, 2024, respectively, and is included in "Rental income" in the Consolidated Statements of Operations and Comprehensive Income. Amortization of acquired below-market leases was \$0.9 million and \$1.6 million for the three and six months ended June 30, 2025, respectively, and \$0.8 million and \$1.5 million for the three and six months ended June 30, 2024, respectively, and is included in "Rental income" in the Consolidated Statements of Operations and Comprehensive Income.

Future amortization/accretion of these intangibles is below (in thousands):

Year Ending December 31,	In-place lease intangibles	Above-market leases	Other intangibles	Below-market leases
2025-Remaining	\$ 3,232	\$ 59	\$ (125)	\$ (1,713)
2026	4,609	95	(233)	(2,931)
2027	2,537	50	(141)	(2,394)
2028	1,425	24	(74)	(1,965)
2029	809	18	(58)	(1,693)
Thereafter	511	5	(69)	(8,370)
Total	\$ 13,123	\$ 251	\$ (700)	\$ (19,066)

Note 5. Debt

The following table summarizes the Company's indebtedness as of June 30, 2025 and December 31, 2024 (dollars in thousands):

	Outstanding Balance as of June 30, 2025	Outstanding Balance as of December 31, 2024	Interest Rate at June 30, 2025	Maturity Date
Revolving Credit Facility⁽¹⁾	\$ 46,000	\$ 14,000	SOFR+150 bps ⁽²⁾	January 2026
2021 Term Loan⁽¹⁾	75,000	75,000	SOFR+145 bps ⁽²⁾	January 2027
2022 Term Loan⁽¹⁾	175,000	175,000	SOFR+145 bps ⁽²⁾	February 2028
Secured Borrowings:				
Vision Bank ⁽³⁾	1,409	1,409	3.69 %	September 2041
First Oklahoma Bank ⁽⁴⁾	290	299	3.63 %	December 2037
Vision Bank – 2018 ⁽⁵⁾	844	844	3.69 %	September 2041
Seller Financing ⁽⁶⁾	—	100	— %	January 2025
AIG ⁽⁷⁾	30,225	30,225	2.80 %	January 2031
Seller Financing - 2024 ⁽⁸⁾	1,400	1,400	5.00 %	September 2039
Total Principal	330,168	298,277		
Unamortized deferred financing costs	(1,128)	(1,360)		
Unamortized debt discount	(205)	(209)		
Total Debt	\$ 328,835	\$ 296,708		

Explanatory Notes:

- (1) On August 9, 2021, the Company had entered into the Credit Facilities, which initially included the \$150.0 million Revolving Credit Facility and the \$50.0 million 2021 Term Loan. On May 11, 2022, the Company amended the Credit Facilities (the "First Amendment") to, among other things, add a new \$75.0 million senior unsecured delayed draw term loan facility (the "2022 Term Loan" and, together with the 2021 Term Loan, the "Term Loans"), replace the LIBOR with the Secured Overnight Financing Rate ("SOFR") as the benchmark interest rate and allow for a decrease in the applicable margin by 0.02% if the Company achieves certain sustainability targets. On December 6, 2022, the Company exercised \$40.0 million of term loan accordion under the 2022 Term Loan. On July 24, 2023, the Company amended the Credit Facilities (the "Second Amendment") to, among other things, add a daily simple SOFR-based option to the term SOFR-based floating interest rate option as a benchmark rate for borrowings under the Credit Facilities and further exercised \$35.0 million of accordion under the Term Loans. On October 25, 2024, the Company amended the Credit Facilities (the "Third Amendment") to, among other things, increase the 2022 Term Loan commitments in an aggregate principal amount of up to \$50.0 million in which the Company further exercised \$40.0 million under the 2022 Term Loan, and on a delayed-draw basis, \$10.0 million.

The Credit Facilities include an accordion feature which permits the Company to borrow up to an additional (i) \$150.0 million under the Revolving Credit Facility and (ii) \$50.0 million under the Term Loans, subject to customary terms and conditions. The Revolving Credit Facility matures in January 2026, which may be extended for two six-month periods subject to customary conditions, the 2021 Term Loan matures in January 2027 and the 2022 Term Loan matures in February 2028. Borrowings under the Credit Facilities carry an interest rate of, (i) in the case of the Revolving Credit Facility, either a base rate plus a margin ranging from 0.5% to 1.0% per annum or Adjusted Term SOFR (as defined below) plus a margin ranging from 1.5% to 2.0% per annum, or (ii) in the case of the Term Loans, either a base rate plus a margin ranging from 0.45% to 0.95% per annum or Adjusted Term SOFR plus a margin ranging from 1.45% to 1.95% per annum, in each case depending on the Company's consolidated leverage ratio. With respect to the Revolving Credit Facility, the Company will pay, if the usage is equal to or less than 50%, an unused facility fee of 0.20% per annum, or if the usage is greater than 50%, an unused facility fee of 0.15% per annum, in each case on the average daily unused

POSTAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)

commitments under the Revolving Credit Facility. The Credit Facilities contain a number of customary financial and non-financial covenants.

During the three and six months ended June 30, 2025, the Company incurred \$0.05 million and \$0.1 million, respectively, and during the three and six months ended June 30, 2024, the Company incurred \$0.06 million and \$0.1 million, respectively, of unused facility fees related to the Revolving Credit Facility. As of June 30, 2025, the Company was in compliance with all of the Credit Facilities' debt covenants.

- (2) *Based upon the applicable SOFR rate plus a SOFR adjustment of 0.10%, subject to a 0% floor (the "Adjusted Term SOFR").*
- (3) *Five properties are collateralized under this loan and Mr. Spodek also provided a personal guarantee of payment for 50% of the outstanding amount thereunder. The loan has a fixed interest rate of 3.69% for the first five years with interest payments only (ending in October 2026), then adjusting every subsequent five-year period thereafter with principal and interest payments to the rate based on the five-year weekly average yield on United States Treasury securities adjusted to a constant maturity of five years, as made available to the Board of Governors of the Federal Reserve System (the "Five-Year Treasury Rate"), plus a margin of 2.75%, with a minimum annual rate of 2.75%.*
- (4) *The loan is collateralized by first mortgage liens on four properties and a personal guarantee of payment by Mr. Spodek. The loan has a fixed interest rate of 3.625% for the first five years (ending in August 2026), then adjusting annually thereafter to a variable annual rate of Wall Street Journal Prime Rate with a minimum annual rate of 3.625%.*
- (5) *The loan is collateralized by first mortgage liens on one property and a personal guarantee of payment by Mr. Spodek. The loan has a fixed interest rate of 3.69% for the first five years with interest payments only (ending in October 2026), then adjusting every subsequent five-year period thereafter with principal and interest payments to the rate based on the Five-Year Treasury Rate, plus a margin of 2.75%, with a minimum annual rate of 2.75%.*
- (6) *In connection with the acquisition of a property, the Company obtained seller financing secured by the property in the amount of \$0.4 million requiring five annual payments of principal and interest of \$0.1 million with the first installment due on January 2, 2021 based on a 6.0% interest rate per annum through January 2, 2025. As of January 2, 2025, the seller financing has been fully repaid.*
- (7) *The loan is secured by a first mortgage lien on an industrial property located in Warrendale, Pennsylvania. The loan has a fixed interest rate of 2.80% with interest-only payments for the first five years (ending in January 2026) and fixed payments of principal and interest thereafter based on a 30-year amortization schedule.*
- (8) *In connection with the acquisition of two properties, the Company obtained seller financing secured by the properties in the amount of \$1.4 million based on a fixed interest rate of 5.00% with interest-only payments through September 1, 2039.*

The weighted average maturity date for the Company's indebtedness as of June 30, 2025 and December 31, 2024 was approximately 2.5 years and 3.2 years, respectively.

The scheduled principal repayments of indebtedness as of June 30, 2025 are as follows (in thousands):

Year Ending December 31,	Amount
2025 - Remaining	\$ 9
2026 ⁽¹⁾	46,637
2027	75,778
2028	175,804
2029	832
Thereafter	31,108
Total	\$ 330,168

Explanatory Note:

(1) The Revolving Credit Facility matures in January 2026, which may be extended for two six-month periods. The Company is currently exploring various refinancing options (the "Refinancing") and believes that it will be successful in extending or Refinancing the Revolving Credit Facility.

Note 6. Derivatives and Hedging Activities

As of June 30, 2025, the Company had nine interest rate swaps with a total notional amount of \$250.0 million that are used to manage its interest rate risk and fix the SOFR component on the term loans of the Credit Facilities:

Notional Amount (\$ in thousands)	Fixed Rate ⁽¹⁾	Effective Date	Maturity Date
\$50,000	2.291%	May 2022	January 2027
\$25,000	4.237%	May 2022	February 2028
\$25,000	4.237%	May 2022	February 2028
\$25,000	4.810%	July 2022	February 2028
\$40,000	4.952%	December 2022	February 2028
\$25,000	5.756%	July 2023	January 2027
\$10,000	6.069%	September 2023	February 2028
\$40,000	5.291%	October 2024	February 2028
\$10,000	5.572%	November 2024	February 2028

Explanatory Note:

(1) Reflects the all-in effective interest rate for the specified portion of the Term Loans hedged by the interest rate swaps.

The Company's objectives in using the interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish these objectives, the Company uses the interest rate swaps as part of its interest rate risk management strategy. The interest rate swaps are designated as cash flow hedges, with any gain or loss recorded in "Accumulated other comprehensive income" on the Consolidated Balance Sheets and subsequently reclassified into interest expense as interest payments are made on the Credit Facilities. During the next twelve months, the Company estimates that an additional \$2.2 million will be reclassified from "Accumulated other comprehensive income" as a decrease to interest expense.

The Company does not use derivatives for trading or speculative purposes and currently does not have any derivatives that are not designated as cash flow hedges.

The table below presents the effect of the Company's interest rate swap derivative instruments in the Consolidated Statements of Operations and Comprehensive Income for the three and six months ended June 30, 2025 and 2024 (in thousands):

Derivatives in Cash Flow Hedging Relationships (Interest Rate Swaps)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Amount of (loss) gain recognized on derivative in "Accumulated other comprehensive income"	\$ (736)	\$ 1,341	\$ (2,697)	\$ 5,491
Amount of income reclassified from "Accumulated other comprehensive income" into interest expense	\$ 889	\$ 1,327	\$ 1,772	\$ 2,658

"Interest expense, net" presented in the Consolidated Statements of Operations and Comprehensive Income, in which the effects of cash flow hedges are recorded, totaled \$4.0 million and \$7.7 million for the three and six months ended June 30, 2025, respectively, and \$3.1 million and \$5.9 million for the three and six months ended June 30, 2024, respectively.

As of June 30, 2025, the Company also had derivatives in a net liability position and did not post any collateral related to these agreements. If the Company had breached any of these provisions as of June 30, 2025, it could have been required to

POSTAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)

settle its obligations under the agreements of any interest rate swap in a net liability position for approximately \$1.1 million, which is at their termination value.

Note 7. Leases

Lessor Accounting

As of June 30, 2025, the Company's properties were leased primarily to the USPS, with leases expiring at various dates through October 31, 2035. Certain leases had expired and were in holdover status as of June 30, 2025 as discussed below. Certain leases contain renewal, termination and/or purchase options exercisable at the lessee's election. Therefore, such options are only recognized once they are deemed reasonably certain, typically at the time the option is exercised. All of the Company's leases are operating leases with the exception of two that are direct financing leases. The Company's operating leases and direct financing leases are described below.

Rental income related to the Company's leases is recognized on a straight-line basis over the remaining lease term. The Company's total revenue includes fixed base rental payments provided under the lease and variable payments which principally consist of tenant expense reimbursements for certain property operating expenses, including real estate taxes. The Company elected the practical expedient to account for its lease and non-lease components as a single combined operating lease component under Topic 842. As a result, rental income and tenant reimbursements were aggregated into a single line within rental income in the Consolidated Statements of Operations and Comprehensive Income.

The following table represents rental revenue that the Company recognized related to its operating leases (in thousands):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Fixed payments	\$ 20,055	\$ 15,119	\$ 38,716	\$ 29,559
Variable payments	2,675	2,245	5,494	4,410
	<u>\$ 22,730</u>	<u>\$ 17,364</u>	<u>\$ 44,210</u>	<u>\$ 33,969</u>

Future minimum lease payments to be received as of June 30, 2025 (excluding base rental payments from properties classified as held for sale under non-cancellable operating leases for the next five years and thereafter are as follows (in thousands):

Year Ending December 31,	Amount ⁽¹⁾⁽²⁾
2025 - Remaining	\$ 37,160
2026	68,317
2027	53,537
2028	40,945
2029	30,463
Thereafter	84,724
Total	<u>\$ 315,146</u>

Explanatory Notes:

- (1) The above minimum lease payments to be received do not include reimbursements from tenants for real estate taxes and other reimbursed expenses.
- (2) As of June 30, 2025, the leases at three of the Company's properties were expired and the USPS was occupying such properties as a holdover tenant. As such, the above minimum lease payments to be received do not include payments under these holdover leases. Holdover rent is typically paid as the greater of estimated market rent or the rent amount due under the expired lease.

Purchase Option Provisions

As of June 30, 2025, operating leases for 90 of the Company's properties provided the USPS with the option to purchase the underlying property either at fair market value or at fixed prices⁽¹⁾, in each case as of dates set forth in the lease. As of June 30, 2025, 87 of these properties had an aggregate carrying value of approximately \$66.0 million with an aggregate purchase option price of approximately \$85.4 million and the remaining three properties had an aggregate carrying value of approximately \$2.9 million with purchase options exercisable at fair market value. During the three and six months ended June 30, 2025, a tenant exercised a purchase option. Refer to Note 2, Assets Held for Sale for further discussion.

Explanatory Notes:

(1) Properties with more than one calculation method are categorized based on the lowest valuation method.

Investment in Financing Leases, Net

As of June 30, 2025 and December 31, 2024, financing leases for two of the Company's properties provide the USPS with the option to purchase the underlying property at fixed prices as of dates set forth in the lease agreement. The components of the Company's net investment in financing leases as of June 30, 2025 and December 31, 2024 are summarized in the table below (in thousands):

	As of June 30, 2025	As of December 31, 2024
Total minimum lease payment receivable	\$ 30,372	\$ 30,940
Less: unearned income	(14,475)	(14,989)
Investment in financing leases, net	<u>\$ 15,897</u>	<u>\$ 15,951</u>

Revenue earned under direct financing leases for each of the three and six months ended June 30, 2025 and 2024 were \$0.3 million and \$0.5 million, respectively, which is recorded in "Fee and other" in the Consolidated Statements of Operations and Comprehensive Income.

Future lease payments to be received under the Company's direct financing leases as of June 30, 2025 for the next five years and thereafter are as follows (in thousands):

Year Ending December 31,	Amount
2025 – Remaining	\$ 569
2026	1,137
2027	1,137
2028	1,137
2029	1,137
Thereafter	25,255
Total	<u>\$ 30,372</u>

Lessee Accounting

As a lessee, the Company has ground and office leases which were classified as operating leases. As of June 30, 2025, these leases had remaining terms, including renewal options, of 0.1 years to 57.5 years and a weighted average remaining lease term of 18.5 years. Operating right-of-use ("ROU") assets and lease liabilities are included in "Prepaid expenses and other assets, net" and "Accounts payable, accrued expenses and other, net" on the Consolidated Balance Sheets as follows (in thousands):

POSTAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)

	As of June 30, 2025	As of December 31, 2024
ROU asset – operating leases	\$ 2,301	\$ 2,188
Lease liability – operating leases	\$ 2,157	\$ 2,165

The difference between the recorded ROU assets and lease liabilities is mainly due to the reclassification of the below market ground lease intangible asset which was included within the ROU assets recognized upon transition.

Operating lease assets and liabilities are measured at the commencement date based on the present value of future lease payments. As most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of future payments. The Company used a discount rate ranging from 4.25% to 7.35% based on the yield of its current borrowings in determining its lease liabilities.

Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. The lease terms may include options to extend or terminate the lease if it is reasonably certain that the Company will exercise that option.

Operating lease expense for the three and six months ended June 30, 2025 and 2024 was \$0.09 million and \$0.2 million, respectively, and \$0.07 million and \$0.1 million, respectively. See Note 9. Related Party Transactions for more details.

Future minimum lease payments to be paid by the Company as a lessee for operating leases as of June 30, 2025 for the next five years and thereafter are as follows (in thousands):

2025 — Remaining	\$ 169
2026	338
2027	332
2028	333
2029	337
Thereafter	2,011
Total future minimum lease payments	3,520
Interest discount	(1,363)
Total	\$ 2,157

Note 8. Income Taxes

TRS

In connection with the IPO, the Company and REAC jointly elected to treat REAC as a TRS. REAC performs management services, including for properties the Company does not own, and advisory services to third-party owners of postal properties. REAC has generated income, resulting in federal and state corporate income tax liability for REAC. For the three and six months ended June 30, 2025, income tax expense related to REAC was zero and \$0.01 million, respectively. For the three and six months ended June 30, 2024, income tax expense related to REAC was \$0.02 million and \$0.03 million, respectively.

Note 9. Related Party Transactions

Transition and General Release Agreement with Former Chief Financial Officer

On June 18, 2025 (the "Transition Date"), Robert B. Klein announced his intention to resign from his role as Chief Financial Officer of the Company but continued as an employee of the Company through June 30, 2025 (the "Separation Date," the period from the Transition Date to the Separation Date is referred to as the "Transition Period"). Subject to the terms of Transition and General Release Agreement dated June 18, 2025 between the Company and Mr. Klein (the "Transition Agreement"), Mr. Klein will provide consulting services to the Company beginning on the day following the Separation Date until the date the Company files its Form 10-Q for the period ending June 30, 2025 (the "Completion Date" and such period, the

“Consulting Period”). Mr. Klein will continue serving as the Company’s principal financial officer through the end of the Consulting Period.

The Transition Agreement sets forth Mr. Klein’s separation benefits and the terms pursuant to which Mr. Klein will assist the Company in the transition of his roles through the Transition Period and the Consulting Period. During each of the Transition Period and the Consulting Period, Mr. Klein will continue to oversee and assist with the preparation of the Company’s Form 10-Q for the period ending on June 30, 2025 and, unless the Company determines otherwise, shall sign the Form 10-Q (and any related documentation) in his capacity as principal financial officer (the “Transition Support Duties”). In accordance with the Transition Agreement, during the Transition Period, subject to Mr. Klein’s performance of the Transition Support Duties, the Company will pay Mr. Klein his regular base salary, less applicable taxes, withholdings and deductions payable in accordance with the Company’s current payroll practices and Mr. Klein shall be entitled to continue to participate in any employee benefit plan that the Company has adopted or may adopt, until the Separation Date.

As set forth in the Transition Agreement, pursuant to the terms of the Company’s 2019 Equity Incentive Plan (the “Equity Plan”), including, but not limited to, the Alignment of Interest Program under the Equity Plan (the “AOI”), and the award agreements issued thereunder (the “Award Agreements” and collectively with the Equity Plan and AOI, the “Equity Plan Governing Documents”) Mr. Klein has been granted certain equity awards which remain outstanding, unconverted and unvested as of the Separation Date (the “Unvested Awards”). If Mr. Klein fully complies with the terms and conditions set forth in the Transition Agreement, including the execution of the supplemental release attached thereto and performance of the Transition Support Duties, the Company will pay Mr. Klein a gross amount equal to \$500,000, less applicable taxes, withholdings and deductions (the “Consideration”). The Company will pay the Consideration in part by accelerating the vesting of 28,000 Unvested Awards (as determined in the Company’s sole discretion) (the “Selected Awards”), with the remainder to be paid in cash. The terms governing the acceleration of the Selected Awards and the payment of the Consideration are described in the Transition Agreement.

Notwithstanding anything to the contrary in any Equity Plan Governing Document, (i) Mr. Klein’s Unvested Awards, other than the Selected Awards, will automatically and immediately be cancelled and forfeited, and will lapse for no consideration, effective as of July 1, 2025, (ii) the Selected Awards will remain outstanding and eligible to vest following the Separation Date in accordance with the terms of the Transition Agreement and (iii) to the extent the Consideration is not earned, the Selected Awards will automatically and immediately be cancelled and forfeited and will lapse for no consideration, effective as of the Completion Date (or such earlier date as determined by the Company, in its sole discretion). Pursuant to the terms of the Transition Agreement, Mr. Klein will be subject to continued compliance with confidentiality, non-disparagement and cooperation covenants.

In conjunction with the Company’s search for a new Chief Financial Officer, the Company has retained an executive search firm that employs an immediately family member of one of our directors. Jeremy Garber, who immediately prior to Mr. Klein’s resignation as Chief Financial Officer of the Company was the Company’s President, Secretary and Treasurer, is serving as the interim Chief Financial Officer of the Company while the search for Mr. Klein’s successor is completed.

Management Fee Income

On May 5, 2025, REAC entered into amendments to the management agreements (as amended, the “Amended Management Agreements”) pursuant to which the Company provides property management services to 362 properties, owned by family members and affiliates of Mr. Spodek. An additional property for which REAC provides management services to affiliates of Mr. Spodek was not amended by the Amended Management Agreements.

The Amended Management Agreements provide that, as of April 1, 2025, the initial management fee to be received by REAC is equal to 4.0% per annum of each property’s gross revenue, payable quarterly. Each successive April 1, the management fee will be increased to 102.5% of the management fee previously in effect. The initial term of the Amended Management Agreements is through March 31, 2030 (the “Initial Term”), unless terminated earlier. After the Initial Term, the Amended Management Agreements will be automatically renewed for successive one-year terms, unless either party provides 30 days’ advance notice of non-renewal. Furthermore, beginning October 1, 2025, the Amended Management Agreements may be terminated by either party at any time upon 60 days’ notice to the other party. The Amended Management Agreements also provide that, to the extent REAC provides services in connection with the financing of managed properties, REAC shall be entitled to an additional \$5,000 fee per property being financed, whether such properties are financed individually, as part of a portfolio or pooled, provided that the total fees payable shall not exceed \$50,000 per financing transaction. The Amended

POSTAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)

Management Agreements were unanimously approved by an independent Special Committee of the Company's Board of Directors (the "Board") consisting of all members of the Board other than Mr. Spodek.

REAC recognized management fee income of \$0.2 million and \$0.6 million for the three and six months ended June 30, 2025, respectively, and \$0.3 million and \$0.7 million for the three and six months ended June 30, 2024, respectively, from various parties which were affiliated with the Company's CEO. These amounts are included in "Fee and other" in the Consolidated Statements of Operations and Comprehensive Income. Accrued management fees receivable of \$0.2 million and \$0.4 million as of June 30, 2025 and December 31, 2024, respectively, are included in "Rent and other receivables" on the Consolidated Balance Sheets.

Related Party Lease

In connection with the Company's IPO and the related formation transactions, the Company entered into a lease for office space in Cedarhurst, New York with an entity affiliated with the Company's CEO (the "Prior Office Lease"). Pursuant to the Prior Office Lease, the monthly rent was \$15,000 subject to escalations. The term of the Prior Office Lease was five years commencing on May 17, 2019 and expired on May 16, 2024. In May 2024, the Prior Office Lease was extended to December 31, 2024 at the same rental rate. In December 2024, the Company entered into a new lease with the Company's CEO (the "2025 Office Lease," and, collectively with the Prior Office Lease, the "Office Leases"). Pursuant to the 2025 Office Lease, the monthly rent is \$18,750 subject to escalations. The term of the 2025 Office Lease is five years commencing on January 1, 2025 and will expire on December 31, 2029. The 2025 Office Lease was approved by a special committee of the Company's Board of Directors consisting of four independent directors. Rental expenses associated with the Office Leases for the three and six months ended June 30, 2025 and 2024 were \$0.06 million and \$0.1 million, respectively, and \$0.05 million and \$0.1 million, respectively, and was recorded in "General and administrative expenses" in the Consolidated Statements of Operations and Comprehensive Income. The Company determined the Office Leases were an operating lease. For further details, see Note 7. Leases.

Right of First Offer Transactions

In connection with the Company's IPO and the related formation transactions, the Company entered into a Right of First Offer Agreement (the "ROFO Agreement") with certain members of the family (the "Related Party") of the Company's CEO. Pursuant to the ROFO Agreement, the Company has the right of first offer to acquire from the Related Party 250 properties that are currently managed by the Company. On May 30, 2024, the Company acquired from the Related Party a portfolio of 36 properties currently leased to the USPS for approximately \$12.5 million in cash, excluding closing costs. The transaction was approved by a special committee of the Company's Board of Directors consisting of four independent directors. The Company has a remaining right of first offer to purchase 214 of 358 managed postal properties.

Guarantees

As disclosed above in Note 5. Debt, Mr. Spodek personally guaranteed a portion of or the entire amount outstanding under the Company's loans with First Oklahoma Bank and Vision Bank, totaling \$1.8 million and \$1.8 million as of June 30, 2025 and December 31, 2024, respectively. As a guarantor, Mr. Spodek's interests with respect to the amount of debt he is guaranteeing (and the terms of any repayment or default) may not align with the Company's interests and could result in a conflict of interest.

Note 10. Earnings Per Share

EPS is calculated by dividing net income attributable to common stockholders by the weighted average number of shares outstanding for the period. The following table presents a reconciliation of income from operations used in the basic and diluted EPS calculations (dollars in thousands, except share and per share data).

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Numerator for earnings per share – basic and diluted:				
Net income attributable to common stockholders	\$ 3,614	\$ 817	\$ 5,696	\$ 1,023
Less: Income attributable to participating securities	(702)	(405)	(1,293)	(780)
Numerator for earnings per share — basic and diluted	\$ 2,912	\$ 412	\$ 4,403	\$ 243
Denominator for earnings per share – basic and diluted ⁽¹⁾				
	23,509,083	22,339,245	23,375,607	22,192,277
Basic and diluted net income per share	<u>\$ 0.12</u>	<u>\$ 0.02</u>	<u>\$ 0.19</u>	<u>\$ 0.01</u>

Explanatory Note:

(1) Diluted EPS reflects the potential dilution of the conversion of obligations and the assumed exercises of securities including the effects of restricted shares and RSUs issued under the Company's 2019 Equity Incentive Plan (the "Plan") (See Note 11. Stockholders' Equity). The effect of such shares and RSUs would not be dilutive and were not included in the computation of weighted average number of shares outstanding for the periods presented in the table above. OP Units and LTIP Units are redeemable for cash or, at the Company's option, shares of Class A common stock on a one-for-one basis. The income allocable to such OP Units and LTIP Units is allocated on this same basis and reflected as non-controlling interests in these unaudited Consolidated Financial Statements. As such, the assumed conversion of these OP Units and LTIP Units would have no net impact on the determination of diluted EPS.

Note 11. Stockholders' Equity

ATM Program

On November 4, 2022, the Company entered into separate open market sale agreements for its at-the-market offering programs with each of Jefferies LLC, BMO Capital Markets Corp., Janney Montgomery Scott LLC, Stifel, Nicolaus & Company, Incorporated and Truist Securities, Inc., as agents (the "ATM Program"), pursuant to which the Company may offer and sell shares of its Class A common stock having an aggregate sales price of up to \$50.0 million. The agreements also provide that the Company may enter into one or more forward sale agreements under separate master forward confirmations and related supplemental confirmations with affiliates of certain agents. On August 8, 2023, the Company amended the ATM Program to increase the aggregate offering amount under the program to \$150.0 million. On November 4, 2024, the Company entered into separate open market sale agreements for the ATM Program with each of Mizuho Securities USA LLC ("Mizuho") and M&T Securities, Inc. ("M&T"), as additional sales agents, and affiliates of Mizuho, as forward sellers.

The following table summarizes the activity under the ATM Program for the period presented (dollars and shares issued in thousands, except per share amounts). During the three and six months ended June 30, 2025, 529,828 and 669,454 shares, respectively, were issued under the ATM program. During the three and six months ended June 30, 2024, 57,993 and 634,080 shares, respectively, were issued under the ATM program. As of June 30, 2025, the Company had approximately \$83.9 million remaining that may be issued under the ATM Program.

POSTAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Shares issued	530	58	669	634
Gross proceeds received	\$ 7,805	\$ 824	\$ 9,788	\$ 9,034
Fees, issuance and other costs	(244)	(139)	(407)	(482)
Net proceeds received	\$ 7,561	\$ 685	\$ 9,381	\$ 8,552
Average gross sales price per share	\$ 14.73	\$ 14.20	\$ 14.62	\$ 14.25

Dividends and Distributions

During the three and six months ended June 30, 2025, the Company's Board of Directors approved and the Company declared and paid dividends or distributions, as applicable, of \$7.6 million and \$14.9 million, respectively to Class A common stockholders, Voting Equivalency stockholders, OP unitholders and LTIP unitholders, or \$0.2425 and \$0.485 per share or unit, respectively as shown in the table below.

Declaration Date	Record Date	Date Paid	Amount Per Share or Unit
January 30, 2025	February 14, 2025	February 28, 2025	\$ 0.2425
April 21, 2025	May 1, 2025	May 30, 2025	\$ 0.2425

Non-controlling Interests

Non-controlling interests in the Company represent OP Units held by the Company's prior investors and certain sellers of properties to the Company and LTIP Units primarily issued to the Company's employees and the Board of Directors in connection with the IPO and/or as a part of their compensation. During the six months ended June 30, 2025, the Company issued 219,335 LTIP Units to the Company's CEO for his 2024 incentive bonus, his election to defer 100% of his 2025 annual salary and for long term incentive compensation, 90,909 LTIP Units to the Company's President for his 2024 incentive bonus, 12,952 LTIP Units to the Company's Principal Financial Officer for his long term incentive compensation, 46,944 LTIP Units in May 2025 to the Board of Directors for their annual retainers as compensation for their services and for long term incentive compensation and 121,913 LTIP Units to certain other employees for their 2024 incentive bonus and for long term incentive compensation.

As of June 30, 2025 and December 31, 2024, non-controlling interests consisted of 5,463,804 OP Units and 1,722,799 LTIP Units and 4,998,738 OP Units and 1,241,944 LTIP Units, respectively. This represented approximately 22.7% and 20.9% of the outstanding Operating Partnership units as of June 30, 2025 and December 31, 2024, respectively. OP Units and shares of Class A common stock generally have the same economic characteristics, as they share equally in the total net income or loss and distributions of the Operating Partnership. Beginning on or after the date which is 12 months after the date on which a person first became a holder of common units, each limited partner and assignees of limited partners will generally have the right, subject to the terms and conditions set forth in the partnership agreement, to require the Operating Partnership to redeem all or a portion of the OP Units held by such limited partner or assignee in exchange for cash, or at the Company's sole discretion, shares of Class A common stock, on an one-for-one basis determined in accordance with and subject to adjustment under the partnership agreement.

During the six months ended June 30, 2025, 11,198 LTIP Units were redeemed for 11,198 OP Units (the "Converted Units"). The Converted Units were then immediately redeemed for 11,198 shares of Class A common stock (such transaction, including the transaction governing the Converted Units, the "Conversion"). In connection with the Conversion, the Company adjusted the carrying value of non-controlling interests to reflect its share of the book value of the Operating Partnership reflecting the change in the Company's ownership of the Operating Partnership. Such adjustments are recorded to additional paid-in capital as a reallocation of non-controlling interest in the Consolidated Statements of Changes in Equity. Operating Partnership unitholders are entitled to share in cash distributions from the Operating Partnership in proportion to their percentage ownership of OP Units.

Restricted Stock and Other Awards

Pursuant to the Postal Realty Trust Inc., 2019 Equity Incentive Plan, (the "Plan"), the Company may grant equity incentive awards to its directors, officers, employees and consultants. As of June 30, 2025, the remaining shares available under the Plan for future issuance was 945,434. The Plan provides for grants of stock options, stock awards, stock appreciation rights, performance units, incentive awards, other equity-based awards (including LTIP Units) and dividend equivalents in connection with the grant of performance units and other equity-based awards.

The following table presents a summary of the Company's outstanding restricted shares of Class A common stock, LTIP Units and RSUs. The balance as of June 30, 2025 represents unvested restricted shares of Class A common stock and LTIP Units and RSUs that are outstanding, whether vested or not:

	Restricted Shares ⁽¹⁾⁽²⁾	LTIP Units ⁽³⁾	RSUs ⁽⁴⁾	Total Shares/Units/RSUs	Weighted Average Grant Date Fair Value
Outstanding, as of January 1, 2025	505,342	1,241,944	346,946	2,094,232	\$ 15.76
Granted	76,180	492,053	104,176	672,409	\$ 12.88
Conversion to common stock	—	(11,198)	—	(11,198)	\$ 15.13
Vesting of restricted shares and RSUs ⁽⁵⁾	(54,375)	—	(1,442)	(55,817)	\$ 15.33
Forfeited	—	—	(47,005)	(47,005)	\$ 12.28
Outstanding, as of June 30, 2025	<u>527,147</u>	<u>1,722,799</u>	<u>402,675</u>	<u>2,652,621</u>	<u>\$ 15.10</u>

Explanatory Notes:

- (1) Represents restricted shares awards included in Class A common stock.
- (2) The time-based restricted share awards granted to the Company's officers and employees typically vest in three annual installments or cliff vest at the end of three years, five years or eight years.
- (3) Includes 219,335 LTIP Units granted to the Company's CEO, 90,909 LTIP Units granted to the Company's President and 12,952 LTIP Units granted to the Company's Principal Financial Officer, which vest over three years or cliff vest at the end of eight years. Also, includes 46,944 LTIP Units granted to the Company's independent directors that vest over three years or cliff vest at the end of three years and 121,913 LTIP Units granted to certain other employees of the Company, certain of which vested fully on the date of grant with the remaining vesting over three years or cliff vest at the end of eight years.
- (4) Includes 90,362 RSUs granted to certain officers and employees of the Company during the six months ended June 30, 2025, subject to the achievement of a service condition and a market condition. Such RSUs are market-based awards and are subject to the achievement of performance-based hurdles relating to the Company's specified absolute and relative total stockholder return goals and continued employment with the Company over the approximately three-year period from the grant date through December 31, 2027. The number of market-based RSUs is based on the number of shares issuable upon achievement of the market-based metric at target. Also, includes 13,814 time-based RSUs issued for 2024 incentive bonuses to certain employees that vested fully on February 1, 2025, the date of grant. RSUs reflect the right to receive shares of Class A common stock, subject to the applicable vesting criteria.
- (5) Includes 34,725 of restricted shares and RSUs that vested and 21,092 shares of restricted shares that were withheld to satisfy minimum statutory withholding requirements.

During the year ended December 31, 2021, the Company issued 46,714 RSUs (the "2021 Performance-Based Awards") to certain employees that were market-based awards and subject to the achievement of performance-based hurdles relating to the Company's absolute total stockholder return goals and continued employment with the Company over the approximately three-year performance period ended December 31, 2023. In February 2024, the Company's Corporate Governance and Compensation Committee of the Board of Directors ("CGC Committee") determined that the Company's total

POSTAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)

stockholder return for such three-year performance period met the threshold performance hurdles for the 2021 Performance-Based Awards and, as a result, approved the payout of (i) 23,357 RSUs for such awards, which were settled using the Company's shares of Class A common stock, and (ii) their cash dividends for the three-year performance period.

During the year ended December 31, 2022, the Company issued 47,005 RSUs (the "2022 Performance-Based Awards") to certain employees that were market-based awards and subject to the achievement of performance-based hurdles relating to the Company's absolute total stockholder return goals and continued employment with the Company over the approximately three-year performance period ended December 31, 2024. In January 2025, the Company's CGC Committee determined that the Company's total stockholder return for such three-year performance period did not meet the threshold performance hurdles for the 2022 Performance-Based Awards and, as a result, approved the cancellation of 47,005 RSUs for such awards.

During the three and six months ended June 30, 2025, the Company recognized compensation expense of \$1.5 million and \$3.4 million, respectively, and during the three and six months ended June 30, 2024, the Company recognized compensation expense of \$1.4 million and \$3.2 million, respectively, in "General and administrative expenses" in the Consolidated Statements of Operations and Comprehensive Income related to all awards. During the three and six months ended June 30, 2025, the Company recognized compensation expense of \$0.1 million and \$0.5 million, respectively, and during the three and six months ended June 30, 2024, the Company recognized compensation expense of \$0.1 million and \$0.4 million, respectively, in "Property operating expenses" in the Consolidated Statements of Operations and Comprehensive Income related to all awards.

As of June 30, 2025, there was \$21.1 million of total unrecognized compensation cost related to unvested awards, which is expected to be recognized over a weighted average period of 4.9 years.

In July 2025, the Company issued 3,998 LTIP Units to a consultant under a consultancy agreement with the Company.

Employee Stock Purchase Plan

The Company's ESPP allows its employees to purchase shares of the Class A common stock at a discount. A total of 100,000 shares of Class A common stock was reserved for sale and authorized for issuance under the ESPP. The Code permits the Company to provide up to a 15% discount on the lesser of the fair market value of such shares of Class A common stock at the beginning of the offering period and the close of the offering period. As of June 30, 2025 and December 31, 2024, 64,096 and 58,569 shares have been issued under the ESPP since commencement, respectively. During the three and six months ended June 30, 2025, the Company recognized compensation expense of \$0.02 million and \$0.04 million, respectively, and during the three and six months ended June 30, 2024, the Company recognized compensation expense of \$0.01 million and \$0.02 million, respectively, related to the ESPP.

Note 12. Commitments and Contingencies

As of June 30, 2025, the Company was not involved in any litigation nor, to its knowledge, is any litigation threatened against the Company that, in management's opinion, would result in any material adverse effect on the Company's financial position and results of operations, or which is not covered by insurance.

In the ordinary course of the Company's business, the Company enters into non-binding (except with regard to exclusivity and confidentiality) letters of intent indicating a willingness to negotiate for acquisitions. There can be no assurance that definitive contracts will be entered into with respect to any matter covered by letters of intent, that the Company will close the transactions contemplated by such contracts on time, or that the Company will consummate any transaction contemplated by any definitive contract.

Note 13. Subsequent Events

In addition to the subsequent events discussed elsewhere in the notes to the unaudited Consolidated Financial Statements, the following events occurred subsequent to June 30, 2025:

On July 1, 2025, 112,718 unvested LTIP Units, 40,623 unvested RSUs and 18,460 unvested shares of Class A common stock owned by Robert Klein, were cancelled pursuant to the Transition Agreement (the "Klein Award Cancellations").

The Company's Board of Directors approved, and on July 20, 2025, the Company declared a second quarter 2025 common stock dividend of \$0.2425 per share, which is payable on August 29, 2025 to stockholders of record as of July 31, 2025.

As of August 4, 2025, the Company had \$48.0 million drawn on the Revolving Credit Facility.

As of August 4, 2025 and during the period subsequent to June 30, 2025, the Company acquired 23 leased properties for approximately \$8.4 million, excluding closing costs.

As of August 4, 2025 and during the period subsequent to June 30, 2025, the Company issued 337,255 shares of its Class A common stock under the ATM Program for gross proceeds of approximately \$5.0 million.

As of August 4, 2025 and during the period subsequent to June 30, 2025, the Company had entered into definitive agreements to acquire 30 properties for approximately \$10.4 million. However, the Company can provide no assurances that the acquisitions of these properties will be consummated on the terms and timing the Company expects, or at all.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis is based on, and should be read in conjunction with, the unaudited Consolidated Financial Statements and the related notes thereto of Postal Realty Trust, Inc. contained in this Quarterly Report on Form 10-Q and [our Annual Report on Form 10-K](#) for the year ended December 31, 2024.

As used in this section, unless the context otherwise requires, references to “we,” “our,” “us,” and “our company” refer to Postal Realty Trust, Inc., a Maryland corporation, together with our consolidated subsidiaries, including Postal Realty LP, a Delaware limited partnership, of which we are the sole general partner and which we refer to in this section as our Operating Partnership.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of federal securities laws. In particular, statements pertaining to our capital resources, acquisitions, property performance and results of operations contain forward-looking statements. You can identify forward-looking statements by the use of forward-looking terminology such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “pro forma,” “estimates” or “anticipates” or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods which may be incorrect or imprecise and we may not be able to realize them. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all). The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

- change in the status of the United States Postal Service (“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 on the terms and timing we expect, 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 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 interest rates and 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;
- 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 real estate investment trusts (“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 maintain our status as a REIT and our failure to maintain such status; and
- public health threats, such as the coronavirus (COVID-19) pandemic.

While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. We disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes after the date of this Quarterly Report on Form 10-Q, except as required by applicable law. You should not place undue reliance on any forward-looking statements that are based on information currently available to us or the third parties making the forward-looking statements. For a further discussion of these and other factors that could impact our future results, performance or transactions, you should carefully review and consider (i) the information contained under Item 1A titled “Risk Factors” herein and in [our Annual Report on Form 10-K](#) and (ii) such similar information as may be contained in our other reports and filings that we make with the Securities and Exchange Commission (the “SEC”).

Overview

Company

We were formed as a Maryland corporation on November 19, 2018 and commenced operations upon completion of our initial public offering and the related formation transactions. We conduct our business through a traditional UPREIT structure in which our properties are owned by our Operating Partnership directly or through limited partnerships, limited liability companies or other subsidiaries. During the six months ended June 30, 2025, we acquired 104 properties leased to the

USPS for approximately \$53.2 million, including closing costs. As of June 30, 2025, our portfolio consists of 1,806 owned properties, located in 49 states and one territory and comprising approximately 6.8 million net leasable interior square feet.

We are the sole general partner of our Operating Partnership through which our properties are directly or indirectly owned. As of August 4, 2025, we owned approximately 77.8% of outstanding common units of limited partnership interest in our Operating Partnership (the “OP Units”), including long term incentive units of our Operating Partnership (the “LTIP Units”). Our Board of Directors oversees our business and affairs.

ATM Program

On November 4, 2022, the Company entered into separate open market sale agreements for its at-the-market offering programs with each of Jefferies LLC, BMO Capital Markets Corp., Janney Montgomery Scott LLC, Stifel, Nicolaus & Company, Incorporated and Truist Securities, Inc., as agents (the “ATM Program”), pursuant to which the Company may offer and sell shares of its Class A common stock having an aggregate sales price of up to \$50.0 million. The agreements also provide that the Company may enter into one or more forward sale agreements under separate master forward confirmations and related supplemental confirmations with affiliates of certain agents. On August 8, 2023, the Company amended the ATM Program to increase the aggregate offering amount under the program to \$150.0 million. On November 4, 2024, the Company entered into separate open market sale agreements for the ATM Program with each of Mizuho Securities USA LLC (“Mizuho”) and M&T Securities, Inc. (“M&T”), as additional sales agents, and affiliates of Mizuho, as forward sellers. During the six months ended June 30, 2025, 669,454 shares were issued under the ATM Program for approximately \$9.8 million in gross proceeds. As of June 30, 2025, we had approximately \$83.9 million of availability remaining under the ATM Program.

Executive Overview

We are an internally managed REIT with a focus on acquiring and managing properties leased primarily to the USPS, ranging from last-mile post offices to industrial facilities. We believe the overall opportunity for consolidation that exists within the postal logistics network is very attractive. We continue to execute our strategy to acquire and consolidate postal properties that we believe will generate strong earnings for our shareholders.

Geographic Concentration

As of June 30, 2025, we owned a portfolio of 1,806 properties located in 49 states and one territory and leased primarily to the USPS. For the six months ended June 30, 2025, approximately 10.6% of our total rental income was concentrated in Pennsylvania.

Registrant Elections

We are a “smaller reporting company” as defined in Regulation S-K under the Securities Act and have elected to take advantage of certain scaled disclosures available to smaller reporting companies.

We have also elected to be treated as a REIT under the Internal Revenue Code of 1986, as amended (the “Code”), beginning with our short taxable year ended December 31, 2019 and intend to continue to qualify as a REIT. As long as we qualify as a REIT, we generally will not be subject to federal income tax to the extent that we distribute our taxable income for each tax year to our stockholders.

New Tax Legislation

Effective July 4, 2025, certain changes to U.S. tax law were approved that impact us and our stockholders. Among other changes, this legislation (i) permanently extended the 20% deduction for “qualified REIT dividends” for individuals and other non-corporate taxpayers under Section 199A of the Code, (ii) increased the percentage limit under the REIT asset test applicable to taxable REIT subsidiaries (“TRSs”) from 20% to 25% for taxable years beginning after December 31, 2025, and (iii) increases the base on which the 30% interest deduction limit under Section 163(j) of the Code applies by excluding depreciation, amortization and depletion from the definition of “adjusted taxable income” (i.e. based on EBITDA rather than EBIT) for taxable years beginning after December 31, 2024.

Factors That May Influence Future Results of Operations

The USPS

We are dependent on the USPS' financial and operational stability. The USPS is currently facing a variety of circumstances that are threatening its ability to fund its operations and other obligations as currently conducted without intervention by the federal government. The USPS is constrained by laws and regulations that restrict revenue sources and pricing, mandate certain expenses and cap its borrowing capacity. As a result, among other consequences, the USPS is unable to fund its mandated expenses and continues to be subject to mandated payments to its retirement system and benefits. While the USPS has recently undertaken, and proposes to undertake, a number of operational reforms and cost reduction measures, such as higher rates and slower deliveries for certain services and closure, relocation or consolidation of certain facilities and delivery routes, the USPS has taken the position such measures alone will not be sufficient to maintain its ability to meet all of its existing obligations when due or allow it to make the critical infrastructure investments that have been deferred in recent years. These measures have also led to significant criticism and litigation, which may result in reputational or financial harm or increased regulatory scrutiny of the USPS or reduced demand for its services. The occurrence of a regional epidemic or a global pandemic, such as the COVID-19 pandemic, and measures taken to prevent its spread may also have a material and unpredictable effect on the USPS' operations and liquidity, including significant additional operating expenses caused by pandemic-related disruptions. Other geopolitical and economic factors have also created significant inflationary pressures resulting in higher compensation, benefits, transportation and fuel costs for the USPS. If the USPS becomes unable to meet its financial obligations or its revenue declines due to reduced demand for its services, the USPS may reduce its demand for leasing postal properties, which would have a material adverse effect on our business and operations. For additional information regarding the risks associated with the USPS, see the section entitled "Risk Factors - Risks Related to the USPS" under Item 1A of [our Annual Report on Form 10-K](#) for the year ended December 31, 2024.

Revenues

We derive revenues primarily from rent and tenant reimbursements under leases with the USPS for our properties and fee and other from the management of postal properties owned by Andrew Spodek, our chief executive officer, and his affiliates managed by our TRS, income recognized from properties accounted for as financing leases and revenue from providing certain advisory services. Rental income represents the lease revenue recognized under the leases primarily with the USPS which includes the impact of above and below market lease intangibles as well as reimbursements to us made by our tenants for the real estate taxes paid at each property where tenants are responsible for such taxes under the leases. Certain of our leases include annual rent escalators. Fee and other principally represents (i) revenue our TRS received from postal properties owned by Mr. Spodek and his affiliates pursuant to the management agreements and is a percentage of the lease revenue for the managed properties, (ii) revenue our TRS received from providing advisory services to third-party owners of postal properties and (iii) income recognized from properties accounted for as financing leases. As of June 30, 2025, properties leased to our tenants had an average remaining lease term of approximately 4.0 years. Factors that could affect our rental income and fee and other in the future include, but are not limited to: (i) our ability to renew or replace expiring leases and management agreements; (ii) local, regional or national economic conditions; (iii) an oversupply of, or a reduction in demand for, postal space; (iv) changes in market rental rates; (v) changes to the USPS' current property leasing program or form of lease; and (vi) our ability to provide adequate services and maintenance at our properties and managed properties.

Operating Expenses

We lease our properties primarily to the USPS. The majority of our leases are modified double-net leases, whereby the tenant is responsible for utilities, certain maintenance obligations and reimbursement of property taxes and the landlord is generally responsible for insurance, roof and structure. Thus, an increase in costs related to the landlord's responsibilities under these leases could negatively influence our operating results. Refer to "Lease Renewal" below for further discussion.

Operating expenses generally consist of real estate taxes, property operating expenses, which consist of insurance, repairs and maintenance (other than those for which the tenant is responsible), property maintenance-related payroll and depreciation and amortization. Factors that may affect our ability to control these operating costs include but are not limited to: the cost of periodic repair, age and durability of our properties, renovation costs, landlord's responsibilities under the leases, the cost of re-leasing space, inflation and the potential for liability under applicable laws. Recoveries from the tenant are recognized as revenue on an accrual basis over the periods in which the related expenditures are incurred. Tenant reimbursements and the related property operating expenses are recognized on a gross basis, because (i) generally, we are the primary obligor with respect to the real estate taxes and (ii) we bear the credit risk in the event the tenant does not reimburse the real estate taxes.

The expenses of owning and operating a property are not necessarily reduced when circumstances, such as market factors and competition, cause a reduction in income from the property. If revenues drop, we may not be able to reduce our expenses accordingly. Costs associated with real estate investments generally will not be materially reduced even if a property is not fully occupied or other circumstances cause our revenues to decrease. As a result, if revenues decrease in the future, static operating costs may adversely affect our future cash flow and results of operations.

General and Administrative Expense

General and administrative expense represents personnel costs, professional fees, legal fees, insurance, consulting fees, information technology costs and other expenses related to our day-to-day activities of being a public company. While we expect that our general and administrative expenses will continue to rise as our portfolio grows, we expect that such expenses as a percentage of our revenues will decrease over time due to efficiencies and economies of scale.

Equity-Based Compensation Expense

All equity-based compensation expense is recognized in our Consolidated Statements of Operations and Comprehensive Income as components of general and administrative expense and property operating expenses. We issue share-based awards to align our directors' and employees' interests with those of our investors.

Indebtedness and Interest Expense

Our credit facilities (the "Credit Facilities"), including the Third Amendment to the Credit Facilities (the "Third Amendment") consist of a \$150.0 million senior unsecured revolving credit facility (the "Revolving Credit Facility"), a \$75.0 million senior unsecured term loan facility (the "2021 Term Loan") and a \$175.0 million senior unsecured term loan facility (the "2022 Term Loan"). In addition, the Third Amendment increases the 2022 Term Loan commitments in an aggregate principal amount of up to \$50.0 million.

We intend to use the Credit Facilities for working capital purposes, which may include repayment of mortgage indebtedness, property acquisitions and other general corporate purposes. We amortize on a non-cash basis the deferred financing costs associated with our debt to interest expense using the straight-line method, which approximates the effective interest rate method over the terms of the related loans. Debt discounts represent fair value adjustments to account for the difference between the stated rates and market rates of debt assumed or entered in connection with our property acquisitions. The debt premiums discounts are amortized to interest expense over the term of the related loans using the straight-line method, which approximates the effective-interest rate method. Any changes to the debt structure, including debt financing associated with property acquisitions, could materially influence the operating results depending on the terms of any such indebtedness.

Income Tax Benefit (Expense)

As a REIT, we generally will not be subject to federal income tax on our net taxable income that we distribute currently to our stockholders. Under the Code, REITs are subject to numerous organizational and operational requirements, including a requirement that they distribute each year at least 90% of their REIT taxable income, determined without regard to the deduction for dividends paid and excluding any net capital gains. If we fail to qualify for taxation as a REIT in any taxable year and do not qualify for certain statutory relief provisions, our income for that year will be taxed at regular corporate rates, and we would be disqualified from taxation as a REIT for the four taxable years following the year during which we ceased to qualify as a REIT. Even though we qualify as a REIT for federal income tax purposes, we may still be subject to state and local taxes on our income and assets and to federal income and excise taxes on our undistributed income. Additionally, any income earned by our existing TRS and any other TRS we may form in the future will be subject to federal, state and local corporate income tax.

Lease Renewal

As of the date of this report, the USPS had not vacated or notified us of its intention to vacate any properties. When a lease expires, the USPS becomes a holdover tenant on a month-to-month basis typically paying the greater of estimated market rent or the rent amount under the expired lease. As of August 4, 2025, none of the properties we own were being occupied by the USPS as a holdover tenant.

While we currently anticipate that we will renew the leases that have expired or will expire, there can be no guarantee that we will be successful in renewing these leases, obtaining positive rent renewal spreads or renewing the leases on terms comparable to those of the expiring leases. Even if we are able to renew these expired leases, the lease terms may not be

comparable to those of the previous leases. If we are not successful, we will likely experience reduced occupancy, rental income and net operating income, as well as diminished borrowing capacity under our Credit Facilities, which could have a material adverse effect on our financial condition, results of operations and ability to make distributions to shareholders. Refer to “Risk Factors - Risks Related to the USPS” under Item 1A of [our Annual Report on Form 10-K](#) for the year ended December 31, 2024 for additional information regarding the risks associated with the USPS.

Results of Operations

Comparison of the Three Months Ended June 30, 2025 and the Three Months Ended June 30, 2024

(Amounts in thousands)	For the Three Months Ended June 30,		\$ Change	% Change
	2025	2024		
Revenues				
Rental income	\$ 22,730	\$ 17,364	\$ 5,366	30.9 %
Fee and other	621	686	(65)	(9.5)%
Total revenues	23,351	18,050	5,301	29.4 %
Operating expenses				
Real estate taxes	2,773	2,385	388	16.3 %
Property operating expenses	1,984	2,118	(134)	(6.3)%
General and administrative	4,316	3,920	396	10.1 %
Casualty and impairment losses (gains), net	(345)	—	(345)	N/A
Depreciation and amortization	5,914	5,518	396	7.2 %
Total operating expenses	14,642	13,941	701	5.0 %
Loss on sale of real estate assets	—	—	—	N/A
Income from operations	8,709	4,109	4,600	111.9 %
Other income	—	15	(15)	(100.0)%
Interest expense, net				
Contractual interest expense	(3,817)	(2,888)	(929)	32.2 %
Write-off and amortization of deferred financing fees and amortization of debt discount	(211)	(181)	(30)	16.6 %
Interest income	1	5	(4)	(80.0)%
Total interest expense, net	(4,027)	(3,064)	(963)	31.4 %
Income before income tax expense	4,682	1,060	3,622	341.7 %
Income tax expense	(10)	(28)	18	(64.3)%
Net income	\$ 4,672	\$ 1,032	\$ 3,640	352.7 %

Revenues

Rental income – Rental income includes net rental income as well as the recovery of certain operating costs and property taxes from tenants. Rental income increased by \$5.4 million to \$22.7 million for the three months ended June 30, 2025 from \$17.4 million for the three months ended June 30, 2024, primarily due to the volume of our acquisitions and the execution of new leases with annual escalations.

Fee and other – Fee and other revenue decreased by \$0.1 million to \$0.6 million for the three months ended June 30, 2025 from \$0.7 million for the three months ended June 30, 2024, primarily due to a decrease in management fees.

Operating Expenses

Real estate taxes – Real estate taxes increased by \$0.4 million to \$2.8 million for the three months ended June 30, 2025 from \$2.4 million for the three months ended June 30, 2024, primarily due to the volume of our acquisitions.

Property operating expenses – Property operating expenses decreased by \$0.1 million to \$2.0 million for the three months ended June 30, 2025 from \$2.1 million for the three months ended June 30, 2024. Property management expenses are included within property operating expenses and decreased by \$0.1 million to \$0.6 million for the three months ended June 30, 2025 from \$0.7 million for the three months ended June 30, 2024.

General and administrative – General and administrative expenses increased by \$0.4 million to \$4.3 million for the three months ended June 30, 2025 from \$3.9 million for the three months ended June 30, 2024, primarily due to an increase in net compensation costs, partially offset by a decrease in public company-related expenses.

Casualty and impairment losses (gains), net - Casualty and impairment gains for the three months ended June 30, 2025 were \$0.3 million which reflects \$0.1 million in gross charges primarily related to the net book value of several properties damaged as a result of natural disasters and related repairs, offset by \$0.6 million of related insurance claims resulting in a net gain of \$0.5 million and \$0.2 million for an impairment on an asset that was reclassified to Assets Held for Sale. No casualty and impairment losses (gains), net occurred for the three months ended June 30, 2024.

Depreciation and amortization – Depreciation and amortization expense increased by \$0.4 million to \$5.9 million for the three months ended June 30, 2025 from \$5.5 million for three months ended June 30, 2024, primarily due to the volume of our acquisitions.

Total Interest Expense, Net

During the three months ended June 30, 2025, we incurred total interest expense, net of \$4.0 million compared to \$3.1 million for the three months ended June 30, 2024. The increase in interest expense was primarily due to additional borrowings under the Credit Facilities and increased interest rates.

Comparison of the Six Months Ended June 30, 2025 and Six Months Ended June 30, 2024

	For the Six Months Ended June 30,		\$ Change	% Change
	2025	2024		
Revenues				
Rental income	\$ 44,210	\$ 33,969	\$ 10,241	30.1 %
Fee and other	1,291	1,369	(78)	(5.7)%
Total revenues	45,501	35,338	10,163	28.8 %
Operating expenses				
Real estate taxes	5,422	4,687	735	15.7 %
Property operating expenses	4,445	4,471	(26)	(0.6)%
General and administrative	9,252	8,213	1,039	12.7 %
Casualty and impairment losses (gains), net	(195)	—	(195)	N/A
Depreciation and amortization	11,538	10,819	719	6.6 %
Total operating expenses	30,462	28,190	2,272	8.1 %
Loss on sale of real estate assets	(49)	—	(49)	N/A
Income from operations	14,990	7,148	7,842	109.7 %
Other income	30	65	(35)	(53.8)%
Interest expense, net				
Contractual interest expense	(7,254)	(5,525)	(1,729)	31.3 %
Write-off and amortization of deferred financing fees	(422)	(362)	(60)	16.6 %
Interest income	7	6	1	16.7 %
Total interest expense, net	(7,669)	(5,881)	(1,788)	30.4 %
Income before income tax expense	7,351	1,332	6,019	451.9 %
Income tax expense	(24)	(44)	20	(45.5)%
Net income	\$ 7,327	\$ 1,288	\$ 6,039	468.9 %

Revenues

Rental income – Rental income includes net rental income as well as the recovery of certain operating costs and property taxes from tenants. Rental income increased by \$10.2 million to \$44.2 million for the six months ended June 30, 2025 from \$34.0 million for the six months ended June 30, 2024, primarily due to the volume of our acquisitions.

Fee and other – Fee and other revenue decreased by \$0.1 million to \$1.3 million for the six months ended June 30, 2025 from \$1.4 million for the six months ended June 30, 2024, primarily due to a decrease in management fees.

Operating Expense

Real estate taxes – Real estate taxes increased by \$0.7 million to \$5.4 million for the six months ended June 30, 2025 from \$4.7 million for the six months ended June 30, 2024, primarily due to the volume of our acquisitions.

General and administrative – General and administrative expenses increased by \$1.0 million to \$9.3 million for the six months ended June 30, 2025 from \$8.2 million for the six months ended June 30, 2024 primarily due to an increase in net compensation costs, partially offset by a decrease in public company-related expenses.

Casualty and impairment losses (gains), net - Casualty and impairment gains for the six months ended June 30, 2025 were \$0.2 million which reflects \$0.6 million in gross charges primarily related to the net book value of several properties damaged as a result of natural disasters and related repairs, offset by \$1.0 million of related insurance claims resulting in a net gain of \$0.4 million and \$0.2 million for an impairment on an asset that was reclassified to Assets Held for Sale. No casualty and impairment losses (gain), net occurred for the six months ended June 30, 2024.

Depreciation and amortization – Depreciation and amortization expense increased by \$0.7 million to \$11.5 million for the six months ended June 30, 2025 from \$10.8 million for the six months ended June 30, 2024, primarily due to the volume of our acquisitions.

Total Interest Expense, Net

During the six months ended June 30, 2025, we incurred total interest expense, net of \$7.7 million compared to \$5.9 million for the six months ended June 30, 2024. The increase in interest expense is primarily related due to additional borrowings under the Credit Facilities and increased interest rates.

Cash Flows

Comparison of the Six Months Ended June 30, 2025 and the Six Months Ended June 30, 2024

We had \$1.1 million of cash and \$1.0 million of escrows and reserves as of June 30, 2025 compared to \$1.7 million of cash and \$0.9 million of escrows and reserves as of June 30, 2024.

Cash flows from operating activities – Net cash provided by operating activities increased by \$5.9 million to \$22.2 million for the six months ended June 30, 2025 compared to \$16.3 million for the same period in 2024. The increase is primarily due to the volume of our acquisitions and the execution of new leases with annual rent escalations all of which have generated additional rental income and related changes in working capital, as well as the timing of certain receivables and payables.

Cash flows used in investing activities – Net cash used in investing activities for the six months ended June 30, 2025 primarily consisted of \$46.9 million of acquisitions and \$3.5 million of escrow deposits for acquisitions, capital improvements and other investing activities offset by \$1.7 million in proceeds received from the sale of real estate assets and property damage claims. Net cash used in investing activities for the six months ended June 30, 2024 primarily consisted of \$41.8 million of acquisitions and \$1.9 million of escrow deposits for acquisitions, capital improvements and other investing activities.

Cash flows from financing activities – Net cash provided by financing activities decreased by \$1.1 million to \$26.0 million for the six months ended June 30, 2025 compared to \$27.1 million for the six months ended June 30, 2024. The decrease was primarily related to an increase in the payment of dividends and distributions, an decrease in borrowings from the Revolving Credit Facility, partially offset by an increase in net proceeds received from issuance of shares.

Liquidity and Capital Resources

We had approximately \$1.1 million of cash and \$1.0 million of escrows and reserves as of June 30, 2025.

Revolving Credit Facility and Term Loans

On August 9, 2021, we entered into the Credit Facilities, which initially included the \$150.0 million Revolving Credit Facility and the \$50.0 million 2021 Term Loan, with Bank of Montreal, as administrative agent, and BMO Capital Markets Corp., M&T Bank, JPMorgan Chase Bank, N.A. and Truist Securities, Inc. as joint lead arrangers and joint book runners. Additional participants in the Credit Facilities include Stifel Bank & Trust and TriState Capital Bank. On May 11, 2022, we entered into the First Amendment to, among other things, add the 2022 Term Loan (and, together with the 2021 Term Loan, the "Term Loans"). On December 6, 2022, we exercised \$40.0 million of accordion feature under the 2022 Term Loan. On July 24, 2023, we entered into the Second Amendment and further exercised \$35.0 million of accordion under the Term Loans. On October 25, 2024, we entered into the Third Amendment and increased our commitments on the 2022 Term Loan and further exercised \$50.0 million. As of June 30, 2025, we had \$296.0 million of aggregate principal amount outstanding under our Credit Facilities, with \$75.0 million drawn on the 2021 Term Loan, \$175.0 million drawn on the 2022 Term Loan and \$46.0 million drawn on the Revolving Credit Facility.

The Credit Facilities include an accordion feature which permit us to borrow up to an additional (i) \$150.0 million under the Revolving Credit Facility and (ii) \$50.0 million under the Term Loans, subject to customary terms and conditions.

The Revolving Credit Facility matures in January 2026, which may be extended for two six-month periods subject to customary conditions, the 2021 Term Loan matures in January 2027 and the 2022 Term Loan matures in February 2028. Borrowings under the Credit Facilities carry an interest rate of, (i) in the case of the Revolving Credit Facility, either a base rate plus a margin ranging from 0.5% to 1.0% per annum or Adjusted Term SOFR (as defined below) plus a margin ranging from 1.5% to 2.0% per annum, or (ii) in the case of the Term Loans, either a base rate plus a margin ranging from 0.45% to 0.95% per annum or Adjusted Term SOFR plus a margin ranging from 1.45% to 1.95% per annum, in each case depending on a consolidated leverage ratio. With respect to the Revolving Credit Facility, we will pay, if the usage is equal to or less than 50%, an unused facility fee of 0.20% per annum, or if the usage is greater than 50%, an unused facility fee of 0.15% per annum, in each case on the average daily unused commitments under the Revolving Credit Facility.

The Credit Facilities are guaranteed, jointly and severally, by us and certain of our indirect subsidiaries and contain customary covenants that, among other things, restrict, subject to certain exceptions, our ability to incur indebtedness, grant liens on assets, make certain types of investments, engage in acquisitions, mergers or consolidations, sell assets, enter into certain transactions with affiliates and pay dividends or make distributions. The Credit Facilities require compliance with consolidated financial maintenance covenants to be tested quarterly, including a minimum fixed charge coverage ratio, maximum total leverage ratio, minimum tangible net worth, maximum secured leverage ratio, maximum unsecured leverage ratio, minimum unsecured debt service coverage ratio and maximum secured recourse leverage ratio. The Credit Facilities also contain certain customary events of default, including the failure to make timely payments under the Credit Facilities, any event or condition that makes other material indebtedness due prior to its scheduled maturity, the failure to satisfy certain covenants and specified events of bankruptcy and insolvency. As of June 30, 2025, we were in compliance with all of the Credit Facilities' debt covenants.

As of June 30, 2025, we had nine interest rate swaps with a total notional amount of \$250.0 million that are used to manage our interest rate risk and fix the SOFR component on the Term Loans of the Credit Facilities (together, the "Interest Rate Swaps"). See Note 6. Derivatives and Hedging Activities in the Notes to our unaudited Consolidated Financial Statements included under Item 1 herein for further details regarding the Interest Rate Swaps.

Capital Resources and Financing Strategy

Our short-term liquidity requirements primarily consist of operating expenses and other expenditures associated with our properties, distributions to our limited partners and distributions to our stockholders required to qualify for REIT status, capital expenditures and property acquisitions. We expect to meet our short-term liquidity requirements through net cash provided by operations, cash, borrowings under our Credit Facilities and the potential issuance of securities. We have an effective shelf registration statement on file with the SEC under which we may issue equity financing through the instruments and on the terms most attractive to us at such time, including through our \$150.0 million ATM Program.

Our long-term liquidity requirements primarily consist of funds necessary for the repayment of debt at maturity, distributions to our limited partners and distributions to our stockholders required to qualify for REIT status, property acquisitions and non-recurring capital improvements. We expect to meet our long-term liquidity requirements with net cash from operations, long-term indebtedness including our Credit Facilities and mortgage financing, the issuance of equity and debt securities and proceeds from select sales of our properties. We also may fund property acquisitions and non-recurring capital improvements using our Credit Facilities pending permanent property-level financing.

We believe we have access to multiple sources of capital to fund our long-term liquidity requirements, including the incurrence of additional debt and the issuance of additional equity securities. However, in the future, there may be a number of factors that could have a material and adverse effect on our ability to access these capital sources, including unfavorable conditions in the overall equity and credit markets, our degree of leverage, our unencumbered asset base, borrowing restrictions imposed by our lenders, general market conditions for REITs, our operating performance, liquidity and market perceptions about us. The success of our business strategy will depend, to a significant degree, on our ability to access these various capital sources. In addition, we continuously evaluate possible acquisitions of postal properties, which largely depend on, among other things, the market for owning and leasing postal properties and the terms on which the USPS will enter into new or renewed leases.

To maintain our qualification as a REIT, we must make distributions to our stockholders aggregating annually at least 90% of our REIT taxable income determined without regard to the deduction for dividends paid and excluding capital gains. As a result of this requirement, we cannot rely on retained earnings to fund our business needs to the same extent as other entities that are not REITs. If we do not have sufficient funds available to us from our operations to fund our business needs, we will need to find alternative ways to fund those needs. Such alternatives may include, among other things, divesting ourselves of properties (whether or not the sales price is optimal or otherwise meets our strategic long-term objectives), incurring

indebtedness or issuing equity securities in public or private transactions, the availability and attractiveness of the terms of which cannot be assured.

Material Capital Improvement Projects

The Company is currently undertaking capital improvement projects for two properties it owns in Pauline, Kansas (the "Pauline CIP"). The Pauline CIP is expected to cost an additional \$1.6 million to \$2.3 million, a majority of which is expected to be incurred in the third and fourth quarters of 2025. Currently, the Company expects that a portion of the costs associated with the Pauline CIP will be offset by the receipt of insurance proceeds.

Consolidated Indebtedness

As of June 30, 2025, we had approximately \$330.2 million of outstanding consolidated principal indebtedness. The following table sets forth information as of June 30, 2025 with respect to our outstanding indebtedness (in thousands):

	Outstanding Balance as of June 30, 2025	Interest Rate at June 30, 2025	Maturity Date
Revolving Credit Facility⁽¹⁾⁽²⁾	\$ 46,000	SOFR+150 bps ⁽³⁾	January 2026
2021 Term Loan⁽¹⁾	75,000	SOFR+145 bps ⁽³⁾	January 2027
2022 Term Loan⁽¹⁾	175,000	SOFR+145 bps ⁽³⁾	February 2028
Secured Borrowings:			
Vision Bank ⁽⁴⁾	1,409	3.69 %	September 2041
First Oklahoma Bank ⁽⁵⁾	290	3.63 %	December 2037
Vision Bank – 2018 ⁽⁶⁾	844	3.69 %	September 2041
AIG ⁽⁷⁾	30,225	2.80 %	January 2031
Seller Financing - 2024 ⁽⁸⁾	1,400	5.00 %	September 2039
Total Principal	\$ 330,168		

Explanatory Notes:

- (1) See above under "—Revolving Credit Facility and Term Loans" for details regarding the Credit Facilities. During the three and six months ended June 30, 2025, we incurred \$0.05 million and \$0.1 million of unused facility fees related to the Revolving Credit Facility, respectively.
- (2) The Revolving Credit Facility matures in January 2026, which may be extended for two six-month periods. The Company is currently exploring various refinancing options (the "Refinancing") and believes that it will be successful in extending or Refinancing the Revolving Credit Facility.
- (3) Based upon the applicable SOFR rate plus a SOFR adjustment of 0.10%, subject to a 0% floor (the "Adjusted Term SOFR").
- (4) Five properties are collateralized under this loan and Mr. Spodek also provided a personal guarantee of payment for 50% of the outstanding amount thereunder. The loan has a fixed interest rate of 3.69% for the first five years with interest payments only (ending in October 2026), then adjusting every subsequent five-year period thereafter with principal and interest payments to the rate based on the five-year weekly average yield on United States Treasury securities adjusted to a constant maturity of five years, as made available to the Board of Governors of the Federal Reserve System (the "Five-Year Treasury Rate"), plus a margin of 2.75%, with a minimum annual rate of 2.75%.
- (5) The loan is collateralized by first mortgage liens on four properties and a personal guarantee of payment by Mr. Spodek. The loan has a fixed interest rate of 3.625% for the first five years (ending in August 2026), then adjusting annually thereafter to a variable annual rate of Wall Street Journal Prime Rate with a minimum annual rate of 3.625%.
- (6) The loan is collateralized by first mortgage liens on one property and a personal guarantee of payment by Mr. Spodek. The loan has a fixed interest rate of 3.69% for the first five years with interest payments only (ending in October 2026),

then adjusting every subsequent five-year period thereafter with principal and interest payments to the rate based on the Five-Year Treasury Rate, plus a margin of 2.75%, with a minimum annual rate of 2.75%.

- (7) *The loan is secured by a first mortgage lien on an industrial property located in Warrendale, Pennsylvania. The loan has a fixed interest rate of 2.80% with interest-only payments for the first five years (ending in January 2026) and fixed payments of principal and interest thereafter based on a 30-year amortization schedule.*
- (8) *In connection with the acquisition of two properties, the Company obtained seller financing secured by the properties in the amount of \$1.4 million based on a fixed interest rate of 5.00% with interest-only payments through September 1, 2039.*

Secured Borrowings as of June 30, 2025

As of June 30, 2025, we had approximately \$34.2 million of secured borrowings outstanding, all of which are currently fixed-rate debt with a weighted average interest rate of 2.96% per annum.

Dividends

To maintain our qualification as a REIT, we are required to pay dividends to stockholders at least equal to 90% of our REIT taxable income determined without regard to the deduction for dividends paid and excluding net capital gains. During the three and six months ended June 30, 2025, we paid cash dividends of \$0.2425 per share, and \$0.485 per share, respectively. Our Board of Directors approved, and on July 20, 2025, we declared a second quarter 2025 common stock dividend of \$0.2425 per share, which will be paid on August 29, 2025 to stockholders of record as of July 31, 2025.

Inflation

Because most of our leases provide for fixed annual rental payments without annual rent escalations, our rental revenues are fixed while our property operating expenses are subject to inflationary increases. A majority of our leases provide for tenant reimbursement of real estate taxes and thus the tenant must reimburse us for real estate taxes. We believe that if inflation increases expenses over time, increases in lease renewal rates will materially offset such increase.

Share Repurchase Program

On February 25, 2025 (the "SRP Date"), the Board of Directors authorized the creation of a share repurchase program (the "Share Repurchase Program") pursuant to which we may repurchase up to \$25.0 million of our Class A common stock. Repurchases of our Class A common stock conducted under the Share Repurchase Program may be made through open market transactions, block trades or other methods designed to comply with Rule 10b-18 of the Exchange Act. No shares of our Class A common stock were repurchased pursuant to the Share Repurchase Program for the three months ended June 30, 2025 and the dollar value of Class A common stock shares that remains available to be repurchased under the Share Repurchase Program is \$25.0 million. The Share Repurchase Program does not obligate us to repurchase any specific dollar amount, or to acquire any specific number, of shares of our Class A common stock and may be suspended or discontinued at any time at the discretion of the Board of Directors.

Subsequent Real Estate Acquisitions

As of August 4, 2025 and during the period subsequent to June 30, 2025, we have acquired 23 properties in individual or portfolio transactions for an aggregate of approximately \$8.4 million, excluding closing costs.

Critical Accounting Estimates

Refer to the heading titled "Critical Accounting Estimates" under Item 7 of [our Annual Report on Form 10-K](#) for the year ended December 31, 2024 for a discussion of our critical accounting estimates.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk of loss from adverse changes in market prices and interest rates. Our future earnings, cash flows and fair values relevant to financial instruments are dependent upon prevailing market interest rates. Our primary market risk results from our indebtedness, which bears interest at both fixed and variable rates. As of June 30, 2025, our indebtedness was approximately \$330.2 million, consisting of approximately \$296.0 million of variable-rate debt and approximately \$34.2 million of fixed-rate debt. Of the \$296.0 million variable-rate debt, \$250.0 million relates to the Term Loans, which have been fixed through the Interest Rate Swaps. When factoring in the Term Loans as fixed-rate debt through the Interest Rate Swaps, as of June 30, 2025, approximately \$46.0 million of our indebtedness was variable-rate debt and approximately \$284.2 million was fixed-rate debt. Assuming no increase in the amount of our outstanding variable-rate indebtedness, if the one-month Adjusted Term SOFR were to increase or decrease by 1.0%, our cash flows would decrease or increase by approximately \$0.5 million on an annualized basis.

Subject to maintaining our status as a REIT for federal income tax purposes, we manage our market risk on variable rate debt through the use of interest rate swaps that fix the rate on all or a portion of our variable rate debt for varying periods up to maturity, such as the Interest Rate Swaps. In the future, we may use other derivative instruments such as interest cap agreements to, in effect, cap the interest rate on all or a portion of the debt for varying periods up to maturity. This in turn, reduces the risks of variability of cash flows created by variable rate debt and mitigates the risk of increases in interest rates. Our objective when undertaking such arrangements will be to reduce our floating rate exposure. However, we provide no assurance that our efforts to manage interest rate volatility will successfully mitigate the risks of such volatility in our portfolio and we do not intend to enter into hedging arrangements for speculative purposes.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act that are designed to ensure that information required to be disclosed in our reports under the Exchange Act is processed, recorded, summarized and reported within the time periods specified in the rules and regulations of the SEC and that such information is accumulated and communicated to management, including our Chief Executive Officer (Principal Executive Officer), interim Chief Financial Officer and our Principal Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

We have carried out an evaluation, under the supervision and with the participation of management, including our Principal Executive Officer and Principal Financial Officer, regarding the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on the foregoing, our Principal Executive Officer and Principal Financial Officer have concluded, as of the end of the period covered by this report, that our disclosure controls and procedures were effective in ensuring that information required to be disclosed by us in reports filed or submitted under the Exchange Act (i) is processed, recorded, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) is accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, as appropriate to allow for timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting that occurred during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may in the future be party to various claims and routine litigation arising in the ordinary course of business. Our management does not believe that any such litigation will materially affect our financial position or operations.

Item 1A. Risk Factors

There have been no material changes from the risk factors disclosed in the section entitled “Risk Factors” under Item 1A of [our Annual Report on Form 10-K](#) for the year ended December 31, 2024.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit	Exhibit Description
10.1	Transition and General Release Agreement dated June 18, 2025, by and between the Company and Robert Klein (incorporation by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on June 18, 2025).
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
101.INS	INSTANCE DOCUMENT**
101.SCH	SCHEMA DOCUMENT**
101.CAL	CALCULATION LINKBASE DOCUMENT**
101.LAB	LABELS LINKBASE DOCUMENT**
101.PRE	PRESENTATION LINKBASE DOCUMENT**
101.DEF	DEFINITION LINKBASE DOCUMENT**
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Exhibits filed with this report.

** Submitted electronically herewith. Attached as Exhibit 101 to this report are the following documents formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets; (ii) Consolidated Statements of Operations and Comprehensive Income; (iii) Consolidated Statements of Changes in Equity; (iv) Consolidated Statements of Cash Flows; and (v) Notes to Consolidated Financial Statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

POSTAL REALTY TRUST, INC.

Date: August 4, 2025

By: /s/ Andrew Spodek
Andrew Spodek
Chief Executive Officer
(Principal Executive Officer)

Date: August 4, 2025

By: /s/ Robert B. Klein
Robert B. Klein
Principal Financial Officer
(Principal Financial Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) OF THE EXCHANGE ACT, AS AMENDED,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Andrew Spodek, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Postal Realty Trust, Inc. (the “registrant”) for the period ended June 30, 2025;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 4, 2025

/s/ Andrew Spodek

Andrew Spodek,
Chief Executive Officer
(Principal Executive Officer)
Postal Realty Trust, Inc.

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) OF THE EXCHANGE ACT, AS AMENDED,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Robert B. Klein, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Postal Realty Trust, Inc. (the “registrant”) for the period ended July 30, 2025;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 4, 2025

/s/ Robert B. Klein

Robert B. Klein
Principal Financial Officer
(Principal Financial Officer)
Postal Realty Trust, Inc.

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
Certificate of Principal Executive Officer**

In connection with the Quarterly Report of Postal Realty Trust, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Andrew Spodek, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods presented.

POSTAL REALTY TRUST, INC.

Date: August 4, 2025

By: /s/ Andrew Spodek
Andrew Spodek
Chief Executive Officer and Director
(Principal Executive Officer)

This written report is being furnished to the Securities and Exchange Commission as an exhibit to the Report. A signed original of this written statement required by Section 906 has been provided to Postal Realty Trust, Inc. and will be retained by Postal Realty Trust, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
Certificate of Principal Financial Officer**

In connection with the Quarterly Report of Postal Realty Trust, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert B. Klein, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods presented.

POSTAL REALTY TRUST, INC.

Date: August 4, 2025

By: /s/ Robert B. Klein
Robert B. Klein
Principal Financial Officer
(Principal Financial Officer)

This written report is being furnished to the Securities and Exchange Commission as an exhibit to the Report. A signed original of this written statement required by Section 906 has been provided to Postal Realty Trust, Inc. and will be retained by Postal Realty Trust, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.