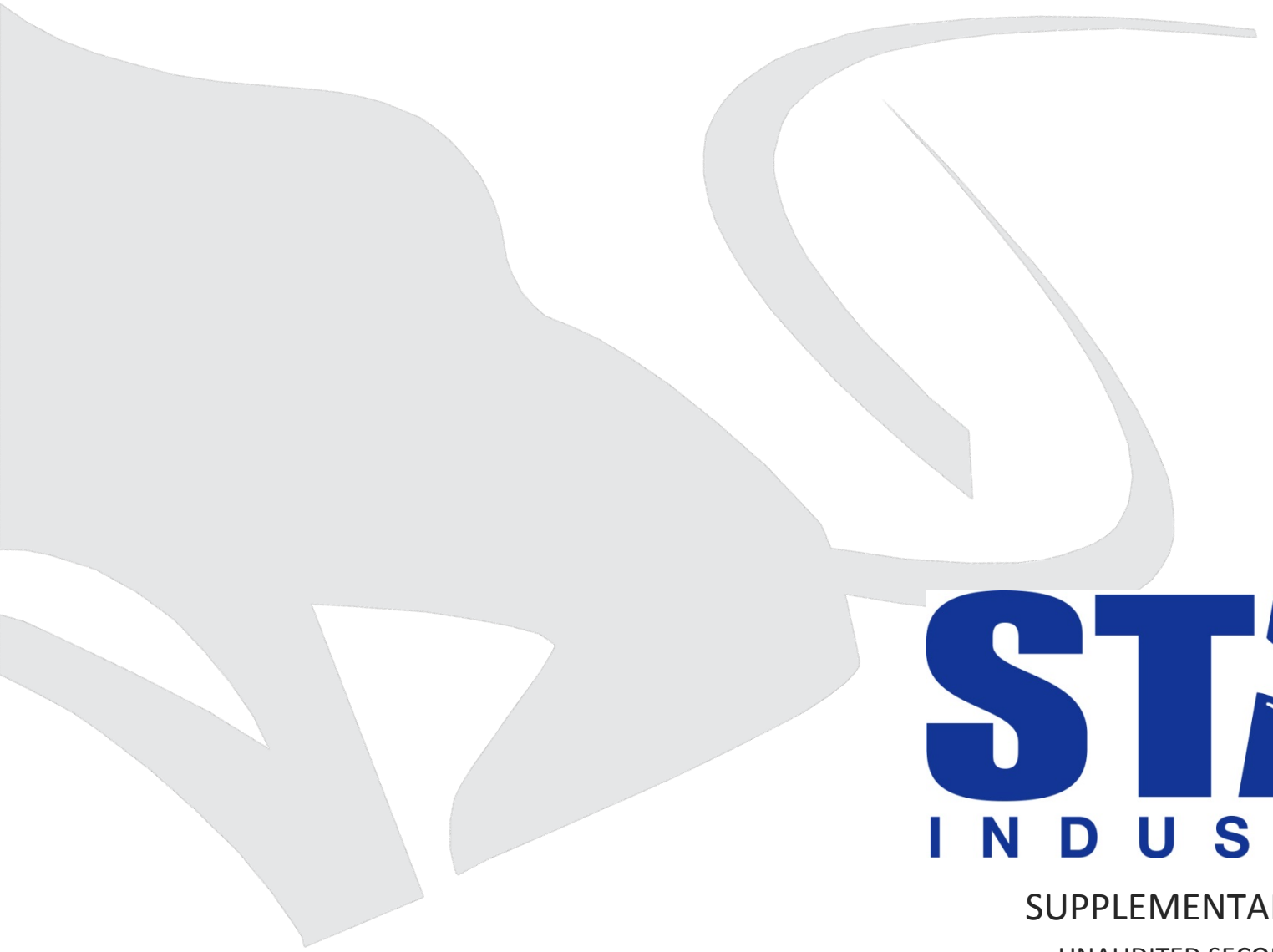

STAG INDUSTRIAL

SUPPLEMENTAL INFORMATION

UNAUDITED SECOND QUARTER 2021

Forward-Looking Statements

This supplemental information package contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. STAG Industrial, Inc. (STAG) intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and includes this statement for purposes of complying with these safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe STAG's future plans, strategies and expectations, are generally identifiable by use of the words "believe," "will," "expect," "intend," "anticipate," "estimate," "should", "project" or similar expressions. You should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond STAG's control and which could materially affect actual results, performances or achievements. Factors that may cause actual results to differ materially from current expectations include, but are not limited to, the risk factors discussed in STAG's most recent Annual Report on Form 10-K for the year ended December 31, 2020, as updated by the Company's subsequent reports filed with the Securities and Exchange Commission. Accordingly, there is no assurance that STAG's expectations will be realized. Except as otherwise required by the federal securities laws, STAG disclaims any obligation or undertaking to publicly release any updates or revisions to any forward-looking statement contained herein (or elsewhere) to reflect any change in STAG's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Defined Terms, Including Non-GAAP Measurements

Please refer to the Definitions section near the end of these materials for definitions of capitalized terms used herein, including, among others, Annualized Base Rental Revenue, Capitalization Rate and Retention, as well as non-GAAP financial measures, such as Adjusted EBITDA*re*, Cash NOI, and Core FFO. These materials provide reconciliations of non-GAAP financial measures to net income (loss) in accordance with GAAP. None of the non-GAAP financial measures is intended as an alternative to net income (loss) in accordance with GAAP as a measure of the Company's financial performance.

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OVERVIEW

Snapshot (June 30, 2021)	
Square Feet	100.1 million
Number of Buildings	501
Number of States	39
Portfolio Occupancy	96.8%
Weighted Average Lease Term	5.1 years
Weighted Average Rent	$4.59/sf
Net Debt to Run Rate Adjusted EBITDA*re*	4.7x
Fixed Charge Coverage Ratio	6.6x
Monthly Dividend (annualized)	$0.120833 ($1.45)

West Columbia, SC

Waukegan, IL

CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)	June 30, 2021	December 31, 2020
Assets		
Rental Property:		
Land	$ 510,413	$ 492,783
Buildings and improvements, net of accumulated depreciation of $552,967 and $495,348, respectively	3,630,823	3,532,608
Deferred leasing intangibles, net of accumulated amortization of $260,893 and $258,005, respectively	482,672	499,802
Total rental property, net	4,623,908	4,525,193
Cash and cash equivalents	14,588	15,666
Restricted cash	3,927	4,673
Tenant accounts receivable	83,262	77,796
Prepaid expenses and other assets	51,639	43,471
Interest rate swaps	1,704	—
Operating lease right-of-use assets	24,634	25,403
Assets held for sale, net	2,737	444
Total assets	**$ 4,806,399**	**$ 4,692,646**
Liabilities and Equity		
Liabilities:		
Unsecured credit facility	$ 284,000	$ 107,000
Unsecured term loans, net	970,930	971,111
Unsecured notes, net	573,390	573,281
Mortgage notes, net	55,811	51,898
Accounts payable, accrued expenses and other liabilities	65,269	69,765
Interest rate swaps	28,795	40,656
Tenant prepaid rent and security deposits	30,732	27,844
Dividends and distributions payable	19,803	19,379
Deferred leasing intangibles, net of accumulated amortization of $17,510 and $15,759, respectively	32,929	32,762
Operating lease liabilities	27,838	27,898
Total liabilities	**$ 2,089,497**	**$ 1,921,594**
Equity:		
Preferred stock, par value $0.01 per share, 20,000,000 shares authorized at June 30, 2021 and December 31, 2020,		
Series C, -0- and 3,000,000 shares (liquidation preference of $25.00 per share) issued and outstanding at June 30, 2021 and December 31, 2020, respectively	—	75,000
Common stock, par value $0.01 per share, 300,000,000 shares authorized at June 30, 2021 and December 31, 2020, respectively, 160,315,538 and 158,209,823 shares issued and outstanding at June 30, 2021 and December 31, 2020, respectively	1,603	1,582
Additional paid-in capital	3,486,942	3,421,721
Cumulative dividends in excess of earnings	(804,113)	(742,071)
Accumulated other comprehensive loss	(26,742)	(40,025)
Total stockholders' equity	2,657,690	2,716,207
Noncontrolling interest	59,212	54,845
Total equity	**2,716,902**	**2,771,052**
Total liabilities and equity	**$ 4,806,399**	**$ 4,692,646**

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Revenue				
Rental income	$ 137,805	$ 117,471	$ 271,630	$ 235,810
Other income	622	146	792	355
Total revenue	138,427	117,617	272,422	236,165
Expenses				
Property	25,356	20,392	52,358	42,339
General and administrative	12,578	9,406	25,368	19,779
Depreciation and amortization	57,332	53,606	115,739	106,294
Other expenses	511	588	1,363	1,064
Total expenses	95,777	83,992	194,828	169,476
Other income (expense)				
Interest and other income	30	156	62	235
Interest expense	(15,273)	(15,333)	(30,631)	(30,197)
Debt extinguishment and modification expenses	—	(834)	(679)	(834)
Gain on involuntary conversion	—	657	—	657
Gain on the sales of rental property, net	5,976	1,045	12,385	47,804
Total other income (expense)	(9,267)	(14,309)	(18,863)	17,665
Net income	**$ 33,383**	**$ 19,316**	**$ 58,731**	**$ 84,354**
Less: income attributable to noncontrolling interest after preferred stock dividends	733	407	1,206	2,005
Net income attributable to STAG Industrial, Inc.	**$ 32,650**	**$ 18,909**	**$ 57,525**	**$ 82,349**
Less: preferred stock dividends	—	1,289	1,289	2,578
Less: redemption of preferred stock	—	—	2,582	—
Less: amount allocated to participating securities	74	68	147	136
Net income attributable to common stockholders	**$ 32,576**	**$ 17,552**	**$ 53,507**	**$ 79,635**
Weighted average common shares outstanding — basic	159,736	148,663	159,086	148,116
Weighted average common shares outstanding — diluted	161,367	149,027	160,249	148,341
Net income per share — basic and diluted				
Net income per share attributable to common stockholders — basic	$ 0.20	$ 0.12	$ 0.34	$ 0.54
Net income per share attributable to common stockholders — diluted	$ 0.20	$ 0.12	$ 0.33	$ 0.54

NET OPERATING INCOME (NOI) & CASH NOI

(in thousands)	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Net income	$ 33,383	$ 19,316	$ 58,731	$ 84,354
General and administrative	12,578	9,406	25,368	19,779
Transaction costs	59	8	79	59
Depreciation and amortization	57,332	53,606	115,739	106,294
Interest and other income	(30)	(156)	(62)	(235)
Interest expense	15,273	15,333	30,631	30,197
Gain on involuntary conversion	—	(657)	—	(657)
Debt extinguishment and modification expenses	—	834	679	834
Other expenses	452	580	1,284	1,005
Gain on the sales of rental property, net	(5,976)	(1,045)	(12,385)	(47,804)
Net operating income [1]	**$ 113,071**	**$ 97,225**	**$ 220,064**	**$ 193,826**
Net operating income	$ 113,071	$ 97,225	$ 220,064	$ 193,826
Straight-line rent adjustments, net	(5,414)	(3,529)	(11,261)	(8,514)
Straight-line termination, solar and other income adjustments, net	786	1,766	1,844	2,887
Amortization of above and below market leases, net	325	1,168	1,799	2,152
Cash net operating income	**$ 108,768**	**$ 96,630**	**$ 212,446**	**$ 190,351**
Cash net operating income	$ 108,768			
Cash NOI from acquisitions' and dispositions' timing	1,179			
Cash termination, solar and other income	(1,663)			
Run Rate Cash NOI	**$ 108,284**			
Same Store Portfolio NOI				
Total NOI	$ 113,071	$ 97,225	$ 220,064	$ 193,826
Less: NOI non-same-store properties	(18,159)	(7,179)	(34,988)	(13,106)
Termination, solar and other adjustments, net	(875)	(728)	(404)	(789)
Same Store NOI	**$ 94,037**	**$ 89,318**	**$ 184,672**	**$ 179,931**
Less: straight-line rent adjustments, net	(3,892)	(3,349)	(6,289)	(8,319)
Amortization of above and below market leases, net	736	1,064	1,438	1,965
Same Store Cash NOI	**$ 90,881**	**$ 87,033**	**$ 179,821**	**$ 173,577**

(1) For the three and six months ended June 30, 2021 and 2020, Total Rental Income was $137,805, $271,630, $117,471 and $235,810, comprising of base rental income of $114,566, $225,706, $99,898 and $200,030 and tenant reimbursement income of $23,239, $45,924, $17,573 and $35,780, respectively.

FUNDS FROM OPERATIONS (FFO) & CORE FFO

(in thousands, except per share data)	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Net income	$ 33,383	$ 19,316	$ 58,731	$ 84,354
Rental property depreciation and amortization	57,291	53,537	115,630	106,154
Gain on the sales of rental property, net	(5,976)	(1,045)	(12,385)	(47,804)
Funds from operations	**$ 84,698**	**$ 71,808**	**$ 161,976**	**$ 142,704**
Preferred stock dividends	—	(1,289)	(1,289)	(2,578)
Redemption of preferred stock	—	—	(2,582)	—
Amount allocated to restricted shares of common stock and unvested units	(224)	(196)	(461)	(406)
Funds from operations attributable to common stockholders and unit holders	**$ 84,474**	**$ 70,323**	**$ 157,644**	**$ 139,720**
Funds from operations attributable to common stockholders and unit holders	$ 84,474	$ 70,323	$ 157,644	$ 139,720
Amortization of above and below market leases, net	325	1,168	1,799	2,152
Transaction costs	59	8	79	59
Non-recurring dead deal costs	—	108	412	307
Debt extinguishment and modification expenses	—	834	679	834
Gain on involuntary conversion	—	(657)	—	(657)
Redemption of preferred stock	—	—	2,582	—
Retirement plan adoption	1,401	—	2,903	—
Core funds from operations	**$ 86,259**	**$ 71,784**	**$ 166,098**	**$ 142,415**
Weighted average common shares and units				
Weighted average common shares outstanding	159,736	148,663	159,086	148,116
Weighted average units outstanding	3,164	3,291	3,148	3,351
Weighted average common shares and units - basic	**162,900**	**151,954**	**162,234**	**151,467**
Dilutive shares	1,631	364	1,163	225
Weighted average common shares, units, and other dilutive shares - diluted	**164,531**	**152,318**	**163,397**	**151,692**
Core funds from operations per share / unit - basic	**$ 0.53**	**$ 0.47**	**$ 1.02**	**$ 0.94**
Core funds from operations per share / unit - diluted	**$ 0.52**	**$ 0.47**	**$ 1.02**	**$ 0.94**

ADJUSTED EBITDA*re* & CASH AVAILABLE FOR DISTRIBUTION (CAD)

(in thousands)	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Net income	$ 33,383	$ 19,316	$ 58,731	$ 84,354
Depreciation and amortization	57,332	53,606	115,739	106,294
Interest and other income	(30)	(156)	(62)	(235)
Interest expense	15,273	15,333	30,631	30,197
Gain on the sales of rental property, net	(5,976)	(1,045)	(12,385)	(47,804)
EBITDA for Real Estate (EBITDA*re*)	**$ 99,982**	**$ 87,054**	**$ 192,654**	**$ 172,806**
EBITDA*re*	$ 99,982	$ 87,054	192,654	172,806
Straight-line rent adjustments, net	(4,997)	(3,415)	(10,731)	(8,385)
Amortization of above and below market leases, net	325	1,168	1,799	2,152
Non-cash compensation expense	4,539	2,938	9,154	5,790
Termination, solar and other income, net	(877)	(1,267)	(554)	(1,328)
Transaction costs	59	8	79	59
Non-recurring other expenses	—	—	400	—
Gain on involuntary conversion	—	(657)	—	(657)
Debt extinguishment and modification expenses	—	834	679	834
Adjusted EBITDA*re*	**$ 99,031**	**$ 86,663**	**$ 193,480**	**$ 171,271**
Adjusted EBITDA*re*	$ 99,031			
Adjusted EBITDA*re* from acquisitions' and dispositions' timing	1,179			
Run Rate Adjusted EBITDA*re*	**$ 100,210**			
Cash available for distribution reconciliation				
Core funds from operations	$ 86,259	$ 71,784	$ 166,098	$ 142,415
Non-rental property depreciation and amortization	41	69	109	140
Straight-line rent adjustments, net	(4,997)	(3,415)	(10,731)	(8,385)
Straight-line termination, solar and other income adjustments, net	786	1,766	1,844	2,887
Recurring capital expenditures	(258)	(152)	(263)	(471)
Non-recurring capital expenditures	(5,000)	(2,742)	(8,817)	(10,200)
Capital expenditures reimbursed by tenants	(1,267)	(576)	(1,635)	(3,363)
New lease commissions and tenant improvements	(1,417)	(338)	(3,121)	(3,518)
Renewal lease commissions and tenant improvements	(1,813)	(1,077)	(3,794)	(1,737)
Non-cash portion of interest expense	789	746	1,276	1,422
Non-cash compensation expense	1,636	2,938	6,251	5,790
Cash available for distribution	**$ 74,759**	**$ 69,003**	**$ 147,217**	**$ 124,980**

ACQUISITIONS

SECOND QUARTER 2021 ACQUISITIONS							
Market	Date Acquired	Square Feet	Buildings	Purchase Price ($000)	Weighted Average Lease Term (Years)	Cash Capitalization Rate	Straight-Line Capitalization Rate
Indianapolis, IN	5/17/2021	154,440	1	$13,655	—		
Baltimore, MD	5/17/2021	46,851	1	6,228	4.1		
Detroit, MI	6/1/2021	248,040	1	23,786	7.1		
Green Bay, WI	6/7/2021	152,000	1	7,249	8.6		
Phoenix, AZ	6/14/2021	41,504	1	8,670	6.2		
Cleveland, OH	6/17/2021	179,577	1	19,602	3.8		
Reno/Sparks, NV	6/30/2021	183,435	1	13,892	8.6		
Washington, DC	6/30/2021	193,420	1	17,521	15.0		
Stockton/Modesto, CA	6/30/2021	150,000	1	16,118	3.5		
Total / weighted average		**1,349,267**	**9**	**$126,721**	**6.8**	**5.7%**	**6.2%**

2021 ACQUISITIONS						
Quarter	Square Feet	Buildings	Purchase Price ($000)	Weighted Average Lease Term (Years)	Cash Capitalization Rate	Straight-Line Capitalization Rate
Q1	1,252,323	6	$100,228	7.9	6.0%	6.4%
Q2	1,349,267	9	126,721	6.8	5.7%	6.2%
Total / weighted average	**2,601,590**	**15**	**$226,949**	**7.3**	**5.8%**	**6.3%**

DISPOSITIONS

SECOND QUARTER 2021 DISPOSITIONS				
Market	**Date Disposed**	**Square Feet**	**Buildings**	**Gross Proceeds ($000s)**
Portland, TN	4/20/2021	414,043	1	$11,900
Pensacola, FL	5/14/2021	30,620	1	4,500
Total		**444,663**	**2**	**$16,400**

2021 DISPOSITIONS			
Market	**Square Feet**	**Buildings**	**Gross Proceeds ($000s)**
Q1	483,586	4	$25,208
Q2	444,663	2	16,400
Total	**928,249**	**6**	**$41,608**

SAME STORE NOI

(in thousands, except building count data and square footage)	Three months ended June 30, 2021	Three months ended June 30, 2020	Change	% Change	Six months ended June 30, 2021	Six months ended June 30, 2020	Change	% Change
Same Store square footage	84,963,750				84,963,750			
Same Store buildings	421				421			
% of total square feet	84.9 %				84.9 %			
Occupancy Rate at quarter end	96.8 %	97.6 %	(0.8)%		96.8 %	97.6 %	(0.8)%	
Average Occupancy Rate	96.8 %	97.5 %	(0.7)%		97.1 %	97.1 %	— %	
Same Store GAAP Analysis								
Income from real estate operations	$115,260	$107,803	$7,457		$227,277	$217,516	$9,761	
Income from lease terminations, solar and other	(875)	(285)	(590)		(1,637)	(365)	(1,272)	
GAAP adjustments for write-offs for lease terminations	—	(443)	443		1,233	(424)	1,657	
Income excluding lease terminations, solar and other	$114,385	$107,075	$7,310		$226,873	$216,727	$10,146	
Expenses from real estate operations	(20,348)	(17,757)	(2,591)		(42,201)	(36,796)	(5,405)	
Same Store GAAP NOI	**$94,037**	**$89,318**	**$4,719**	**5.3%**	**$184,672**	**$179,931**	**$4,741**	**2.6%**
Same Store Cash Analysis								
Income from real estate operations	$112,839	$107,084	$5,755		$225,330	$213,793	$11,537	
Cash received from lease terminations, solar and other	(1,663)	(2,349)	686		(3,413)	(3,531)	118	
Income excluding lease terminations, solar and other	$111,176	$104,735	$6,441		$221,917	$210,262	$11,655	
Expenses from real estate operations	(20,295)	(17,702)	(2,593)		(42,096)	(36,685)	(5,411)	
Same Store Cash NOI	**$90,881**	**$87,033**	**$3,848**	**4.4%**	**$179,821**	**$173,577**	**$6,244**	**3.6%**

CAPITAL EXPENDITURES

(in thousands, except square feet data)	CAPITAL EXPENDITURES, TENANT IMPROVEMENTS, AND LEASE COMMISSIONS SUMMARY			
	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Average portfolio square feet	**99,600,860**	**91,814,185**	**99,137,742**	**91,601,749**
Renewal tenant improvements and lease commissions	$1,813	$1,077	$3,794	$1,737
New tenant improvements and lease commissions	1,417	338	3,121	3,518
Total tenant improvements (TIs) and lease commissions (LCs)	**$3,230**	**$1,415**	**$6,915**	**$5,255**
Recurring capital expenditures	$258	$152	$263	$471
Non-recurring capital expenditures	5,000	2,742	8,817	10,200
Total recurring and non-recurring capital expenditures	**$5,258**	**$2,894**	**$9,080**	**$10,671**
Total recurring and non-recurring capital expenditures per average square foot	**$0.05**	**$0.03**	**$0.09**	**$0.12**
Total capital expenditures, TIs and LCs	**$8,488**	**$4,309**	**$15,995**	**$15,926**
Acquisition capital expenditures	**$1,189**	**$4,028**	**$2,134**	**$4,417**
Building expansions and redevelopment	**$0**	**$2,332**	**$772**	**$6,486**
Capital expenditures paid or reimbursed by tenants	**$2,795**	**$726**	**$3,214**	**$3,534**
Total capital expenditures, building expansions, TIs, and LCs	**$12,472**	**$11,395**	**$22,115**	**$30,363**
RECONCILIATION OF CAPITAL EXPENDITURES TO STATEMENT OF CASH FLOWS				
Additions to building and other capital improvements per cash flow statement	$8,644	$10,484	$18,913	$27,299
Change in additions of land and building and improvements included in accounts payable, accrued expenses and other liabilities and additions from non-cash items per cash flow statement	812	(1,754)	(3,469)	(666)
New and renewal lease commissions	3,016	2,665	6,671	3,730
Total capital expenditures, building expansions, TIs, and LCs	**$12,472**	**$11,395**	**$22,115**	**$30,363**

PORTFOLIO CHARACTERISTICS

BUILDING TYPE AS OF JUNE 30, 2021						
		Square Footage			Annualized Base Rental Revenue	
Building Type	# of Buildings	Amount	%	Occupancy Rate	Amount ($000s)	%
Warehouse	418	90,960,967	90.9 %	97.0%	$400,040	90.0%
Light manufacturing	73	8,379,905	8.4 %	98.7%	42,446	9.5%
Total operating portfolio / weighted average	**491**	**99,340,872**	**99.3 %**	**97.2%**	**$442,486**	**99.5%**
Value Add / other	3	331,537	0.3 %	53.4%	825	0.2%
Flex / office	7	401,695	0.4 %	37.4%	1,397	0.3%
Total portfolio / weighted average	**501**	**100,074,104**	**100.0 %**	**96.8%**	**$444,708**	**100.0%**

LEASING & RETENTION STATISTICS

SECOND QUARTER 2021 OPERATING PORTFOLIO LEASING ACTIVITY									
Lease Type	**Square Feet**	**W.A. Lease Term (Years)**	**Cash Base Rent $/SF**	**SL Base Rent $/SF**	**Lease Commissions $/SF**	**Tenant Improvement $/SF**	**Cash Rent Change**	**SL Rent Change**	**Retention**
New Leases	1,128,576	7.1	$4.16	$4.33	$1.36	$0.47	7.3%	13.6%	
Renewal Leases	2,732,292	6.4	$4.14	$4.36	$0.49	$0.61	8.4%	15.7%	80.0%
Total / weighted average	**3,860,868**	**6.6**	**$4.15**	**$4.35**	**$0.75**	**$0.57**	**8.1%**	**15.1%**	

2021 YEAR TO DATE OPERATING PORTFOLIO LEASING ACTIVITY									
Lease Type	**Square Feet**	**W.A. Lease Term (Years)**	**Cash Base Rent $/SF**	**SL Base Rent $/SF**	**Lease Commissions $/SF**	**Tenant Improvement $/SF**	**Cash Rent Change**	**SL Rent Change**	**Retention**
New Leases	1,468,264	7.2	$4.10	$4.32	$1.54	$0.71	7.5%	15.3%	
Renewal Leases	4,984,685	5.8	$4.28	$4.49	$0.58	$0.54	9.0%	16.9%	87.9%
Total / weighted average	**6,452,949**	**6.1**	**$4.24**	**$4.45**	**$0.80**	**$0.58**	**8.7%**	**16.5%**	

Note: The table above represents leases commencing during the quarter.
Note: For the three and six months ended June 30, 2021, leases commenced totaling 32,864 and 139,064 square feet, respectively, related to Value Add assets and first generation leasing. These are excluded from the Operating Portfolio statistics above.

LEASE EXPIRATION SCHEDULE

LEASE EXPIRATION SCHEDULE AS OF JUNE 30, 2021					
Lease Expiration Year	**Number of Leases Expiring**	**Total Rentable SF**	**% of Occupied SF**	**Annualized Base Rental Revenue ($000s)**	**% of Total Annualized Base Rental Revenue**
Available	N/A	3,229,878	N/A	N/A	N/A
MTM	4	231,953	0.2%	$1,110	0.2%
2021	22	4,345,132	4.5%	20,023	4.5%
2022	78	8,667,176	9.0%	39,282	8.8%
2023	95	13,325,167	13.8%	56,558	12.7%
2024	81	12,294,728	12.7%	55,844	12.6%
2025	67	11,148,944	11.5%	49,643	11.2%
2026	66	10,475,464	10.8%	50,530	11.4%
2027	39	6,914,427	7.1%	31,044	7.0%
2028	27	4,929,994	5.1%	21,854	4.9%
2029	26	5,890,825	6.1%	27,549	6.2%
2030	23	4,111,782	4.2%	21,371	4.8%
Thereafter	57	14,508,634	15.0%	69,900	15.7%
Total	**585**	**100,074,104**	**100.0%**	**$444,708**	**100.0%**

TENANT PROFILE

TENANT PROFILE	
	June 30, 2021
Profile	
Number of tenants	456
Average tenant size (square feet)	212,378
Average Annualized Base Rental Revenue per square foot	$4.59
Average Annualized Base Rental Revenue per tenant ($000s)	$975
Average Annualized Base Rental Revenue per lease ($000s)	$760
Credit [1]	
Tenants publicly rated	53.7 %
Tenants rated investment grade	31.7 %
Tenant revenue > $100 million	84.8 %
Tenant revenue > $1 billion	60.6 %

(1) Based on annualized base rental revenue and the inclusion of tenants, guarantors, and / or non-guarantor parents.

PORTFOLIO DIVERSIFICATION

GEOGRAPHIC DIVERSIFICATION
June 30, 2021

#	Market	ABR %
1	Chicago, IL	7.0%
2	Philadelphia, PA	6.0%
3	Greenville/Spartanburg, SC	5.1%
4	Pittsburgh, PA	4.7%
5	Detroit, MI	4.5%
6	Milwaukee/Madison, WI	4.4%
7	Minneapolis/St Paul, MN	4.2%
8	Columbus, OH	3.8%
9	Houston, TX	3.3%
10	Charlotte, NC	2.9%
11	West Michigan, MI	2.4%
12	Boston, MA	2.3%
13	Indianapolis, IN	2.3%
14	El Paso, TX	2.1%
15	Cincinnati/Dayton, OH	2.0%
16	Cleveland, OH	1.9%
17	Raleigh/Durham, NC	1.6%
18	Columbia, SC	1.6%
19	Westchester/So Connecticut, CT/NY	1.6%
20	Kansas City, MO	1.5%
	Top 10	**45.9%**
	Top 11-20	**19.3%**
	Total Top 20	**65.2%**

TENANT DIVERSIFICATION
June 30, 2021

#	Tenant[1]	# of Leases	ABR %
1	Amazon	7	3.9%
2	XPO Logistics, Inc.	5	1.2%
3	Eastern Metal Supply, Inc.	5	1.1%
4	FedEx Corporation	4	1.0%
5	American Tire Distributors Inc	6	0.9%
6	Westrock Company	7	0.9%
7	Penguin Random House LLC	1	0.9%
8	DS Smith North America	2	0.8%
9	Lippert Component Manufact	4	0.8%
10	Ford Motor Company	1	0.8%
11	Carolina Beverage Group	2	0.8%
12	Hachette Book Group, Inc.	1	0.8%
13	Costco Wholesale Corporation	2	0.7%
14	Packaging Corp of America	5	0.7%
15	Yanfeng US Automotive Interior	2	0.7%
16	Schneider Electric USA, Inc.	3	0.7%
17	Kenco Logistic Services, LLC	2	0.7%
18	Perrigo Company	2	0.7%
19	TriMas Corporation	3	0.7%
20	Generation Brands	1	0.6%
	Top 10	**42**	**12.3%**
	Top 11-20	**23**	**7.1%**
	Total Top 20	**65**	**19.4%**

INDUSTRY DIVERSIFICATION
June 30, 2021

#	Industry[2]	ABR %
1	Air Freight & Logistics	10.9%
2	Containers & Packaging	9.0%
3	Auto Components	7.8%
4	Internet & Direct Mkt Retail	5.5%
5	Trading Companies & Distributors (Industrial Goods)	5.4%
6	Commercial Services & Supplies	5.1%
7	Machinery	4.9%
8	Household Durables	4.1%
9	Media	4.1%
10	Food & Staples Retailing	4.1%
11	Distributors (Consumer Goods)	3.6%
12	Building Products	3.1%
13	Food Products	2.8%
14	Specialty Retail	2.1%
15	Beverages	2.1%
16	Electronic Equip, Instruments	2.0%
17	Textiles, Apparel, Luxury Good	2.0%
18	Chemicals	1.8%
19	Electrical Equipment	1.7%
20	Health Care Equipment & Supplies	1.7%
	Top 10	**60.9%**
	Top 11-20	**22.9%**
	Total Top 20	**83.8%**

(1) Based on annualized base rental revenue and the inclusion of tenants, guarantors, and / or non-guarantor parents.
(2) Industry classification based on GICS methodology.

CAPITAL STRUCTURE, DEBT METRICS & COVENANTS

CAPITAL STRUCTURE	
	As of June 30, 2021
Common shares, participating securities, performance units and other units	
Common shares outstanding	160,113,653
Participating securities outstanding	201,885
Units outstanding	3,571,748
Common shares, participating securities, and other units - basic	163,887,286
Performance units	828,426
Common shares, participating securities, performance and other units - diluted	164,715,712

DEBT METRICS	
	June 30, 2021
Net debt / Adjusted EBITDAre ratio	4.7x
Net debt / Run Rate Adjusted EBITDAre ratio	4.7x
Net debt / total Real Estate Cost Basis (at quarter end)	34.8%
Total debt / total enterprise value (at quarter end)	23.6%
Liquidity	$477.7 million
Fitch Credit Rating	BBB / Stable
Moody's Credit Rating	Baa3 / Stable

UNSECURED DEBT COVENANTS		
	Covenant	**June 30, 2021**
Consolidated leverage ratio	< 60%	30.6%
Secured leverage ratio	< 40%	0.9%
Unencumbered leverage ratio	< 60%	31.1%
Unsecured interest coverage ratio	> 1.75x	7.5x
Fixed charge coverage ratio	> 1.5x	6.6x

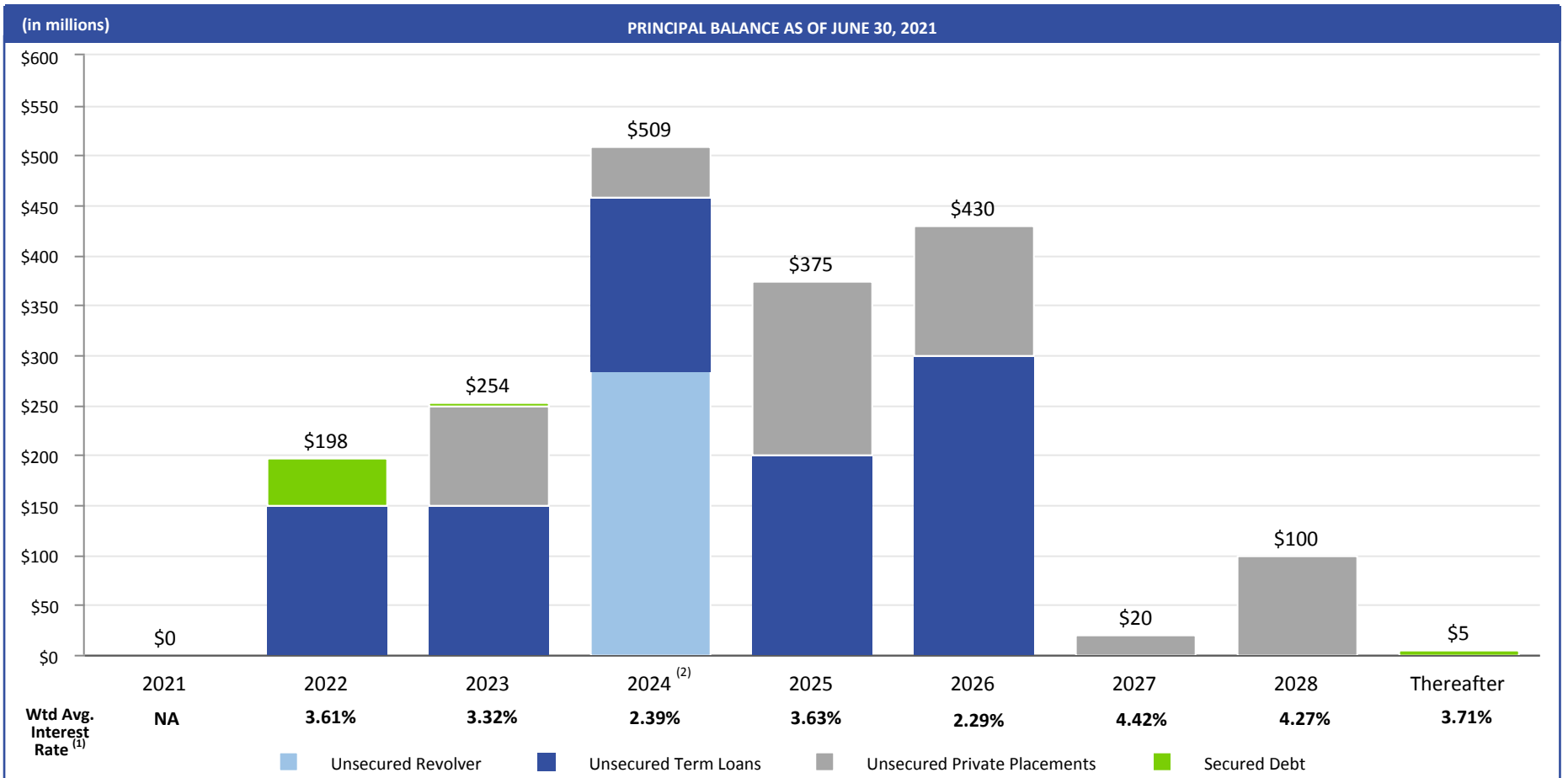
DEBT SUMMARY

AS OF JUNE 30, 2021 (in millions)				
Category	**Committed**	**Principal Balance**	**Interest Rate[1]**	**Current Maturity**
Unsecured debt:				
Unsecured Term Loan A	150.0	150.0	3.38 %	3/31/2022
Unsecured Term Loan D	150.0	150.0	2.85 %	1/4/2023
Series F Unsecured Note	100.0	100.0	3.98 %	1/5/2023
Unsecured Credit Facility [2]	750.0	284.0	L + 0.90%	1/12/2024
Unsecured Term Loan E	175.0	175.0	3.92 %	1/15/2024
Series A Unsecured Note	50.0	50.0	4.98 %	10/1/2024
Unsecured Term Loan F	200.0	200.0	3.11 %	1/12/2025
Series D Unsecured Note	100.0	100.0	4.32 %	2/20/2025
Series G Unsecured Note	75.0	75.0	4.10 %	6/13/2025
Unsecured Term Loan G	300.0	300.0	1.28 %	2/5/2026
Series B Unsecured Note	50.0	50.0	4.98 %	7/1/2026
Series C Unsecured Note	80.0	80.0	4.42 %	12/30/2026
Series E Unsecured Note	20.0	20.0	4.42 %	2/20/2027
Series H Unsecured Note	100.0	100.0	4.27 %	6/13/2028
Total / weighted average unsecured	**$2,300.0**	**$1,834.0**	**2.95 %**	**3.3 years**
Secured debt:				
Wells Fargo Bank, National Association CMBS Loan	47.6	47.6	4.31 %	12/1/2022
Thrivent Financial for Lutherans	3.5	3.5	4.78 %	12/15/2023
United of Omaha Life Insurance Company	5.0	5.0	3.71 %	10/1/2039
Total / weighted average secured	**$56.1**	**$56.1**	**4.29 %**	**3.0 years**
Total / weighted average	**$2,356.1**	**$1,890.1**	**2.99 %**	**3.3 years**
Less: net unamortized fair market value discount		(0.1)		
Less: total unamortized deferred financing fees and debt issuance costs		(5.9)		
Total book value		**$1,884.1**		

(1) The interest rate on the unsecured facilities represents the interest rate as of June 30, 2021 based on the Company's investment grade rating as defined in the respective loan agreements. Unsecured term loans A, D, E, F, and G have a stated interest rate of one-month LIBOR plus a spread of 1.0%. As of June 30, 2021, one-month LIBOR for the unsecured term loans A, D, E, F, and G was swapped to a fixed rate of 2.38%, 1.85%, 2.92%, 2.11%, and 0.28%, respectively. One-month LIBOR for the Unsecured Term Loan G will be swapped to a fixed rate of 0.94% effective April 18, 2023. The current interest rates presented in the table above are not adjusted to include the amortization of deferred financing fees or debt issuance costs incurred in obtaining debt or the unamortized fair market value premiums or discounts.

(2) The maturity date for the unsecured credit facility is January 15, 2023, or such later date as may be extended pursuant to two six-month extension options exercisable by the Company in its discretion upon advance written notice. Exercise of each six-month option is subject to the following conditions: (i) absence of a default immediately before the extension and immediately after giving effect to the extension, (ii) accuracy of representations and warranties as of the extension date (both immediately before and after the extension), as if made on the extension date, and (iii) payment of a fee. Neither extension option is subject to lender consent, assuming proper notice and satisfaction of the conditions.

DEBT MATURITY SCHEDULE



Note: The above balances do not reflect future scheduled principal amortization payments.

(1) The weighted average interest rate for unsecured debt was calculated using the current swapped notional amount of $975 million of debt, and excludes any fair market value premiums or discounts and also excludes the amortization of deferred financing fees and debt issuance costs incurred in obtaining debt. As of June 30, 2021, one-month LIBOR for the unsecured term loans A, D, E, F, and G was swapped to a fixed rate of 2.38%, 1.85%, 2.92%, 2.11%, and 0.28%, respectively. One-month LIBOR for the Unsecured Term Loan G will be swapped to a fixed rate of 0.94% effective April 18, 2023.

(2) The maturity date for the unsecured credit facility is January 15, 2023, or such later date as may be extended pursuant to two six-month extension options exercisable by the Company in its discretion upon advance written notice. Exercise of each six-month option is subject to the following conditions: (i) absence of a default immediately before the extension and immediately after giving effect to the extension, (ii) accuracy of representations and warranties as of the extension date (both immediately before and after the extension), as if made on the extension date, and (iii) payment of a fee. Neither extension option is subject to lender consent, assuming proper notice and satisfaction of the conditions.

GUIDANCE

2021 GUIDANCE				
	Q2 Guidance		Q1 Guidance	
	Low	High	Low	High
Core FFO per share	$2.02	$2.04	$1.96	$2.00
Acquisition volume	$1.0 billion	$1.2 billion	$800.0 million	$1.2 billion
Stabilized Capitalization Rate	5.25%	5.75%	5.50%	6.00%
Disposition volume	$100.0 million	$200.0 million	$100.0 million	$200.0 million
Same Store Cash NOI Change	3.25%	3.75%	2.00%	3.00%
Retention	75%	80%	75%	80%
Net debt to Run Rate Adjusted EBITDA*re*	4.75x	5.50x	4.75x	5.50x
General & administrative expense [1]	$45.0 million	$47.0 million	$43.0 million	$46.0 million

(1) General & administrative expense guidance excludes costs associated with the implementation of the retirement plan. These costs are added back to Core FFO in 2021.

NON-GAAP FINANCIAL MEASURES & OTHER DEFINITIONS

Acquisition Capital Expenditures: We define Acquisition Capital Expenditures as Recurring and Non-Recurring Capital Expenditures identified at the time of acquisition. Acquisition Capital Expenditures also include new lease commissions and tenant improvements for space that was not occupied under the Company's ownership.

Annualized Base Rental Revenue: We define Annualized Base Rental Revenue as the monthly base cash rent for the applicable property or properties (which is different from rent calculated in accordance with GAAP for purposes of our financial statements), multiplied by 12. If a tenant is in a free rent period, the annualized rent is calculated based on the first contractual monthly base rent amount multiplied by 12.

Cash Available for Distribution: Cash Available for Distribution represents Core FFO, excluding non-rental property depreciation and amortization, straight-line rent adjustments, non-cash portion of interest expense, non-cash compensation expense, and deducts capital expenditures reimbursed by tenants, recurring and non-recurring capital expenditures, and leasing commissions and tenant improvements.

Cash Available for Distribution should not be considered as an alternative to net income (determined in accordance with GAAP) as an indication of our performance, and we believe that to understand our performance further, these measurements should be compared with our reported net income or net loss in accordance with GAAP, as presented in our consolidated financial statements.

Cash Available for Distribution excludes, among other items, depreciation and amortization and capture neither the changes in the value of our buildings that result from use or market conditions of our buildings, all of which have real economic effects and could materially impact our results from operations, the utility of these measures as measures of our performance is limited. In addition, our calculation of Cash Available for Distribution may not be comparable to similarly titled measures disclosed by other REITs.

Cash Capitalization Rate: We define Cash Capitalization Rate as calculated by dividing (i) the Company's estimate of year one cash net operating income from the applicable property's operations stabilized for occupancy (post-lease-up for vacant properties), which does not include termination income, solar income, miscellaneous other income, capital expenditures, general and administrative costs, reserves, tenant improvements and leasing commissions, credit loss, or vacancy loss, by (ii) the GAAP purchase price plus estimated Acquisition Capital Expenditures. These Capitalization Rate estimates are subject to risks, uncertainties, and assumptions and are not guarantees of future performance, which may be affected by known and unknown risks, trends, uncertainties, and factors that are beyond our control, including those risk factors contained in our Annual Report on Form 10-K for the year ended December 31, 2020.

Cash Rent Change: We define Cash Rent Change as the percentage change in the base rent of the lease commenced during the period compared to the base rent of the Comparable Lease for assets included in the Operating Portfolio. The calculation compares the first base rent payment due after the lease commencement date compared to the base rent of the last monthly payment due prior to the termination of the lease, excluding holdover rent. Rent under gross or similar type leases are converted to a net rent based on an estimate of the applicable recoverable expenses.

Comparable Lease: We define a Comparable Lease as a lease in the same space with a similar lease structure as compared to the previous in-place lease, excluding new leases for space that was not occupied under our ownership.

Earnings before Interest, Taxes, Depreciation, and Amortization for Real Estate (EBITDAre), Adjusted EBITDAre, Annualized Adjusted EBITDAre, and Run Rate Adjusted EBITDAre: We define EBITDAre in accordance with the standards established by the National Association of Real Estate Investment Trusts ("NAREIT"). EBITDAre represents net income (loss) (computed in accordance with GAAP) before interest expense, interest and other income, tax, depreciation and amortization, gains or losses on the sale of rental property, and loss on impairments. Adjusted EBITDAre further excludes transaction costs, termination income, solar income, revenue associated with one-time tenant reimbursements of capital expenditures, straight-line rent adjustments, non-cash compensation expense, amortization of above and below market leases, net, gain (loss) on involuntary conversion, debt extinguishment and modification expenses, and other non-recurring items.

NON-GAAP FINANCIAL MEASURES & OTHER DEFINITIONS

We define Annualized Adjusted EBITDAre as Adjusted EBITDAre multiplied by four.

We define Run Rate Adjusted EBITDAre as Adjusted EBITDAre plus incremental Adjusted EBITDAre adjusted for a full period of acquisitions and dispositions. Run Rate Adjusted EBITDAre does not reflect the Company's historical results and does not predict future results, which may be substantially different.

EBITDAre, Adjusted EBITDAre, and Run Rate Adjusted EBITDAre should not be considered as an alternative to net income (determined in accordance with GAAP) as an indication of our performance, and we believe that to understand our performance further, EBITDAre, Adjusted EBITDAre, and Run Rate Adjusted EBITDAre should be compared with our reported net income or net loss in accordance with GAAP, as presented in our consolidated financial statements. We believe that EBITDAre, Adjusted EBITDAre, and Run Rate Adjusted EBITDAre are helpful to investors as supplemental measures of the operating performance of a real estate company because they are direct measures of the actual operating results of our properties. We also use these measures in ratios to compare our performance to that of our industry peers.

Fixed Charge Coverage Ratio: We define the Fixed Charge Coverage Ratio as Adjusted EBITDAre divided by cash interest expense, preferred dividends paid and principal payments.

Funds from Operations (FFO) and Core FFO: We define FFO in accordance with the standards established by the National Association of Real Estate Investment Trusts ("NAREIT"). FFO represents net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from sales of depreciable operating property, gains (losses) from sales of land, impairment write-downs of depreciable real estate, real estate related depreciation and amortization (excluding amortization of deferred financing costs and fair market value of debt adjustment) and after adjustments for unconsolidated partnerships and joint ventures. Core FFO excludes transaction costs, amortization of above and below market leases, net, debt extinguishment and modification expenses, gain (loss) on involuntary conversion, gain (loss) on swap ineffectiveness, and non-recurring other expenses.

None of FFO or Core FFO should be considered as an alternative to net income (determined in accordance with GAAP) as an indication of our performance, and we believe that to understand our performance further, these measurements should be compared with our reported net income or net loss in accordance with GAAP, as presented in our consolidated financial statements. We use FFO as a supplemental performance measure because it is a widely recognized measure of the performance of REITs. FFO may be used by investors as a basis to compare our operating performance with that of other REITs. We and investors may use Core FFO similarly as FFO.

However, because FFO and Core FFO exclude, among other items, depreciation and amortization and capture neither the changes in the value of our buildings that result from use or market conditions of our buildings, all of which have real economic effects and could materially impact our results from operations, the utility of these measures as measures of our performance is limited. In addition, other REITs may not calculate FFO in accordance with the NAREIT definition as we do, and, accordingly, our FFO may not be comparable to such other REITs' FFO. Similarly, our calculation of Core FFO may not be comparable to similarly titled measures disclosed by other REITs.

GAAP: We define GAAP as generally accepted accounting principles in the United States.

Liquidity: We define Liquidity as the amount of aggregate undrawn nominal commitments the Company could immediately borrow under the Company's unsecured debt instruments, consistent with the financial covenants, plus unrestricted cash balances.

NON-GAAP FINANCIAL MEASURES & OTHER DEFINITIONS

Market: We define Market as the market defined by CoStar based on the building address. If the building is located outside of a CoStar defined market, the city and state is reflected.

Net operating income (NOI), Cash NOI, and Run Rate Cash NOI: We define NOI as rental income, including reimbursements, less property expenses, which excludes depreciation, amortization, loss on impairments, general and administrative expenses, interest expense, interest income, transaction costs, gain (loss) on involuntary conversion, debt extinguishment and modification expenses, gain on sales of rental property, and other expenses.

We define Cash NOI as NOI less straight-line rent adjustments and less amortization of above and below market leases, net.

We define Run Rate Cash NOI as Cash NOI plus Cash NOI adjusted for a full period of acquisitions and dispositions, less cash termination income, solar income and revenue associated with one-time tenant reimbursements of capital expenditures. Run Rate Cash NOI does not reflect the Company's historical results and does not predict future results, which may be substantially different.

We consider NOI, Cash NOI and Run Rate Cash NOI to be appropriate supplemental performance measures to net income because we believe they help us, and investors understand the core operations of our buildings. None of these measures should be considered as an alternative to net income (determined in accordance with GAAP) as an indication of our performance, and we believe that to understand our performance further, these measurements should be compared with our reported net income or net loss in accordance with GAAP, as presented in our consolidated financial statements. Further, our calculations of NOI, Cash NOI and Run Rate NOI may not be comparable to similarly titled measures disclosed by other REITs.

Non-Recurring Capital Expenditures: We define Non-Recurring Capital Expenditures as capital items for upgrades or items that previously did not exist at a building or capital items which have a longer useful life, such as roof replacements. Non-Recurring Capital Expenditures funded by parties other than the Company or capital expenditures reimbursed by tenants in lump sum and Acquisition Capital Expenditures are excluded.

Occupancy Rate: We define Occupancy Rate as the percentage of total leasable square footage for which either revenue recognition has commenced in accordance with GAAP or the lease term has commenced as of the close of the reporting period, whichever occurs earlier.

Operating Portfolio: We define the Operating Portfolio as all warehouse and light manufacturing assets that were acquired stabilized or have achieved Stabilization. The Operating Portfolio excludes non-core flex/office assets, assets contained in the Value Add Portfolio, and assets classified as held for sale.

Pipeline: We define Pipeline as a point in time measure that includes all of the transactions under consideration by the Company's acquisitions group that have passed the initial screening process. The pipeline also includes transactions under contract and transactions with non-binding LOIs.

Real Estate Cost Basis: We define Real Estate Cost Basis as the book value of rental property and deferred leasing intangibles, exclusive of the related accumulated depreciation and amortization.

Recurring Capital Expenditures: We define Recurring Capital Expenditures as capital items required to sustain existing systems and capital items which generally have a shorter useful life. Recurring Capital Expenditures funded by parties other than the Company are excluded.

Renewal Lease: We define a Renewal Lease as a lease signed by an existing tenant to extend the term for 12 months or more, including (i) a renewal of the same space as the current lease at lease expiration, (ii) a renewal of only a portion of the current space at lease expiration, or (iii) an early renewal or workout, which ultimately does extend the original term for 12 months or more.

NON-GAAP FINANCIAL MEASURES & OTHER DEFINITIONS

Retention: We define Retention as the percentage determined by taking Renewal Lease square footage commencing in the period divided by square footage of leases expiring in the period for assets included in the Operating Portfolio.

Same Store: We define Same Store properties as properties that were in the Operating Portfolio for the entirety of the comparative periods presented. Same Store GAAP NOI and Same Store Cash NOI exclude termination fees, solar income, and revenue associated with one-time tenant reimbursements of capital expenditures.

Stabilization: We define Stabilization for assets under development or redevelopment to occur as the earlier of achieving 90% occupancy or 12 months after completion. Stabilization for assets that were acquired and immediately added to the Value Add Portfolio occurs under the following:

- if acquired with less than 75% occupancy as of the acquisition date, Stabilization will occur upon the earlier of achieving 90% occupancy or 12 months from the acquisition date;
- if acquired and will be less than 75% occupied due to known move-outs within two years of the acquisition date, Stabilization will occur upon the earlier of achieving 90% occupancy after the known move-outs have occurred or 12 months after the known move-outs have occurred.

Straight-Line Capitalization Rate: We define Straight-Line Capitalization Rate as calculated by dividing (i) the Company's estimate of average annual net operating income from the applicable property's operations stabilized for occupancy (post-lease-up for vacant properties), which does not include termination income, solar income, miscellaneous other income, capital expenditures, general and administrative costs, reserves, tenant improvements and leasing commissions, credit loss, or vacancy loss, by (ii) the GAAP purchase price plus estimated Acquisition Capital Expenditures. These Capitalization Rate estimates are subject to risks, uncertainties, and assumptions and are not guarantees of future performance, which may be affected by known and unknown risks, trends, uncertainties, and factors that are beyond our control, including those risk factors contained in our Annual Report on Form 10-K for the year ended December 31, 2020.

Straight-Line Rent Change (SL Rent Change): We define SL Rent Change as the percentage change in the average monthly base rent over the term of the lease that commenced during the period compared to the Comparable Lease for assets included in the Operating Portfolio. Rent under gross or similar type leases are converted to a net rent based on an estimate of the applicable recoverable expenses, and this calculation excludes the impact of any holdover rent.

Value Add Portfolio: We define the Value Add Portfolio as properties that meet any of the following criteria:

- less than 75% occupied as of the acquisition date;
- will be less than 75% occupied due to known move-outs within two years of the acquisition date;
- out of service with significant physical renovation of the asset;
- development.

Weighted Average Lease Term: We define Weighted Average Lease Term as the contractual lease term in years as of the lease start date weighted by square footage. Weighted Average Lease Term related to acquired assets reflects the remaining lease term in years as of the acquisition date weighted by square footage.

STAG INDUSTRIAL ANNOUNCES SECOND QUARTER 2021 RESULTS

Boston, MA — July 27, 2021 - STAG Industrial, Inc. (the "Company") (NYSE:STAG), today announced its financial and operating results for the quarter ended June 30, 2021.

"The second quarter demonstrated the strength of the STAG platform," said Ben Butcher, Chief Executive Officer of the Company. "The increasing demand for space in our portfolio combined with our strong external growth has resulted in upward revisions to our outlook for the remainder of 2021."

Second Quarter 2021 Highlights

- Reported $0.20 of net income per basic and diluted common share for the second quarter of 2021, compared to $0.12 of net income per basic and diluted common share for the second quarter of 2020. Reported $32.6 million of net income attributable to common stockholders for the second quarter of 2021, compared to net income attributable to common stockholders of $17.6 million for the second quarter of 2020.

- Achieved $0.52 of Core FFO per diluted share for the second quarter of 2021, an increase of 10.6% compared to second quarter 2020 Core FFO per diluted share of $0.47. Generated Core FFO of $86.3 million for the second quarter of 2021, compared to $71.8 million for the second quarter of 2020, an increase of 20.2%.

- Produced Cash NOI of $108.8 million for the second quarter of 2021, an increase of 12.6% compared to the second quarter of 2020 of $96.6 million.

- Produced Same Store Cash NOI of $90.9 million for the second quarter of 2021, an increase of 4.4% compared to the second quarter of 2020 of $87.0 million.

- Produced Cash Available for Distribution of $74.8 million for the second quarter of 2021, an increase of 8.3% compared to the second quarter of 2020 of $69.0 million.

- Acquired nine buildings in the second quarter of 2021, consisting of 1.3 million square feet, for $126.7 million, with a Cash Capitalization Rate of 5.7% and a Straight-Line Capitalization Rate of 6.2%.

- Achieved an Occupancy Rate of 96.8% on the total portfolio and 97.2% on the Operating Portfolio as of June 30, 2021.

- Commenced Operating Portfolio leases of 3.9 million square feet for the second quarter of 2021, resulting in a Cash Rent Change and Straight-Line Rent Change of 8.1% and 15.1%, respectively.

- Experienced 80.0% Retention for 3.4 million square feet of leases expiring in the quarter.

- Raised gross proceeds of $42.2 million of equity through the Company's at-the-market offering ("ATM") program for the second quarter of 2021.

- Subsequent to quarter end, on July 8, 2021, originated $325 million of fixed rate senior unsecured notes in a private placement offering.

Please refer to the Non-GAAP Financial Measures and Other Definitions section at the end of this release for definitions of capitalized terms used in this release.

The Company will host a conference call tomorrow, Wednesday, July 28, 2021 at 10:00 a.m. (Eastern Time), to discuss the quarter's results and provide information about acquisitions, operations, capital markets and corporate activities. Details of the call can be found at the end of this release.

Key Financial Measures

SECOND QUARTER 2021 KEY FINANCIAL MEASURES

	Three months ended June 30,			Six Months Ended June 30,		
Metrics	**2021**	**2020**	**% Change**	**2021**	**2020**	**% Change**
(in $000s, except per share data)						
Net income attributable to common stockholders	$32,576	$17,552	85.6 %	$53,507	$79,635	(32.8)%
Net income per common share — basic	*$0.20*	*$0.12*	*66.7 %*	*$0.34*	*$0.54*	*(37.0)%*
Net income per common share — diluted	*$0.20*	*$0.12*	*66.7 %*	*$0.33*	*$0.54*	*(38.9)%*
Cash NOI	$108,768	$96,630	*12.6 %*	$212,446	$190,351	*11.6 %*
Same Store Cash NOI [(1)]	$90,881	$87,033	*4.4 %*	$179,821	$173,577	*3.6 %*
Adjusted EBITDA*re*	$99,031	$86,663	*14.3 %*	$193,480	$171,271	*13.0 %*
Core FFO	$86,259	$71,784	*20.2 %*	$166,098	$142,415	*16.6 %*
Core FFO per share / unit — basic	*$0.53*	*$0.47*	*12.8 %*	*$1.02*	*$0.94*	*8.5 %*
Core FFO per share / unit — diluted	*$0.52*	*$0.47*	*10.6 %*	*$1.02*	*$0.94*	*8.5 %*
Cash Available for Distribution	$74,759	$69,003	*8.3 %*	$147,217	$124,980	*17.8 %*

(1) The Same Store pool accounted for 84.9% of the total portfolio square footage as of June 30, 2021.

Definitions of the above-mentioned non-GAAP financial measures, together with reconciliations to net income (loss) in accordance with GAAP, appear at the end of this release. Please also see the Company's supplemental information package for additional disclosure.

Acquisition and Disposition Activity

For the three months ended June 30, 2021, the Company acquired nine buildings for $126.7 million with an Occupancy Rate of 86.2% upon acquisition. The chart below details the acquisition activity for the quarter:

SECOND QUARTER 2021 ACQUISITION ACTIVITY

Market	Date Acquired	Square Feet	Buildings	Purchase Price ($000s)	W.A. Lease Term (Years)	Cash Capitalization Rate	Straight-Line Capitalization Rate
Indianapolis, IN	5/17/2021	154,440	1	$13,655	—		
Baltimore, MD	5/17/2021	46,851	1	6,228	4.1		
Detroit, MI	6/1/2021	248,040	1	23,786	7.1		
Green Bay, WI	6/7/2021	152,000	1	7,249	8.6		
Phoenix, AZ	6/14/2021	41,504	1	8,670	6.2		
Cleveland, OH	6/17/2021	179,577	1	19,602	3.8		
Reno/Sparks, NV	6/30/2021	183,435	1	13,892	8.6		
Washington, DC	6/30/2021	193,420	1	17,521	15.0		
Stockton/Modesto, CA	6/30/2021	150,000	1	16,118	3.5		
Total / weighted average		**1,349,267**	**9**	**$126,721**	**6.8**	**5.7%**	**6.2%**

The chart below details the 2021 acquisition activity and Pipeline through July 27, 2021:

2021 ACQUISITION ACTIVITY AND PIPELINE DETAIL

	Square Feet	Buildings	Purchase Price ($000s)	W.A. Lease Term (Years)	Cash Capitalization Rate	Straight-Line Capitalization Rate
Q1	1,252,323	6	$100,228	7.9	6.0%	6.4%
Q2	1,349,267	9	126,721	6.8	5.7%	6.2%
Total / weighted average	**2,601,590**	**15**	**$226,949**	**7.3**	**5.8%**	**6.3%**
As of July 27, 2021						
Subsequent to quarter-end acquisitions	**316,578**	**3**	**$36.8 million**			
Pipeline	**38.2 million**	**183**	**$3.6 billion**			

The chart below details the disposition activity for the six months ended June 30, 2021:

2021 DISPOSITION ACTIVITY

	Square Feet	Buildings	Sale Price ($000s)
Q1	483,586	4	$25,208
Q2	444,663	2	16,400
Total	**928,249**	**6**	**$41,608**

Leasing Activity

The chart below details the leasing activity for leases commenced during the three months ended June 30, 2021:

SECOND QUARTER 2021 OPERATING PORTFOLIO LEASING ACTIVITY

Lease Type	Square Feet	W.A. Lease Term (Years)	Cash Base Rent $/SF	SL Base Rent $/SF	Lease Commissions $/SF	Tenant Improvements $/SF	Cash Rent Change	SL Rent Change	Retention
New Leases	1,128,576	7.1	$4.16	$4.33	$1.36	$0.47	7.3%	13.6%	
Renewal Leases	2,732,292	6.4	$4.14	$4.36	$0.49	$0.61	8.4%	15.7%	80.0%
Total / weighted average	**3,860,868**	**6.6**	**$4.15**	**$4.35**	**$0.75**	**$0.57**	**8.1%**	**15.1%**	

The chart below details the leasing activity for leases commenced during the six months ended June 30, 2021:

2021 YEAR TO DATE OPERATING PORTFOLIO LEASING ACTIVITY

Lease Type	Square Feet	W.A. Lease Term (Years)	Cash Base Rent $/SF	SL Base Rent $/SF	Lease Commissions $/SF	Tenant Improvements $/SF	Cash Rent Change	SL Rent Change	Retention
New Leases	1,468,264	7.2	$4.10	$4.32	$1.54	$0.71	7.5%	15.3%	
Renewal Leases	4,984,685	5.8	$4.28	$4.49	$0.58	$0.54	9.0%	16.9%	87.9%
Total / weighted average	**6,452,949**	**6.1**	**$4.24**	**$4.45**	**$0.80**	**$0.58**	**8.7%**	**16.5%**	

Additionally, for the three and six months ended June 30, 2021, leases commenced totaling 32,864 and 139,064 square feet, respectively, related to Value Add assets and first generation leasing. These are excluded from the Operating Portfolio statistics above.

Capital Market Activity

The chart below details the ATM program activity for the six months ended June 30, 2021:

2021 ATM ACTIVITY

Equity [1]	Shares Issued	Price per Share (Weighted Avg)	Gross Proceeds ($000s)	Net Proceeds ($000s)
Q1	680,276	$32.35	$22,005	$21,785
Q2	1,208,014	$34.95	$42,221	$41,799
Total / weighted average	**1,888,290**	**$34.01**	**$64,226**	**$63,583**

(1) Includes only ATM program proceeds settled in the six months ended June 30, 2021 and excludes any ATM issuance on a forward basis.

On April 5, 2021, the Company sold 1,446,760 shares on a forward basis under the ATM common stock offering program at a price of $34.56 per share, or $50.0 million. The Company does not initially receive any proceeds from the sale of shares on a forward basis. The Company has until April 5, 2022 to settle the forward contract, which had net proceeds of $48.9 million available as of June 30, 2021.

Subsequent to June 30, 2021, the Company sold 1,719,849 shares under the ATM common stock offering program at a price of $37.98 per share, or $65.3 million, and $37.67 per share net of sales agent fees.

As of June 30, 2021, net debt to annualized Run Rate Adjusted EBITDA*re* was 4.7x and Liquidity was $477.7 million.

On July 8, 2021, the Company entered into a note purchase agreement to issue $325 million of fixed rate senior unsecured notes in a private placement offering with a weighted average interest rate of 2.82% as of the issuance date. The transaction consists of $275 million of 2.80% notes with a ten-year term maturing on September 29, 2031, and $50 million of 2.95% notes with a twelve-year term maturing on September 28, 2033.

Conference Call

The Company will host a conference call tomorrow, Wednesday, July 28, 2021, at 10:00 a.m. (Eastern Time) to discuss the quarter's results. The call can be accessed live over the phone toll-free by dialing (877) 407-4018, or for international callers, (201) 689-8471. A replay will be available shortly after the call and can be accessed by dialing (844) 512-2921, or for international callers, (412) 317-6671. The passcode for the replay is 13720904.

Interested parties may also listen to a simultaneous webcast of the conference call by visiting the Investor Relations section of the Company's website at www.stagindustrial.com, or by clicking on the following link:

http://ir.stagindustrial.com/QuarterlyResults

Supplemental Schedule

The Company has provided a supplemental information package with additional disclosure and financial information on its website (www.stagindustrial.com) under the "Quarterly Results" tab in the Investor Relations section.

CONSOLIDATED BALANCE SHEETS
STAG Industrial, Inc.
(unaudited, in thousands, except share data)

	June 30, 2021	December 31, 2020
Assets		
Rental Property:		
Land	$ 510,413	$ 492,783
Buildings and improvements, net of accumulated depreciation of $552,967 and $495,348, respectively	3,630,823	3,532,608
Deferred leasing intangibles, net of accumulated amortization of $260,893 and $258,005, respectively	482,672	499,802
Total rental property, net	4,623,908	4,525,193
Cash and cash equivalents	14,588	15,666
Restricted cash	3,927	4,673
Tenant accounts receivable	83,262	77,796
Prepaid expenses and other assets	51,639	43,471
Interest rate swaps	1,704	—
Operating lease right-of-use assets	24,634	25,403
Assets held for sale, net	2,737	444
Total assets	**$ 4,806,399**	**$ 4,692,646**
Liabilities and Equity		
Liabilities:		
Unsecured credit facility	$ 284,000	$ 107,000
Unsecured term loans, net	970,930	971,111
Unsecured notes, net	573,390	573,281
Mortgage notes, net	55,811	51,898
Accounts payable, accrued expenses and other liabilities	65,269	69,765
Interest rate swaps	28,795	40,656
Tenant prepaid rent and security deposits	30,732	27,844
Dividends and distributions payable	19,803	19,379
Deferred leasing intangibles, net of accumulated amortization of $17,510 and $15,759, respectively	32,929	32,762
Operating lease liabilities	27,838	27,898
Total liabilities	**2,089,497**	**1,921,594**
Equity:		
Preferred stock, par value $0.01 per share, 20,000,000 shares authorized at June 30, 2021 and December 31, 2020,		
Series C, -0- and 3,000,000 shares (liquidation preference of $25.00 per share) issued and outstanding at June 30, 2021 and December 31, 2020, respectively	—	75,000
Common stock, par value $0.01 per share, 300,000,000 shares authorized at June 30, 2021 and December 31, 2020, respectively, 160,315,538 and 158,209,823 shares issued and outstanding at June 30, 2021 and December 31, 2020, respectively	1,603	1,582
Additional paid-in capital	3,486,942	3,421,721
Cumulative dividends in excess of earnings	(804,113)	(742,071)
Accumulated other comprehensive loss	(26,742)	(40,025)
Total stockholders' equity	2,657,690	2,716,207
Noncontrolling interest	59,212	54,845
Total equity	**2,716,902**	**2,771,052**
Total liabilities and equity	**$ 4,806,399**	**$ 4,692,646**

CONSOLIDATED STATEMENTS OF OPERATIONS
STAG Industrial, Inc.
(unaudited, in thousands, except per share data)

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Revenue				
Rental income	$ 137,805	$ 117,471	$ 271,630	$ 235,810
Other income	622	146	792	355
Total revenue	138,427	117,617	272,422	236,165
Expenses				
Property	25,356	20,392	52,358	42,339
General and administrative	12,578	9,406	25,368	19,779
Depreciation and amortization	57,332	53,606	115,739	106,294
Other expenses	511	588	1,363	1,064
Total expenses	95,777	83,992	194,828	169,476
Other income (expense)				
Interest and other income	30	156	62	235
Interest expense	(15,273)	(15,333)	(30,631)	(30,197)
Debt extinguishment and modification expenses	—	(834)	(679)	(834)
Gain on involuntary conversion	—	657	—	657
Gain on the sales of rental property, net	5,976	1,045	12,385	47,804
Total other income (expense)	(9,267)	(14,309)	(18,863)	17,665
Net income	**$ 33,383**	**$ 19,316**	**$ 58,731**	**$ 84,354**
Less: income attributable to noncontrolling interest after preferred stock dividends	733	407	1,206	2,005
Net income attributable to STAG Industrial, Inc.	**$ 32,650**	**$ 18,909**	**$ 57,525**	**$ 82,349**
Less: preferred stock dividends	—	1,289	1,289	2,578
Less: redemption of preferred stock	—	—	2,582	—
Less: amount allocated to participating securities	74	68	147	136
Net income attributable to common stockholders	**$ 32,576**	**$ 17,552**	**$ 53,507**	**$ 79,635**
Weighted average common shares outstanding — basic	159,736	148,663	159,086	148,116
Weighted average common shares outstanding — diluted	161,367	149,027	160,249	148,341
Net income per share — basic and diluted				
Net income per share attributable to common stockholders — basic	$ 0.20	$ 0.12	$ 0.34	$ 0.54
Net income per share attributable to common stockholders — diluted	$ 0.20	$ 0.12	$ 0.33	$ 0.54

RECONCILIATIONS OF GAAP TO NON-GAAP MEASURES
STAG Industrial, Inc.
(unaudited, in thousands)

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
NET OPERATING INCOME RECONCILIATION				
Net income	$ 33,383	$ 19,316	$ 58,731	$ 84,354
General and administrative	12,578	9,406	25,368	19,779
Transaction costs	59	8	79	59
Depreciation and amortization	57,332	53,606	115,739	106,294
Interest and other income	(30)	(156)	(62)	(235)
Interest expense	15,273	15,333	30,631	30,197
Gain on involuntary conversion	—	(657)	—	(657)
Debt extinguishment and modification expenses	—	834	679	834
Other expenses	452	580	1,284	1,005
Gain on the sales of rental property, net	(5,976)	(1,045)	(12,385)	(47,804)
Net operating income	**$ 113,071**	**$ 97,225**	**$ 220,064**	**$ 193,826**
Net operating income	$ 113,071	$ 97,225	$ 220,064	$ 193,826
Straight-line rent adjustments, net	(5,414)	(3,529)	(11,261)	(8,514)
Straight-line termination, solar and other income adjustments, net	786	1,766	1,844	2,887
Amortization of above and below market leases, net	325	1,168	1,799	2,152
Cash net operating income	**$ 108,768**	**$ 96,630**	**$ 212,446**	**$ 190,351**
Cash net operating income	$ 108,768			
Cash NOI from acquisitions' and dispositions' timing	1,179			
Cash termination, solar and other income	(1,663)			
Run Rate Cash NOI	**$ 108,284**			
Same Store Portfolio NOI				
Total NOI	$ 113,071	$ 97,225	$ 220,064	$ 193,826
Less: NOI non-same-store properties	(18,159)	(7,179)	(34,988)	(13,106)
Termination, solar and other adjustments, net	(875)	(728)	(404)	(789)
Same Store NOI	**$ 94,037**	**$ 89,318**	**$ 184,672**	**$ 179,931**
Less: straight-line rent adjustments, net	(3,892)	(3,349)	(6,289)	(8,319)
Amortization of above and below market leases, net	736	1,064	1,438	1,965
Same Store Cash NOI	**$ 90,881**	**$ 87,033**	**$ 179,821**	**$ 173,577**
EBITDA FOR REAL ESTATE (EBITDA*re*) RECONCILIATION				
Net income	$ 33,383	$ 19,316	$ 58,731	$ 84,354
Depreciation and amortization	57,332	53,606	115,739	106,294
Interest and other income	(30)	(156)	(62)	(235)
Interest expense	15,273	15,333	30,631	30,197
Gain on the sales of rental property, net	(5,976)	(1,045)	(12,385)	(47,804)
EBITDA*re*	**$ 99,982**	**$ 87,054**	**$ 192,654**	**$ 172,806**
ADJUSTED EBITDA*re* RECONCILIATION				
EBITDA*re*	$ 99,982	$ 87,054	$ 192,654	$ 172,806
Straight-line rent adjustments, net	(4,997)	(3,415)	(10,731)	(8,385)
Amortization of above and below market leases, net	325	1,168	1,799	2,152
Non-cash compensation expense	4,539	2,938	9,154	5,790
Termination, solar and other income, net	(877)	(1,267)	(554)	(1,328)
Transaction costs	59	8	79	59
Non-recurring other expenses	—	—	400	—
Gain on involuntary conversion	—	(657)	—	(657)
Debt extinguishment and modification expenses	—	834	679	834
Adjusted EBITDA*re*	**$ 99,031**	**$ 86,663**	**$ 193,480**	**$ 171,271**
Adjusted EBITDA*re*	$ 99,031			
Adjusted EBITDA*re* from acquisitions' and dispositions' timing	1,179			
Run Rate Adjusted EBITDA*re*	**$ 100,210**			

RECONCILIATIONS OF GAAP TO NON-GAAP MEASURES
STAG Industrial, Inc.
(unaudited, in thousands, except per share data)

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
CORE FUNDS FROM OPERATIONS RECONCILIATION				
Net income	$ 33,383	$ 19,316	$ 58,731	$ 84,354
Rental property depreciation and amortization	57,291	53,537	115,630	106,154
Gain on the sales of rental property, net	(5,976)	(1,045)	(12,385)	(47,804)
Funds from operations	**$ 84,698**	**$ 71,808**	**$ 161,976**	**$ 142,704**
Preferred stock dividends	—	(1,289)	(1,289)	(2,578)
Redemption of preferred stock	—	—	(2,582)	—
Amount allocated to restricted shares of common stock and unvested units	(224)	(196)	(461)	(406)
Funds from operations attributable to common stockholders and unit holders	**$ 84,474**	**$ 70,323**	**$ 157,644**	**$ 139,720**
Funds from operations attributable to common stockholders and unit holders	$ 84,474	$ 70,323	$ 157,644	$ 139,720
Amortization of above and below market leases, net	325	1,168	1,799	2,152
Transaction costs	59	8	79	59
Non-recurring dead deal costs	—	108	412	307
Debt extinguishment and modification expenses	—	834	679	834
Gain on involuntary conversion	—	(657)	—	(657)
Redemption of preferred stock	—	—	2,582	—
Retirement plan adoption	1,401	—	2,903	—
Core funds from operations	**$ 86,259**	**$ 71,784**	**$ 166,098**	**$ 142,415**
Weighted average common shares and units				
Weighted average common shares outstanding	159,736	148,663	159,086	148,116
Weighted average units outstanding	3,164	3,291	3,148	3,351
Weighted average common shares and units - basic	**162,900**	**151,954**	**162,234**	**151,467**
Dilutive shares	1,631	364	1,163	225
Weighted average common shares, units, and other dilutive shares - diluted	**164,531**	**152,318**	**163,397**	**151,692**
Core funds from operations per share / unit - basic	**$ 0.53**	**$ 0.47**	**$ 1.02**	**$ 0.94**
Core funds from operations per share / unit - diluted	**$ 0.52**	**$ 0.47**	**$ 1.02**	**$ 0.94**
CASH AVAILABLE FOR DISTRIBUTION RECONCILIATION				
Core funds from operations	$ 86,259	$ 71,784	$ 166,098	$ 142,415
Non-rental property depreciation and amortization	41	69	109	140
Straight-line rent adjustments, net	(4,997)	(3,415)	(10,731)	(8,385)
Straight-line termination, solar and other income adjustments, net	786	1,766	1,844	2,887
Recurring capital expenditures	(258)	(152)	(263)	(471)
Non-recurring capital expenditures	(5,000)	(2,742)	(8,817)	(10,200)
Capital expenditures reimbursed by tenants	(1,267)	(576)	(1,635)	(3,363)
New lease commissions and tenant improvements	(1,417)	(338)	(3,121)	(3,518)
Renewal lease commissions and tenant improvements	(1,813)	(1,077)	(3,794)	(1,737)
Non-cash portion of interest expense	789	746	1,276	1,422
Non-cash compensation expense	1,636	2,938	6,251	5,790
Cash available for distribution	**$ 74,759**	**$ 69,003**	**$ 147,217**	**$ 124,980**

Non-GAAP Financial Measures and Other Definitions

Acquisition Capital Expenditures: We define Acquisition Capital Expenditures as Recurring and Non-Recurring Capital Expenditures identified at the time of acquisition. Acquisition Capital Expenditures also include new lease commissions and tenant improvements for space that was not occupied under the Company's ownership.

Cash Available for Distribution: Cash Available for Distribution represents Core FFO, excluding non-rental property depreciation and amortization, straight-line rent adjustments, non-cash portion of interest expense, non-cash compensation expense, and deducts capital expenditures reimbursed by tenants, recurring and non-recurring capital expenditures, and leasing commissions and tenant improvements.

Cash Available for Distribution should not be considered as an alternative to net income (determined in accordance with GAAP) as an indication of our performance, and we believe that to understand our performance further, these measurements should be compared with our reported net income or net loss in accordance with GAAP, as presented in our consolidated financial statements.

Cash Available for Distribution excludes, among other items, depreciation and amortization and capture neither the changes in the value of our buildings that result from use or market conditions of our buildings, all of which have real economic effects and could materially impact our results from operations, the utility of these measures as measures of our performance is limited. In addition, our calculation of Cash Available for Distribution may not be comparable to similarly titled measures disclosed by other REITs.

Cash Capitalization Rate: We define Cash Capitalization Rate as calculated by dividing (i) the Company's estimate of year one cash net operating income from the applicable property's operations stabilized for occupancy (post-lease-up for vacant properties), which does not include termination income, solar income, miscellaneous other income, capital expenditures, general and administrative costs, reserves, tenant improvements and leasing commissions, credit loss, or vacancy loss, by (ii) the GAAP purchase price plus estimated Acquisition Capital Expenditures. These Capitalization Rate estimates are subject to risks, uncertainties, and assumptions and are not guarantees of future performance, which may be affected by known and unknown risks, trends, uncertainties, and factors that are beyond our control, including those risk factors contained in our Annual Report on Form 10-K for the year ended December 31, 2020.

Cash Rent Change: We define Cash Rent Change as the percentage change in the base rent of the lease commenced during the period compared to the base rent of the Comparable Lease for assets included in the Operating Portfolio. The calculation compares the first base rent payment due after the lease commencement date compared to the base rent of the last monthly payment due prior to the termination of the lease, excluding holdover rent. Rent under gross or similar type leases are converted to a net rent based on an estimate of the applicable recoverable expenses.

Comparable Lease: We define a Comparable Lease as a lease in the same space with a similar lease structure as compared to the previous in-place lease, excluding new leases for space that was not occupied under our ownership.

Earnings before Interest, Taxes, Depreciation, and Amortization for Real Estate (EBITDAre), Adjusted EBITDAre, Annualized Adjusted EBITDAre, and Run Rate Adjusted EBITDAre: We define EBITDAre in accordance with the standards established by the National Association of Real Estate Investment Trusts ("NAREIT"). EBITDAre represents net income (loss) (computed in accordance with GAAP) before interest expense, interest and other income, tax, depreciation and amortization, gains or losses on the sale of rental property, and loss on impairments. Adjusted EBITDAre further excludes transaction costs, termination income, solar income, revenue associated with one-time tenant reimbursements of capital expenditures, straight-line rent adjustments, non-cash compensation expense, amortization of above and below market leases, net, gain (loss) on involuntary conversion, debt extinguishment and modification expenses, and other non-recurring items.

We define Annualized Adjusted EBITDAre as Adjusted EBITDAre multiplied by four.

We define Run Rate Adjusted EBITDAre as Adjusted EBITDAre plus incremental Adjusted EBITDAre adjusted for a full period of acquisitions and dispositions. Run Rate Adjusted EBITDAre does not reflect the Company's historical results and does not predict future results, which may be substantially different.

EBITDAre, Adjusted EBITDAre, and Run Rate Adjusted EBITDAre should not be considered as an alternative to net income (determined in accordance with GAAP) as an indication of our performance, and we believe that to understand our performance further, EBITDAre, Adjusted EBITDAre, and Run Rate Adjusted EBITDAre should be compared with our reported net income or net loss in accordance with GAAP, as presented in our consolidated financial statements. We believe that EBITDAre, Adjusted EBITDAre, and Run Rate Adjusted EBITDAre are helpful to investors as supplemental measures of the operating performance of a real estate company because they are direct measures of the actual operating results of our properties. We also use these measures in ratios to compare our performance to that of our industry peers.

Funds from Operations (FFO) and Core FFO: We define FFO in accordance with the standards established by the National Association of Real Estate Investment Trusts ("NAREIT"). FFO represents net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from sales of depreciable operating property, gains (losses) from sales of land, impairment write-downs of depreciable real estate, real estate related depreciation and amortization (excluding amortization of deferred financing costs and fair market value of debt adjustment) and after adjustments for unconsolidated partnerships and joint ventures. Core FFO excludes transaction costs, amortization of above and below market leases, net, debt extinguishment and modification expenses, gain (loss) on involuntary conversion, gain (loss) on swap ineffectiveness, and non-recurring other expenses.

None of FFO or Core FFO should be considered as an alternative to net income (determined in accordance with GAAP) as an indication of our performance, and we believe that to understand our performance further, these measurements should be compared with our reported net income or net loss in accordance with GAAP, as presented in our consolidated financial statements. We use FFO as a supplemental performance measure because it is a widely recognized measure of the performance of REITs. FFO may be used by investors as a basis to compare our operating performance with that of other REITs. We and investors may use Core FFO similarly as FFO.

However, because FFO and Core FFO exclude, among other items, depreciation and amortization and capture neither the changes in the value of our buildings that result from use or market conditions of our buildings, all of which have real economic effects and could materially impact our results from operations, the utility of these measures as measures of our performance is limited. In addition, other REITs may not calculate FFO in accordance with the NAREIT definition as we do, and, accordingly, our FFO may not be comparable to such other REITs' FFO. Similarly, our calculation of Core FFO may not be comparable to similarly titled measures disclosed by other REITs.

GAAP: We define GAAP as generally accepted accounting principles in the United States.

Liquidity: We define Liquidity as the amount of aggregate undrawn nominal commitments the Company could immediately borrow under the Company's unsecured debt instruments, consistent with the financial covenants, plus unrestricted cash balances.

Market: We define Market as the market defined by CoStar based on the building address. If the building is located outside of a CoStar defined market, the city and state is reflected.

Net operating income (NOI), Cash NOI, and Run Rate Cash NOI: We define NOI as rental income, including reimbursements, less property expenses, which excludes depreciation, amortization, loss on impairments, general and administrative expenses, interest expense, interest income, transaction costs, gain (loss) on involuntary conversion, debt extinguishment and modification expenses, gain on sales of rental property, and other expenses.

We define Cash NOI as NOI less straight-line rent adjustments and less amortization of above and below market leases, net.

We define Run Rate Cash NOI as Cash NOI plus Cash NOI adjusted for a full period of acquisitions and dispositions, less cash termination income, solar income and revenue associated with one-time tenant reimbursements of capital expenditures. Run Rate Cash NOI does not reflect the Company's historical results and does not predict future results, which may be substantially different.

We consider NOI, Cash NOI and Run Rate Cash NOI to be appropriate supplemental performance measures to net income because we believe they help us, and investors understand the core operations of our buildings. None of these measures should be considered as an alternative to net income (determined in accordance with GAAP) as an indication of our performance, and we believe that to understand our performance further, these measurements should be compared with our reported net income or net loss in accordance with GAAP, as presented in our consolidated financial statements. Further, our calculations of NOI, Cash NOI and Run Rate NOI may not be comparable to similarly titled measures disclosed by other REITs.

Non-Recurring Capital Expenditures: We define Non-Recurring Capital Expenditures as capital items for upgrades or items that previously did not exist at a building or capital items which have a longer useful life, such as roof replacements. Non-Recurring Capital Expenditures funded by parties other than the Company or capital expenditures reimbursed by tenants in lump sum and Acquisition Capital Expenditures are excluded.

Occupancy Rate: We define Occupancy Rate as the percentage of total leasable square footage for which either revenue recognition has commenced in accordance with GAAP or the lease term has commenced as of the close of the reporting period, whichever occurs earlier.

Operating Portfolio: We define the Operating Portfolio as all warehouse and light manufacturing assets that were acquired stabilized or have achieved Stabilization. The Operating Portfolio excludes non-core flex/office assets, assets contained in the Value Add Portfolio, and assets classified as held for sale.

Pipeline: We define Pipeline as a point in time measure that includes all of the transactions under consideration by the Company's acquisitions group that have passed the initial screening process. The pipeline also includes transactions under contract and transactions with non-binding LOIs.

Recurring Capital Expenditures: We define Recurring Capital Expenditures as capital items required to sustain existing systems and capital items which generally have a shorter useful life. Recurring Capital Expenditures funded by parties other than the Company are excluded.

Renewal Lease: We define a Renewal Lease as a lease signed by an existing tenant to extend the term for 12 months or more, including (i) a renewal of the same space as the current lease at lease expiration, (ii) a renewal of only a portion of the current space at lease expiration, or (iii) an early renewal or workout, which ultimately does extend the original term for 12 months or more.

Retention: We define Retention as the percentage determined by taking Renewal Lease square footage commencing in the period divided by square footage of leases expiring in the period for assets included in the Operating Portfolio.

Same Store: We define Same Store properties as properties that were in the Operating Portfolio for the entirety of the comparative periods presented. Same Store GAAP NOI and Same Store Cash NOI exclude termination fees, solar income, and revenue associated with one-time tenant reimbursements of capital expenditures.

Stabilization: We define Stabilization for assets under development or redevelopment to occur as the earlier of achieving 90% occupancy or 12 months after completion. Stabilization for assets that were acquired and immediately added to the Value Add Portfolio occurs under the following:

- if acquired with less than 75% occupancy as of the acquisition date, Stabilization will occur upon the earlier of achieving 90% occupancy or 12 months from the acquisition date;
- if acquired and will be less than 75% occupied due to known move-outs within two years of the acquisition date, Stabilization will occur upon the earlier of achieving 90% occupancy after the known move-outs have occurred or 12 months after the known move-outs have occurred.

Straight-Line Capitalization Rate: We define Straight-Line Capitalization Rate as calculated by dividing (i) the Company's estimate of average annual net operating income from the applicable property's operations stabilized for occupancy (post-lease-up for vacant properties), which does not include termination income, solar income, miscellaneous other income, capital expenditures, general and administrative costs, reserves, tenant improvements and leasing commissions, credit loss, or vacancy loss, by (ii) the GAAP purchase price plus estimated Acquisition Capital Expenditures. These Capitalization Rate estimates are subject to risks, uncertainties, and assumptions and are not guarantees of future performance, which may be affected by known and unknown risks, trends, uncertainties, and factors that are beyond our control, including those risk factors contained in our Annual Report on Form 10-K for the year ended December 31, 2020.

Straight-Line Rent Change (SL Rent Change): We define SL Rent Change as the percentage change in the average monthly base rent over the term of the lease that commenced during the period compared to the Comparable Lease for assets included in the Operating Portfolio. Rent under gross or similar type leases are converted to a net rent based on an estimate of the applicable recoverable expenses, and this calculation excludes the impact of any holdover rent.

Value Add Portfolio: We define the Value Add Portfolio as properties that meet any of the following criteria:

- less than 75% occupied as of the acquisition date;
- will be less than 75% occupied due to known move-outs within two years of the acquisition date;
- out of service with significant physical renovation of the asset;
- development.

Weighted Average Lease Term: We define Weighted Average Lease Term as the contractual lease term in years as of the lease start date weighted by square footage. Weighted Average Lease Term related to acquired assets reflects the remaining lease term in years as of the acquisition date weighted by square footage.

Forward-Looking Statements

This earnings release contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. STAG Industrial, Inc. (STAG) intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and includes this statement for purposes of complying with these safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe STAG's future plans, strategies and expectations, are generally identifiable by use of the words "believe," "will," "expect," "intend," "anticipate," "estimate," "should", "project" or similar expressions. You should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond STAG's control and which could materially affect actual results, performances or achievements. Factors that may cause actual results to differ materially from current expectations include, but are not limited to, the risk factors discussed in STAG's most recent Annual Report on Form 10-K for the year ended December 31, 2020, as updated by the Company's subsequent reports filed with the Securities and Exchange Commission. Accordingly, there is no assurance that STAG's expectations will be realized. Except as otherwise required by the federal securities laws, STAG disclaims any obligation or undertaking to publicly release any updates or revisions to any forward-looking statement contained herein (or elsewhere) to reflect any change in STAG's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.