STAG INDUSTRIAL

# SUPPLEMENTAL INFORMATION

## UNAUDITED THIRD QUARTER 2022

## 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, 2021, 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 (September 30, 2022) | |
|---|---|
| Square Feet | 111.6 million |
| Number of Buildings | 563 |
| Number of States | 41 |
| Portfolio Occupancy | 98.2% |
| Operating Portfolio Occupancy | 98.8% |
| Weighted Average Lease Term | 4.9 years |
| Weighted Average Rent | $4.85/sf |
| Net Debt to Annualized Run Rate Adjusted EBITDA*re* ratio | 5.0x |
| Monthly Dividend (annualized) | $0.121667 ($1.46) |

# CONSOLIDATED BALANCE SHEETS

| (in thousands, except share data) | September 30, 2022 | December 31, 2021 |
|---|---|---|
| **Assets** | | |
| Rental Property: | | |
| Land | $ 647,379 | $ 617,297 |
| Buildings and improvements, net of accumulated depreciation of $725,035 and $611,867, respectively | 4,711,118 | 4,435,743 |
| Deferred leasing intangibles, net of accumulated amortization of $338,070 and $282,038, respectively | 532,616 | 567,658 |
| Total rental property, net | 5,891,113 | 5,620,698 |
| Cash and cash equivalents | 13,369 | 18,981 |
| Restricted cash | 1,082 | 4,215 |
| Tenant accounts receivable | 103,231 | 93,600 |
| Prepaid expenses and other assets | 77,815 | 60,953 |
| Interest rate swaps | 77,508 | 5,220 |
| Operating lease right-of-use assets | 31,778 | 29,582 |
| **Total assets** | **$ 6,195,896** | **$ 5,833,249** |
| **Liabilities and Equity** | | |
| Liabilities: | | |
| Unsecured credit facility | $ 136,000 | $ 296,000 |
| Unsecured term loans, net | 1,020,104 | 970,577 |
| Unsecured notes, net | 1,295,253 | 896,941 |
| Mortgage notes, net | 7,981 | 54,744 |
| Accounts payable, accrued expenses and other liabilities | 109,482 | 76,475 |
| Interest rate swaps | — | 17,052 |
| Tenant prepaid rent and security deposits | 38,019 | 37,138 |
| Dividends and distributions payable | 22,282 | 21,906 |
| Deferred leasing intangibles, net of accumulated amortization of $26,240 and $21,136, respectively | 34,560 | 35,721 |
| Operating lease liabilities | 35,501 | 33,108 |
| **Total liabilities** | **$ 2,699,182** | **$ 2,439,662** |
| Equity: | | |
| Preferred stock, par value $0.01 per share, 20,000,000 shares authorized at September 30, 2022 and December 31, 2021; none issued or outstanding | — | — |
| Common stock, par value $0.01 per share, 300,000,000 shares authorized at September 30, 2022 and December 31, 2021, 179,214,795 and 177,769,342 shares issued and outstanding at September 30, 2022 and December 31, 2021, respectively | 1,792 | 1,777 |
| Additional paid-in capital | 4,184,839 | 4,130,038 |
| Cumulative dividends in excess of earnings | (840,521) | (792,332) |
| Accumulated other comprehensive income (loss) | 75,663 | (11,783) |
| Total stockholders’ equity | 3,421,773 | 3,327,700 |
| Noncontrolling interest | 74,941 | 65,887 |
| **Total equity** | **3,496,714** | **3,393,587** |
| **Total liabilities and equity** | **$ 6,195,896** | **$ 5,833,249** |

# CONSOLIDATED STATEMENTS OF OPERATIONS

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| (in thousands, except per share data) | 2022 | 2021 | 2022 | 2021 |
| **Revenue** | | | | |
| Rental income | $ 164,683 | $ 140,277 | $ 484,341 | $ 411,907 |
| Other income | 1,622 | 1,837 | 2,673 | 2,629 |
| Total revenue | 166,305 | 142,114 | 487,014 | 414,536 |
| **Expenses** | | | | |
| Property | 30,087 | 26,742 | 90,736 | 79,100 |
| General and administrative | 10,884 | 12,668 | 35,431 | 38,036 |
| Depreciation and amortization | 69,456 | 59,246 | 206,101 | 174,985 |
| Loss on impairment | 1,783 | — | 1,783 | — |
| Other expenses | 578 | 821 | 1,607 | 2,184 |
| Total expenses | 112,788 | 99,477 | 335,658 | 294,305 |
| **Other income (expense)** | | | | |
| Interest and other income | 26 | 30 | 83 | 92 |
| Interest expense | (21,155) | (15,746) | (56,310) | (46,377) |
| Debt extinguishment and modification expenses | (838) | — | (838) | (679) |
| Gain on the sales of rental property, net | 33,168 | 22,662 | 57,499 | 35,047 |
| Total other income (expense) | 11,201 | 6,946 | 434 | (11,917) |
| **Net income** | **$ 64,718** | **$ 49,583** | **$ 151,790** | **$ 108,314** |
| Less: income attributable to noncontrolling interest after preferred stock dividends | 1,388 | 1,067 | 3,258 | 2,273 |
| **Net income attributable to STAG Industrial, Inc.** | **$ 63,330** | **$ 48,516** | **$ 148,532** | **$ 106,041** |
| Less: preferred stock dividends | — | — | — | 1,289 |
| Less: redemption of preferred stock | — | — | — | 2,582 |
| Less: amount allocated to participating securities | 59 | 72 | 180 | 219 |
| **Net income attributable to common stockholders** | **$ 63,271** | **$ 48,444** | **$ 148,352** | **$ 101,951** |
| Weighted average common shares outstanding — basic | 179,054 | 162,652 | 178,648 | 160,288 |
| Weighted average common shares outstanding — diluted | 179,162 | 163,462 | 178,790 | 160,869 |
| **Net income per share — basic and diluted** | | | | |
| Net income per share attributable to common stockholders — basic | $ 0.35 | $ 0.30 | $ 0.83 | $ 0.64 |
| Net income per share attributable to common stockholders — diluted | $ 0.35 | $ 0.30 | $ 0.83 | $ 0.63 |

# NET OPERATING INCOME (NOI) & CASH NOI

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| (in thousands) | 2022 | 2021 | 2022 | 2021 |
| **Net income** | $ 64,718 | $ 49,583 | $ 151,790 | $ 108,314 |
| General and administrative | 10,884 | 12,668 | 35,431 | 38,036 |
| Depreciation and amortization | 69,456 | 59,246 | 206,101 | 174,985 |
| Interest and other income | (26) | (30) | (83) | (92) |
| Interest expense | 21,155 | 15,746 | 56,310 | 46,377 |
| Loss on impairment | 1,783 | — | 1,783 | — |
| Debt extinguishment and modification expenses | 838 | — | 838 | 679 |
| Other expenses | 578 | 821 | 1,607 | 2,184 |
| Gain on the sales of rental property, net | (33,168) | (22,662) | (57,499) | (35,047) |
| **Net operating income (1)** | **$ 136,218** | **$ 115,372** | **$ 396,278** | **$ 335,436** |
| | | | | |
| **Net operating income** | $ 136,218 | $ 115,372 | $ 396,278 | $ 335,436 |
| Rental property straight-line rent adjustments, net | (4,293) | (4,461) | (12,288) | (13,878) |
| Amortization of above and below market leases, net | (95) | 223 | (208) | 2,022 |
| **Cash net operating income** | **$ 131,830** | **$ 111,134** | **$ 383,782** | **$ 323,580** |
| | | | | |
| **Cash net operating income** | $ 131,830 | | | |
| Cash NOI from acquisitions' and dispositions' timing | 435 | | | |
| Cash termination, solar and other income | (2,385) | | | |
| **Run Rate Cash NOI** | **$ 129,880** | | | |
| | | | | |
| **Same Store Portfolio NOI** | | | | |
| Total NOI | $ 136,218 | $ 115,372 | $ 396,278 | $ 335,436 |
| Less: NOI non-same-store properties | (25,061) | (9,763) | (69,133) | (20,186) |
| Termination, solar and other adjustments, net | (1,895) | (1,946) | (4,552) | (3,027) |
| **Same Store NOI** | **$ 109,262** | **$ 103,663** | **$ 322,593** | **$ 312,223** |
| Less: straight-line rent adjustments, net | (3,297) | (3,340) | (8,895) | (13,910) |
| Plus: Amortization of above and below market leases, net | 228 | 212 | 345 | 804 |
| **Same Store Cash NOI** | **$ 106,193** | **$ 100,535** | **$ 314,043** | **$ 299,117** |

(1) For the three and nine months ended September 30, 2022 and 2021, Total Rental Income was $164,683, $140,277, $484,341, and $411,907, comprising of base rental income of $136,250, $116,972, $401,600, and $342,679 and tenant reimbursement income of $28,433, $23,305, $82,741, and $69,228, respectively.

# FUNDS FROM OPERATIONS (FFO) & CORE FFO

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| (in thousands, except per share data) | 2022 | 2021 | 2022 | 2021 |
| **Net income** | $ 64,718 | $ 49,583 | $ 151,790 | $ 108,314 |
| Rental property depreciation and amortization | 69,400 | 59,195 | 205,938 | 174,825 |
| Loss on impairment | 1,783 | — | 1,783 | — |
| Gain on the sales of rental property, net | (33,168) | (22,662) | (57,499) | (35,047) |
| **Funds from operations** | **$ 102,733** | **$ 86,116** | **$ 302,012** | **$ 248,092** |
| Preferred stock dividends | — | — | — | (1,289) |
| Redemption of preferred stock | — | — | — | (2,582) |
| Amount allocated to restricted shares of common stock and unvested units | (134) | (206) | (436) | (667) |
| **Funds from operations attributable to common stockholders and unit holders** | **$ 102,599** | **$ 85,910** | **$ 301,576** | **$ 243,554** |
| | | | | |
| **Funds from operations attributable to common stockholders and unit holders** | $ 102,599 | $ 85,910 | $ 301,576 | $ 243,554 |
| Amortization of above and below market leases, net | (95) | 223 | (208) | 2,022 |
| Non-recurring dead deal costs and other | — | 110 | — | 601 |
| Debt extinguishment and modification expenses | 838 | — | 838 | 679 |
| Redemption of preferred stock | — | — | — | 2,582 |
| Severance costs | — | 2,148 | — | 2,148 |
| Retirement plan adoption | — | (253) | — | 2,650 |
| **Core funds from operations** | **$ 103,342** | **$ 88,138** | **$ 302,206** | **$ 254,236** |
| | | | | |
| **Weighted average common shares and units** | | | | |
| Weighted average common shares outstanding | 179,054 | 162,652 | 178,648 | 160,288 |
| Weighted average units outstanding | 3,710 | 3,169 | 3,683 | 3,155 |
| **Weighted average common shares and units - basic** | **182,764** | **165,821** | **182,331** | **163,443** |
| Dilutive shares | 108 | 810 | 142 | 581 |
| **Weighted average common shares, units, and other dilutive shares - diluted** | **182,872** | **166,631** | **182,473** | **164,024** |
| **Core funds from operations per share / unit - basic** | **$ 0.57** | **$ 0.53** | **$ 1.66** | **$ 1.56** |
| **Core funds from operations per share / unit - diluted** | **$ 0.57** | **$ 0.53** | **$ 1.66** | **$ 1.55** |

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

| (in thousands) | Three months ended September 30, 2022 | Three months ended September 30, 2021 | NIne months ended September 30, 2022 | NIne months ended September 30, 2021 |
|---|---|---|---|---|
| | | | | |
| **Net income** | $ 64,718 | $ 49,583 | $ 151,790 | $ 108,314 |
| Depreciation and amortization | 69,456 | 59,246 | 206,101 | 174,985 |
| Interest and other income | (26) | (30) | (83) | (92) |
| Interest expense | 21,155 | 15,746 | 56,310 | 46,377 |
| Loss on impairment | 1,783 | — | 1,783 | — |
| Gain on the sales of rental property, net | (33,168) | (22,662) | (57,499) | (35,047) |
| **EBITDA for Real Estate (EBITDA*re)*** | **$ 123,918** | **$ 101,883** | **$ 358,402** | **$ 294,537** |
| | | | | |
| **EBITDA*re*** | $ 123,918 | $ 101,883 | $ 358,402 | $ 294,537 |
| Straight-line rent adjustments, net | (4,351) | (3,912) | (12,440) | (14,643) |
| Amortization of above and below market leases, net | (95) | 223 | (208) | 2,022 |
| Non-cash compensation expense | 2,738 | 2,681 | 9,408 | 11,835 |
| Severance costs | — | 2,148 | — | 2,148 |
| Non-recurring other items | (152) | (2,556) | (584) | (2,631) |
| Debt extinguishment and modification expenses | 838 | — | 838 | 679 |
| **Adjusted EBITDA*re*** | **$ 122,896** | **$ 100,467** | **$ 355,416** | **$ 293,947** |
| | | | | |
| **Cash available for distribution reconciliation** | | | | |
| **Core funds from operations** | $ 103,342 | $ 88,138 | $ 302,206 | $ 254,236 |
| Non-rental property depreciation and amortization | 56 | 51 | 163 | 160 |
| Straight-line rent adjustments, net | (4,351) | (4,272) | (12,440) | (13,159) |
| Capital expenditures | (6,503) | (6,846) | (22,379) | (15,926) |
| Capital expenditures reimbursed by tenants | — | (760) | (804) | (2,395) |
| Lease commissions and tenant improvements | (9,277) | (6,035) | (22,286) | (12,950) |
| Non-cash portion of interest expense | 1,011 | 803 | 2,755 | 2,079 |
| Non-cash compensation expense | 2,738 | 2,934 | 9,408 | 9,185 |
| Severance costs | — | (1,619) | — | (1,619) |
| **Cash available for distribution** | **$ 87,016** | **$ 72,394** | **$ 256,623** | **$ 219,611** |

# ACQUISITIONS

## THIRD QUARTER 2022 ACQUISITIONS

| Market | Date Acquired | Square Feet | Buildings | Purchase Price ($000) | Weighted Average Lease Term (Years) | Cash Capitalization Rate | Straight-Line Capitalization Rate |
|---|---|---|---|---|---|---|---|
| Atlanta, GA | 7/15/2022 | 159,048 | 1 | $10,062 | 1.0 | | |
| Fresno, CA | 7/25/2022 | 232,072 | 1 | 30,121 | 10.1 | | |
| El Paso, TX | 7/26/2022 | 326,166 | 4 | 37,792 | 3.6 | | |
| Portland, OR | 9/12/2022 | 78,000 | 1 | 11,281 | 4.3 | | |
| Louisville, KY | 9/21/2022 | 563,032 | 1 | 38,064 | — | | |
| **Total / weighted average** | | **1,358,318** | **8** | **$127,320** | **5.0** | **5.4%** | **5.8%** |

## 2022 ACQUISITIONS

| Quarter | Square Feet | Buildings | Purchase Price ($000) | Weighted Average Lease Term (Years) | Cash Capitalization Rate | Straight-Line Capitalization Rate |
|---|---|---|---|---|---|---|
| Q1 | 1,799,761 | 8 | $166,351 | 5.3 | 5.0% | 5.2% |
| Q2 | 1,467,543 | 9 | 165,362 | 9.1 | 5.2% | 5.7% |
| Q3 | 1,358,318 | 8 | 127,320 | 5.0 | 5.4% | 5.8% |
| **Total / weighted average** | **4,625,622** | **25** | **$459,033** | **6.7** | **5.2%** | **5.5%** |

# DISPOSITIONS

| THIRD QUARTER 2022 DISPOSITIONS | | | | |
|---|---|---|---|---|
| **Market** | **Date Disposed** | **Square Feet** | **Buildings** | **Gross Proceeds ($000s)** |
| Greenwood, IN | 7/7/2022 | 446,500 | 1 | $40,700 |
| Dayton, OH | 7/7/2022 | 569,966 | 1 | 41,300 |
| Williamsport, PA | 7/11/2022 | 250,000 | 1 | 11,161 |
| Ware Shoals, SC | 9/28/2022 | 20,514 | 1 | 535 |
| **Total** | | **1,286,980** | **4** | **$93,696** |

| 2022 DISPOSITIONS | | | |
|---|---|---|---|
| **Quarter** | **Square Feet** | **Buildings** | **Gross Proceeds ($000s)** |
| Q1 | 237,500 | 1 | $36,115 |
| Q2 | 90,000 | 1 | 3,150 |
| Q3 | 1,286,980 | 4 | 93,696 |
| **Total** | **1,614,480** | **6** | **$132,961** |

# LEASING & RETENTION STATISTICS

## THIRD QUARTER 2022 OPERATING PORTFOLIO LEASING ACTIVITY

| Lease Type | Square Feet | Lease Count | 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 | 1,135,784 | 9 | 4.8 | $5.38 | $5.69 | $1.69 | $0.98 | 19.4% | 29.9% | |
| Renewal Leases | 1,685,721 | 14 | 5.0 | $4.52 | $4.81 | $0.92 | $0.82 | 9.5% | 21.6% | 63.0% |
| **Total / weighted average** | **2,821,505** | **23** | **4.9** | **$4.87** | **$5.16** | **$1.23** | **$0.88** | **13.6%** | **25.1%** | |

## 2022 YEAR TO DATE OPERATING PORTFOLIO LEASING ACTIVITY

| Lease Type | Square Feet | Lease Count | 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 | 3,627,110 | 26 | 5.4 | $5.28 | $5.56 | $1.86 | $0.74 | 19.9% | 29.7% | |
| Renewal Leases | 5,561,539 | 48 | 5.0 | $4.82 | $5.11 | $0.65 | $0.49 | 10.7% | 20.3% | 68.1% |
| **Total / weighted average** | **9,188,649** | **74** | **5.2** | **$5.00** | **$5.29** | **$1.13** | **$0.59** | **14.3%** | **24.0%** | |

Note: The tables above represents leases commencing during the quarter and year.

Note: Additionally, for the three and nine months ended September 30, 2022, leases commenced totaling 60,875 and 809,234 square feet, respectively, related to Value Add assets and first generation leasing. These are excluded from the Operating Portfolio statistics above.

# SAME STORE NOI

| (in thousands, except building count data and square footage) | Three months ended September 30, 2022 | 2021 | Change | % Change | Nine months ended September 30, 2022 | 2021 | Change | % Change |
|---|---|---|---|---|---|---|---|---|
| Same Store square footage | 93,200,030 | | | | 93,200,030 | | | |
| Same Store buildings | 458 | | | | 458 | | | |
| % of total square feet | 83.5 % | | | | 83.5 % | | | |
| | | | | | | | | |
| Occupancy Rate at quarter end | 98.9 % | 97.4 % | 1.5 % | | 98.9 % | 97.4 % | 1.5 % | |
| Average Occupancy Rate | 98.7 % | 97.5 % | 1.2 % | | 98.3 % | 97.7 % | 0.6 % | |
| | | | | | | | | |
| **Same Store GAAP Analysis** | | | | | | | | |
| Income from real estate operations | $135,484 | $130,151 | $5,333 | | $401,239 | $388,099 | $13,140 | |
| Income from lease terminations, solar and other | (1,895) | (2,007) | 112 | | (4,619) | (3,307) | (1,312) | |
| GAAP adjustments for write-offs for lease terminations | — | 61 | (61) | | 67 | 280 | (213) | |
| Income excluding lease terminations, solar and other | 133,589 | 128,205 | 5,384 | | 396,687 | 385,072 | 11,615 | |
| Expenses from real estate operations | (24,327) | (24,542) | 215 | | (74,094) | (72,849) | (1,245) | |
| **Same Store GAAP NOI** | **$109,262** | **$103,663** | **$5,599** | **5.4%** | **$322,593** | **$312,223** | **$10,370** | **3.3%** |
| | | | | | | | | |
| **Same Store Cash Analysis** | | | | | | | | |
| Income from real estate operations | $132,719 | $126,737 | $5,982 | | $393,260 | $376,178 | $17,082 | |
| Cash received from lease terminations, solar and other | (2,280) | (1,746) | (534) | | (5,368) | (4,471) | (897) | |
| Income excluding lease terminations, solar and other | 130,439 | 124,991 | 5,448 | | 387,892 | 371,707 | 16,185 | |
| Expenses from real estate operations | (24,246) | (24,456) | 210 | | (73,849) | (72,590) | (1,259) | |
| **Same Store Cash NOI** | **$106,193** | **$100,535** | **$5,658** | **5.6%** | **$314,043** | **$299,117** | **$14,926** | **5.0%** |

# CAPITAL EXPENDITURES

(in thousands, except square feet data)

## CAPITAL EXPENDITURES, TENANT IMPROVEMENTS, AND LEASE COMMISSIONS SUMMARY

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| **Average portfolio square feet** | 111,537,804 | 101,741,411 | 110,064,209 | 100,805,048 |
| **Tenant improvements (TIs) and lease commissions (LCs)** | $9,277 | $6,035 | $22,286 | $12,950 |
| **Capital expenditures** | $6,503 | $6,846 | $22,379 | $15,926 |
| **Capital expenditures per average square foot** | $0.06 | $0.07 | $0.20 | $0.16 |
| **Total capital expenditures, TIs and LCs** | $15,780 | $12,881 | $44,665 | $28,876 |
| **Acquisition capital expenditures** | $5,777 | $509 | $12,276 | $2,643 |
| **Building expansions and redevelopment** | $9,011 | $0 | $11,297 | $772 |
| **Development** | $11,951 | $0 | $27,895 | $0 |
| **Capital expenditures reimbursed by tenants** | $0 | $760 | $804 | $2,395 |

# LEASE EXPIRATION SCHEDULE

## LEASE EXPIRATION SCHEDULE AS OF SEPTEMBER 30, 2022

| 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 | 1,993,759 | N/A | N/A | N/A |
| MTM | — | — | —% | $— | —% |
| 2022 | 6 | 663,066 | 0.6% | 3,508 | 0.7% |
| 2023 | 80 | 9,911,545 | 9.0% | 45,591 | 8.6% |
| 2024 | 102 | 13,987,479 | 12.8% | 65,917 | 12.4% |
| 2025 | 102 | 14,689,924 | 13.4% | 66,362 | 12.5% |
| 2026 | 114 | 17,174,618 | 15.7% | 83,223 | 15.6% |
| 2027 | 92 | 13,997,482 | 12.8% | 67,915 | 12.8% |
| 2028 | 55 | 8,376,220 | 7.6% | 38,989 | 7.3% |
| 2029 | 44 | 7,516,081 | 6.9% | 37,162 | 7.0% |
| 2030 | 29 | 4,110,740 | 3.7% | 22,978 | 4.3% |
| 2031 | 41 | 7,312,872 | 6.7% | 34,750 | 6.5% |
| Thereafter | 52 | 11,839,791 | 10.8% | 65,488 | 12.3% |
| **Total** | **717** | **111,573,577** | **100.0%** | **$531,883** | **100.0%** |

# TOP MARKETS, TENANTS AND INDUSTRIES

### TOP MARKETS

**September 30, 2022**

| # | Market | ABR % |
|---|---|---|
| 1 | Chicago, IL | 7.6% |
| 2 | Philadelphia, PA | 7.3% |
| 3 | Greenville/Spartanburg, SC | 5.5% |
| 4 | Milwaukee/Madison, WI | 4.4% |
| 5 | Detroit, MI | 4.3% |
| 6 | Pittsburgh, PA | 4.2% |
| 7 | Columbus, OH | 4.1% |
| 8 | Minneapolis/St Paul, MN | 3.7% |
| 9 | Houston, TX | 2.9% |
| 10 | West Michigan, MI | 2.5% |
| 11 | Charlotte, NC | 2.5% |
| 12 | El Paso, TX | 2.5% |
| 13 | Cleveland, OH | 1.9% |
| 14 | Boston, MA | 1.8% |
| 15 | Indianapolis, IN | 1.8% |
| 16 | Kansas City, MO | 1.8% |
| 17 | Washington, DC | 1.7% |
| 18 | Columbia, SC | 1.6% |
| 19 | Westchester/So Connecticut, CT/NY | 1.5% |
| 20 | Cincinnati/Dayton, OH | 1.5% |
|  | **Top 10** | **46.5%** |
|  | **Top 11-20** | **18.6%** |
|  | **Total Top 20** | **65.1%** |

### TOP TENANTS

**September 30, 2022**

| # | Tenant(1) | # of Leases | ABR % |
|---|---|---|---|
| 1 | Amazon | 7 | 3.0% |
| 2 | Eastern Metal Supply, Inc. | 5 | 0.9% |
| 3 | American Tire Distributors, Inc. | 7 | 0.9% |
| 4 | Tempur Sealy International, Inc. | 2 | 0.8% |
| 5 | Lippert Component Manufacturing | 5 | 0.8% |
| 6 | Kenco Logistic Services, LLC | 3 | 0.8% |
| 7 | Penguin Random House, LLC | 1 | 0.8% |
| 8 | FedEx Corporation | 3 | 0.8% |
| 9 | WestRock Company | 7 | 0.7% |
| 10 | DS Smith North America | 2 | 0.7% |
| 11 | GXO Logistics, Inc. | 2 | 0.7% |
| 12 | Yanfeng US Automotive Interior | 2 | 0.7% |
| 13 | DHL Supply Chain | 4 | 0.7% |
| 14 | Carolina Beverage Group | 3 | 0.7% |
| 15 | LKQ Corporation | 4 | 0.7% |
| 16 | Berlin Packaging L.L.C. | 4 | 0.7% |
| 17 | Ford Motor Company | 1 | 0.6% |
| 18 | Iron Mountain Information Management | 5 | 0.6% |
| 19 | Hachette Book Group, Inc. | 1 | 0.6% |
| 20 | Schneider Electric USA, Inc. | 3 | 0.6% |
|  | **Top 10** | **42** | **10.2%** |
|  | **Top 11-20** | **29** | **6.6%** |
|  | **Total Top 20** | **71** | **16.8%** |

### TOP INDUSTRIES

**September 30, 2022**

| # | Industry(2) | ABR % |
|---|---|---|
| 1 | Air Freight & Logistics | 10.9% |
| 2 | Containers & Packaging | 8.2% |
| 3 | Auto Components | 7.4% |
| 4 | Commercial Services & Supplies | 5.3% |
| 5 | Machinery | 5.2% |
| 6 | Trading Companies & Distribution (Industrial Goods) | 5.1% |
| 7 | Internet & Direct Market Retail | 4.8% |
| 8 | Household Durables | 4.4% |
| 9 | Distributors (Consumer Goods) | 4.3% |
| 10 | Food & Staples Retailing | 3.5% |
| 11 | Media | 3.2% |
| 12 | Building Products | 3.1% |
| 13 | Specialty Retail | 2.8% |
| 14 | Food Products | 2.3% |
| 15 | Chemicals | 2.2% |
| 16 | Electronic Equip, Instruments | 2.2% |
| 17 | Road & Rail | 2.1% |
| 18 | Beverages | 2.0% |
| 19 | Textiles, Apparel, Luxury Goods | 2.0% |
| 20 | Health Care Equipment & Supplies | 1.8% |
|  | **Top 10** | **59.1%** |
|  | **Top 11-20** | **23.7%** |
|  | **Total Top 20** | **82.8%** |

(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 September 30, 2022 |
|---|---|
| **Common shares, participating securities, performance units and other units** | |
| Common shares outstanding | 179,054,213 |
| Participating securities outstanding | 160,582 |
| Units outstanding | 3,925,001 |
| **Common shares, participating securities, and other units - basic** | 183,139,796 |
| Performance units | 242,171 |
| **Common shares, participating securities, performance and other units - diluted** | 183,381,967 |

## DEBT METRICS

| (in thousands) | Three months ended September 30, 2022 |
|---|---|
| **Adjusted EBITDAre** | $ 122,896 |
| Adjusted EBITDAre from acquisitions' and dispositions' timing | 435 |
| **Run Rate Adjusted EBITDAre** | **$ 123,331** |
| Less: Allowable one-time items | (2,233) |
| **Run Rate Adjusted EBITDAre net of allowable one-time items** | **$ 121,098** |
| Annualize | 484,392 |
| Plus: Allowable one-time items | 2,233 |
| **Annualized Run Rate Adjusted EBITDAre** | **$ 486,625** |
| | |
| Net debt / Annualized Adjusted EBITDAre ratio | 5.1x |
| Net debt / Annualized Run Rate Adjusted EBITDAre ratio | 5.0x |
| Net debt / total Real Estate Cost Basis (at quarter end) | 35.6% |
| Total debt / total enterprise value (at quarter end) | 32.2% |
| Liquidity | $873.8 million |
| Fitch Credit Rating | BBB / Stable |
| Moody's Credit Rating | Baa3 / Stable |

## UNSECURED BANK DEBT COVENANTS

| | Covenant | September 30, 2022 |
|---|---|---|
| Consolidated leverage ratio | < 60% | 29.5% |
| Secured leverage ratio | < 40% | 0.1% |
| Unencumbered leverage ratio | < 60% | 30.9% |
| Unsecured interest coverage ratio | > 1.75x | 6.3x |
| Fixed charge coverage ratio | > 1.5x | 5.9x |

# DEBT SUMMARY

**AS OF SEPTEMBER 30, 2022 (in millions)**

| Category | Committed | Principal Balance | Interest Rate[1] | Current Maturity |
|---|---|---|---|---|
| **Unsecured debt:** | | | | |
| Series F Unsecured Note | 100.0 | 100.0 | 3.98 % | 1/5/2023 |
| Series A Unsecured Note | 50.0 | 50.0 | 4.98 % | 10/1/2024 |
| Unsecured Term Loan F | 200.0 | 200.0 | 2.96 % | 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 | 1.11 % | 2/5/2026 |
| Series B Unsecured Note | 50.0 | 50.0 | 4.98 % | 7/1/2026 |
| Unsecured Credit Facility (2) | 1,000.0 | 136.0 | Term SOFR + 0.775% | 10/23/2026 |
| 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 |
| Unsecured Term Loan A | 150.0 | 150.0 | 2.16 % | 3/15/2027 |
| Unsecured Term Loan H | 187.5 | 187.5 | 3.75 % | 1/25/2028 |
| Unsecured Term Loan I | 187.5 | 187.5 | 2.89 % | 1/25/2028 |
| Series H Unsecured Note | 100.0 | 100.0 | 4.27 % | 6/13/2028 |
| Series I Unsecured Note | 275.0 | 275.0 | 2.80 % | 9/29/2031 |
| Series K Unsecured Note | 400.0 | 400.0 | 4.12 % | 6/28/2032 |
| Series J Unsecured Note | 50.0 | 50.0 | 2.95 % | 9/28/2033 |
| **Total / weighted average unsecured** | **$3,325.0** | **$2,461.0** | **3.29 %** | **5.4 years** |
| | | | | |
| **Secured debt:** | | | | |
| Thrivent Financial for Lutherans | 3.3 | 3.3 | 4.78 % | 12/15/2023 |
| United of Omaha Life Insurance Company | 4.8 | 4.8 | 3.71 % | 10/1/2039 |
| **Total / weighted average secured** | **$8.1** | **$8.1** | **4.15 %** | **10.5 years** |
| | | | | |
| **Total / weighted average** | **$3,333.1** | **$2,469.1** | **3.29 %** | **5.4 years** |
| | | | | |
| Less: net unamortized fair market value discount | | (0.1) | | |
| Less: total unamortized deferred financing fees and debt issuance costs | | (9.7) | | |
| **Total book value** | | **$2,459.3** | | |

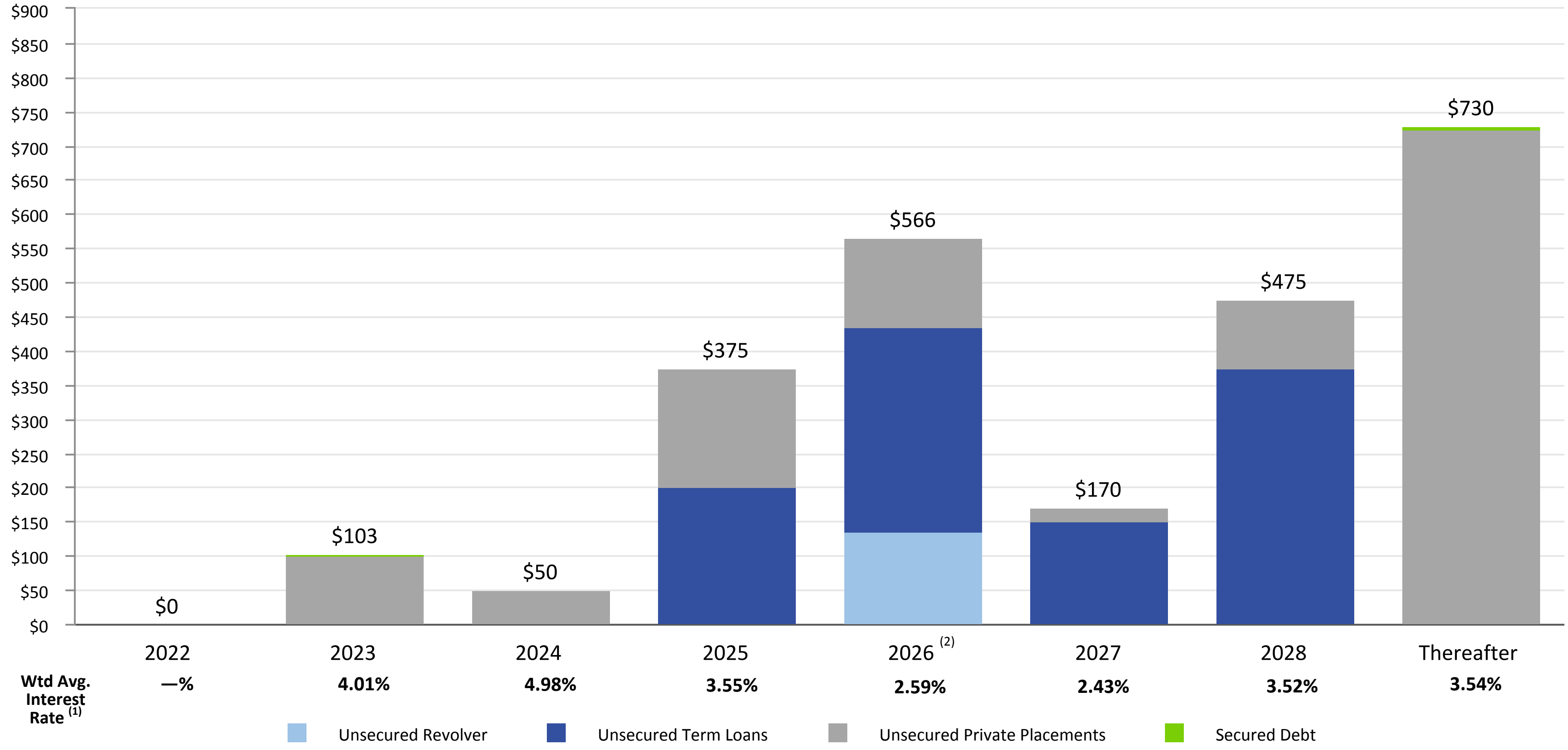
(1) The interest rate on the unsecured facilities represents the interest rate as of September 30, 2022, based on the Company's investment grade rating as defined in the respective loan agreements. Unsecured term loans A, F, G, H, and I have a stated interest rate of one-month term SOFR plus a spread of 0.85%. As of September 30, 2022, one-month term SOFR for the unsecured term loans A, F, G, H, and I was swapped to a fixed rate of 1.31%, 2.11%, 0.26%, 2.90%, and 2.04%, respectively. One-month term SOFR for the Unsecured Term Loan I will be swapped to a fixed rate of 2.66% effective January 4, 2023. One-month term SOFR for the Unsecured Term Loan G will be swapped to a fixed rate of 0.95% effective April 18, 2023. One-month term SOFR for the Unsecured Term Loan H will be swapped to a fixed rate of 2.50% effective January 12, 2024. 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 all-in rate for the unsecured credit facility has a stated interest rate of one-month term SOFR plus a spread of 0.775% plus an additional 0.10% to account for the transition from one-month LIBOR to one-month term SOFR. The maturity date for the unsecured credit facility is October 24, 2025, 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

(in millions)

PRINCIPAL BALANCE AS OF SEPTEMBER 30, 2022



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

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(1) The weighted average interest rate for unsecured debt was calculated using the current swapped notional amount of $1.025 billion 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 September 30, 2022, one-month term SOFR for the unsecured term loans A, F, G, H, and I was swapped to a fixed rate of 1.31%, 2.11%, 0.26%, 2.90%, and 2.04%, respectively. One-month term SOFR for the Unsecured Term Loan I will be swapped to a fixed rate of 2.66% effective January 4, 2023. One-month term SOFR for the Unsecured Term Loan G will be swapped to a fixed rate of 0.95% effective April 18, 2023. One-month term SOFR for the Unsecured Term Loan H will be swapped to a fixed rate of 2.50% effective January 12, 2024.

(2) The maturity date for the unsecured credit facility is October 24, 2025, 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

| 2022 GUIDANCE | | | | |
|---|---|---|---|---|
| | Q3 Guidance | | Q2 Guidance | |
| | **Low** | **High** | **Low** | **High** |
| Core FFO per share | $2.19 | $2.21 | $2.16 | $2.20 |
| Acquisition volume | $460 million | $525 million | $700 million | $1.1 billion |
| Stabilized Capitalization Rate | 5.20% | 5.40% | 5.25% | 5.50% |
| Disposition volume | $135 million | $150 million | $200 million | $300 million |
| Same Store Cash NOI Change | 5.00% | 5.25% | 4.25% | 4.75% |
| Retention | 65% | 75% | 65% | 75% |
| Net debt to Annualized Run Rate Adjusted EBITDA*re* | 5.00x | 5.25x | 5.00x | 5.50x |
| General & administrative expense | $47.0 million | $48.0 million | $48.0 million | $50.0 million |

# NON-GAAP FINANCIAL MEASURES & OTHER DEFINITIONS

**Acquisition Capital Expenditures:** We define Acquisition Capital Expenditures as 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, capital expenditures, leasing commissions and tenant improvements, and severance costs.

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, 2021.

**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, Run Rate Adjusted EBITDAre, and Annualized 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 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.

We define Annualized Run Rate Adjusted EBITDAre as Run Rate Adjusted EBITDAre excluding allowable one-time items multiplied by four plus allowable one-time items.

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, rental property 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 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, 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 rental property 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.

**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.

**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.

# NON-GAAP FINANCIAL MEASURES & OTHER DEFINITIONS

**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, 2021.

**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

# STAG INDUSTRIAL ANNOUNCES THIRD QUARTER 2022 RESULTS

Boston, MA — October 27, 2022 - STAG Industrial, Inc. (the "Company") (NYSE:STAG), today announced its financial and operating results for the quarter ended September 30, 2022.

"Our record internal growth in the third quarter drove strong earnings growth despite volatility in the capital markets," said Bill Crooker, President and Chief Executive Officer of the Company. "The Company's sustainable internal growth and a defensive balance sheet will allow us to be opportunistic through year end and in 2023."

## Third Quarter 2022 Highlights

- Reported $0.35 of net income per basic and diluted common share for the third quarter of 2022, compared to $0.30 of net income per basic and diluted common share for the third quarter of 2021. Reported $63.3 million of net income attributable to common stockholders for the third quarter of 2022, compared to net income attributable to common stockholders of $48.4 million for the third quarter of 2021.

- Achieved $0.57 of Core FFO per diluted share for the third quarter of 2022, an increase of 7.5% compared to third quarter 2021 Core FFO per diluted share of $0.53.

- Produced Cash NOI of $131.8 million for the third quarter of 2022, an increase of 18.6% compared to the third quarter of 2021 of $111.1 million.

- Produced Same Store Cash NOI of $106.2 million for the third quarter of 2022, an increase of 5.6% compared to the third quarter of 2021 of $100.5 million.

- Produced Cash Available for Distribution of $87.0 million for the third quarter of 2022, an increase of 20.2% compared to the third quarter of 2021 of $72.4 million.

- Acquired eight buildings in the third quarter of 2022, consisting of 1.4 million square feet, for $127.3 million, with a Cash Capitalization Rate of 5.4% and a Straight-Line Capitalization Rate of 5.8%.

- Sold four buildings in the third quarter of 2022, consisting of 1.3 million square feet, for $93.7 million, with a Capitalization Rate of 5.4%, resulting in a net gain of $33.2 million.

- Achieved an Occupancy Rate of 98.2% on the total portfolio and 98.8% on the Operating Portfolio as of September 30, 2022.

- Commenced Operating Portfolio leases of 2.8 million square feet for the third quarter of 2022, resulting in a Cash Rent Change and Straight-Line Rent Change of 13.6% and 25.1%, respectively.

- On July 26, 2022, the Company refinanced $150 million Term Loan D and $175 million Term Loan E with two term loans totaling $375 million, and upsized its revolving credit facility capacity to $1 billion.

- Achieved a GRESB Public Disclosure Level of "A" for 2022. The improved score triggers a Sustainability Rate Adjustment for three of the Company's unsecured term loans and the revolving credit facility beginning October 17, 2022, resulting in an interest rate reduction of 0.02% for each instrument.

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, Friday, October 28, 2022 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

### THIRD QUARTER 2022 KEY FINANCIAL MEASURES

| | Three months ended September 30, | | | Nine months ended September 30, | | |
|---|---|---|---|---|---|---|
| **Metrics** | **2022** | **2021** | **% Change** | **2022** | **2021** | **% Change** |
| **(in $000s, except per share data)** | | | | | | |
| Net income attributable to common stockholders | $63,271 | $48,444 | 30.6 % | $148,352 | $101,951 | 45.5 % |
| *Net income per common share — basic* | *$0.35* | *$0.30* | *16.7 %* | *$0.83* | *$0.64* | *29.7 %* |
| *Net income per common share — diluted* | *$0.35* | *$0.30* | *16.7 %* | *$0.83* | *$0.63* | *31.7 %* |
| Cash NOI | $131,830 | $111,134 | *18.6 %* | $383,782 | $323,580 | *18.6 %* |
| Same Store Cash NOI (1) | $106,193 | $100,535 | *5.6 %* | $314,043 | $299,117 | *5.0 %* |
| Adjusted EBITDA*re* | $122,896 | $100,467 | *22.3 %* | $355,416 | $293,947 | *20.9 %* |
| Core FFO | $103,342 | $88,138 | *17.3 %* | $302,206 | $254,236 | *18.9 %* |
| *Core FFO per share / unit — basic* | *$0.57* | *$0.53* | *7.5 %* | *$1.66* | *$1.56* | *6.4 %* |
| *Core FFO per share / unit — diluted* | *$0.57* | *$0.53* | *7.5 %* | *$1.66* | *$1.55* | *7.1 %* |
| Cash Available for Distribution | $87,016 | $72,394 | *20.2 %* | $256,623 | $219,611 | *16.9 %* |

(1) The Same Store pool accounted for 83.5% of the total portfolio square footage as of September 30, 2022.

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 September 30, 2022, the Company acquired eight buildings for $127.3 million with an Occupancy Rate of 58.5% upon acquisition. The chart below details the acquisition activity for the quarter:

### THIRD QUARTER 2022 ACQUISITION ACTIVITY

| **Market** | **Date Acquired** | **Square Feet** | **Buildings** | **Purchase Price ($000s)** | **W.A. Lease Term (Years)** | **Cash Capitalization Rate** | **Straight-Line Capitalization Rate** |
|---|---|---|---|---|---|---|---|
| Atlanta, GA | 7/15/2022 | 159,048 | 1 | $10,062 | 1.0 | | |
| Fresno, CA | 7/25/2022 | 232,072 | 1 | 30,121 | 10.1 | | |
| El Paso, TX | 7/26/2022 | 326,166 | 4 | 37,792 | 3.6 | | |
| Portland, OR | 9/12/2022 | 78,000 | 1 | 11,281 | 4.3 | | |
| Louisville, KY | 9/21/2022 | 563,032 | 1 | 38,064 | — | | |
| **Total / weighted average** | | **1,358,318** | **8** | **$127,320** | **5.0** | **5.4%** | **5.8%** |

The chart below details the 2022 acquisition activity and Pipeline through October 27, 2022:

### 2022 ACQUISITION ACTIVITY AND PIPELINE DETAIL

| | **Square Feet** | **Buildings** | **Purchase Price ($000s)** | **W.A. Lease Term (Years)** | **Cash Capitalization Rate** | **Straight-Line Capitalization Rate** |
|---|---|---|---|---|---|---|
| Q1 | 1,799,761 | 8 | $166,351 | 5.3 | 5.0% | 5.2% |
| Q2 | 1,467,543 | 9 | 165,362 | 9.1 | 5.2% | 5.7% |
| Q3 | 1,358,318 | 8 | 127,320 | 5.0 | 5.4% | 5.8% |
| **Total / weighted average** | **4,625,622** | **25** | **$459,033** | **6.7** | **5.2%** | **5.5%** |
| | | | | | | |
| **As of October 26, 2022** | | | | | | |
| **Subsequent to quarter-end acquisitions** | **0.0 million** | **0** | **$0.0 million** | | | |
| | | | | | | |
| **Pipeline** | **22.0 million** | **129** | **$2.7 billion** | | | |

The chart below details the disposition activity for the nine months ended September 30, 2022:

### 2022 DISPOSITION ACTIVITY

| | Square Feet | Buildings | Sale Price ($000s) |
|---|---|---|---|
| Q1 | 237,500 | 1 | $36,115 |
| Q2 | 90,000 | 1 | 3,150 |
| Q3 | 1,286,980 | 4 | 93,696 |
| **Total** | **1,614,480** | **6** | **$132,961** |

## Leasing Activity

The chart below details the leasing activity for leases commenced during the three months ended September 30, 2022:

### THIRD QUARTER 2022 OPERATING PORTFOLIO LEASING ACTIVITY

| Lease Type | Square Feet | Lease Count | 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 | 1,135,784 | 9 | 4.8 | $5.38 | $5.69 | $1.69 | $0.98 | 19.4% | 29.9% | |
| Renewal Leases | 1,685,721 | 14 | 5.0 | $4.52 | $4.81 | $0.92 | $0.82 | 9.5% | 21.6% | 63.0% |
| **Total / weighted average** | **2,821,505** | **23** | **4.9** | **$4.87** | **$5.16** | **$1.23** | **$0.88** | **13.6%** | **25.1%** | |

The chart below details the leasing activity for leases commenced during the nine months ended September 30, 2022:

### 2022 YEAR TO DATE OPERATING PORTFOLIO LEASING ACTIVITY

| Lease Type | Square Feet | Lease Count | 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 | 3,627,110 | 26 | 5.4 | $5.28 | $5.56 | $1.86 | $0.74 | 19.9% | 29.7% | |
| Renewal Leases | 5,561,539 | 48 | 5.0 | $4.82 | $5.11 | $0.65 | $0.49 | 10.7% | 20.3% | 68.1% |
| **Total / weighted average** | **9,188,649** | **74** | **5.2** | **$5.00** | **$5.29** | **$1.13** | **$0.59** | **14.3%** | **24.0%** | |

Additionally, for the three and nine months ended September 30, 2022, leases commenced totaling 60,875 and 809,234 square feet, respectively, related to Value Add assets and first generation leasing. These are excluded from the Operating Portfolio statistics above.

As of October 27, 2022, 45% of expected 2023 leasing has been addressed, achieving cash rent change of 27%.

## Capital Markets Activity

On July 26, 2022, the Company refinanced its $150 million Term Loan D, which was scheduled to mature in January 2023, and its $175 million Term Loan E, which was scheduled to mature in January 2024, with two term loans totaling $375 million. The term loans now mature January 25, 2028 at an aggregate fixed interest rate, inclusive of interest rate swaps, of 3.32% as of September 30, 2022.

On July 26, 2022, the Company upsized its revolving credit facility by $250 million to a notional of $1 billion.

These debt transactions increased the Company's liquidity by $300 million.

On September 1, 2022, the Company paid off its $45.6 million CMBS loan.

As of September 30, 2022, net debt to Annualized Run Rate Adjusted EBITDA*re* was 5.0x and Liquidity was $873.8 million.

## Conference Call

The Company will host a conference call tomorrow, Friday, October 28, 2022, 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 13733022.

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)

| | September 30, 2022 | December 31, 2021 |
|---|---:|---:|
| **Assets** | | |
| Rental Property: | | |
| Land | $ 647,379 | $ 617,297 |
| Buildings and improvements, net of accumulated depreciation of $725,035 and $611,867, respectively | 4,711,118 | 4,435,743 |
| Deferred leasing intangibles, net of accumulated amortization of $338,070 and $282,038, respectively | 532,616 | 567,658 |
| Total rental property, net | 5,891,113 | 5,620,698 |
| Cash and cash equivalents | 13,369 | 18,981 |
| Restricted cash | 1,082 | 4,215 |
| Tenant accounts receivable | 103,231 | 93,600 |
| Prepaid expenses and other assets | 77,815 | 60,953 |
| Interest rate swaps | 77,508 | 5,220 |
| Operating lease right-of-use assets | 31,778 | 29,582 |
| **Total assets** | **$ 6,195,896** | **$ 5,833,249** |
| **Liabilities and Equity** | | |
| Liabilities: | | |
| Unsecured credit facility | $ 136,000 | $ 296,000 |
| Unsecured term loans, net | 1,020,104 | 970,577 |
| Unsecured notes, net | 1,295,253 | 896,941 |
| Mortgage notes, net | 7,981 | 54,744 |
| Accounts payable, accrued expenses and other liabilities | 109,482 | 76,475 |
| Interest rate swaps | — | 17,052 |
| Tenant prepaid rent and security deposits | 38,019 | 37,138 |
| Dividends and distributions payable | 22,282 | 21,906 |
| Deferred leasing intangibles, net of accumulated amortization of $26,240 and $21,136, respectively | 34,560 | 35,721 |
| Operating lease liabilities | 35,501 | 33,108 |
| **Total liabilities** | **2,699,182** | **2,439,662** |
| Equity: | | |
| Preferred stock, par value $0.01 per share, 20,000,000 shares authorized at September 30, 2022 and December 31, 2021; none issued or outstanding | — | — |
| Common stock, par value $0.01 per share, 300,000,000 shares authorized at September 30, 2022 and December 31, 2021, 179,214,795 and 177,769,342 shares issued and outstanding at September 30, 2022 and December 31, 2021, respectively | 1,792 | 1,777 |
| Additional paid-in capital | 4,184,839 | 4,130,038 |
| Cumulative dividends in excess of earnings | (840,521) | (792,332) |
| Accumulated other comprehensive income (loss) | 75,663 | (11,783) |
| Total stockholders' equity | 3,421,773 | 3,327,700 |
| Noncontrolling interest | 74,941 | 65,887 |
| **Total equity** | **3,496,714** | **3,393,587** |
| **Total liabilities and equity** | **$ 6,195,896** | **$ 5,833,249** |

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

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Revenue | | | | |
| Rental income | $ 164,683 | $ 140,277 | $ 484,341 | $ 411,907 |
| Other income | 1,622 | 1,837 | 2,673 | 2,629 |
| Total revenue | 166,305 | 142,114 | 487,014 | 414,536 |
| Expenses | | | | |
| Property | 30,087 | 26,742 | 90,736 | 79,100 |
| General and administrative | 10,884 | 12,668 | 35,431 | 38,036 |
| Depreciation and amortization | 69,456 | 59,246 | 206,101 | 174,985 |
| Loss on impairment | 1,783 | — | 1,783 | — |
| Other expenses | 578 | 821 | 1,607 | 2,184 |
| Total expenses | 112,788 | 99,477 | 335,658 | 294,305 |
| Other income (expense) | | | | |
| Interest and other income | 26 | 30 | 83 | 92 |
| Interest expense | (21,155) | (15,746) | (56,310) | (46,377) |
| Debt extinguishment and modification expenses | (838) | — | (838) | (679) |
| Gain on the sales of rental property, net | 33,168 | 22,662 | 57,499 | 35,047 |
| Total other income (expense) | 11,201 | 6,946 | 434 | (11,917) |
| **Net income** | **$ 64,718** | **$ 49,583** | **$ 151,790** | **$ 108,314** |
| Less: income attributable to noncontrolling interest after preferred stock dividends | 1,388 | 1,067 | 3,258 | 2,273 |
| **Net income attributable to STAG Industrial, Inc.** | **$ 63,330** | **$ 48,516** | **$ 148,532** | **$ 106,041** |
| Less: preferred stock dividends | — | — | — | 1,289 |
| Less: redemption of preferred stock | — | — | — | 2,582 |
| Less: amount allocated to participating securities | 59 | 72 | 180 | 219 |
| **Net income attributable to common stockholders** | **$ 63,271** | **$ 48,444** | **$ 148,352** | **$ 101,951** |
| Weighted average common shares outstanding — basic | 179,054 | 162,652 | 178,648 | 160,288 |
| Weighted average common shares outstanding — diluted | 179,162 | 163,462 | 178,790 | 160,869 |
| **Net income per share — basic and diluted** | | | | |
| Net income per share attributable to common stockholders — basic | $ 0.35 | $ 0.30 | $ 0.83 | $ 0.64 |
| Net income per share attributable to common stockholders — diluted | $ 0.35 | $ 0.30 | $ 0.83 | $ 0.63 |

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

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| **NET OPERATING INCOME RECONCILIATION** | | | | |
| **Net income** | $ 64,718 | $ 49,583 | $ 151,790 | $ 108,314 |
| General and administrative | 10,884 | 12,668 | 35,431 | 38,036 |
| Depreciation and amortization | 69,456 | 59,246 | 206,101 | 174,985 |
| Interest and other income | (26) | (30) | (83) | (92) |
| Interest expense | 21,155 | 15,746 | 56,310 | 46,377 |
| Loss on impairment | 1,783 | — | 1,783 | — |
| Debt extinguishment and modification expenses | 838 | — | 838 | 679 |
| Other expenses | 578 | 821 | 1,607 | 2,184 |
| Gain on the sales of rental property, net | (33,168) | (22,662) | (57,499) | (35,047) |
| **Net operating income** | **$ 136,218** | **$ 115,372** | **$ 396,278** | **$ 335,436** |
| | | | | |
| **Net operating income** | $ 136,218 | $ 115,372 | $ 396,278 | $ 335,436 |
| Rental property straight-line rent adjustments, net | (4,293) | (4,461) | (12,288) | (13,878) |
| Amortization of above and below market leases, net | (95) | 223 | (208) | 2,022 |
| **Cash net operating income** | **$ 131,830** | **$ 111,134** | **$ 383,782** | **$ 323,580** |
| | | | | |
| **Cash net operating income** | $ 131,830 | | | |
| Cash NOI from acquisitions' and dispositions' timing | 435 | | | |
| Cash termination, solar and other income | (2,385) | | | |
| **Run Rate Cash NOI** | **$ 129,880** | | | |
| | | | | |
| **Same Store Portfolio NOI** | | | | |
| Total NOI | $ 136,218 | $ 115,372 | $ 396,278 | $ 335,436 |
| Less: NOI non-same-store properties | (25,061) | (9,763) | (69,133) | (20,186) |
| Termination, solar and other adjustments, net | (1,895) | (1,946) | (4,552) | (3,027) |
| **Same Store NOI** | **$ 109,262** | **$ 103,663** | **$ 322,593** | **$ 312,223** |
| Less: straight-line rent adjustments, net | (3,297) | (3,340) | (8,895) | (13,910) |
| Plus: amortization of above and below market leases, net | 228 | 212 | 345 | 804 |
| **Same Store Cash NOI** | **$ 106,193** | **$ 100,535** | **$ 314,043** | **$ 299,117** |
| | | | | |
| **EBITDA FOR REAL ESTATE (EBITDA*re*) RECONCILIATION** | | | | |
| **Net income** | $ 64,718 | $ 49,583 | $ 151,790 | $ 108,314 |
| Depreciation and amortization | 69,456 | 59,246 | 206,101 | 174,985 |
| Interest and other income | (26) | (30) | (83) | (92) |
| Interest expense | 21,155 | 15,746 | 56,310 | 46,377 |
| Loss on impairment | 1,783 | — | 1,783 | — |
| Gain on the sales of rental property, net | (33,168) | (22,662) | (57,499) | (35,047) |
| **EBITDA*re*** | **$ 123,918** | **$ 101,883** | **$ 358,402** | **$ 294,537** |
| | | | | |
| **ADJUSTED EBITDA*re* RECONCILIATION** | | | | |
| EBITDA*re* | $ 123,918 | $ 101,883 | $ 358,402 | $ 294,537 |
| Straight-line rent adjustments, net | (4,351) | (3,912) | (12,440) | (14,643) |
| Amortization of above and below market leases, net | (95) | 223 | (208) | 2,022 |
| Non-cash compensation expense | 2,738 | 2,681 | 9,408 | 11,835 |
| Severance costs | — | 2,148 | — | 2,148 |
| Non-recurring other items | (152) | (2,556) | (584) | (2,631) |
| Debt extinguishment and modification expenses | 838 | — | 838 | 679 |
| **Adjusted EBITDAre** | **$ 122,896** | **$ 100,467** | **$ 355,416** | **$ 293,947** |

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

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| **CORE FUNDS FROM OPERATIONS RECONCILIATION** | | | | |
| **Net income** | $ 64,718 | $ 49,583 | $ 151,790 | $ 108,314 |
| Rental property depreciation and amortization | 69,400 | 59,195 | 205,938 | 174,825 |
| Loss on impairment | 1,783 | — | 1,783 | — |
| Gain on the sales of rental property, net | (33,168) | (22,662) | (57,499) | (35,047) |
| **Funds from operations** | **$ 102,733** | **$ 86,116** | **$ 302,012** | **$ 248,092** |
| Preferred stock dividends | — | — | — | (1,289) |
| Redemption of preferred stock | — | — | — | (2,582) |
| Amount allocated to restricted shares of common stock and unvested units | (134) | (206) | (436) | (667) |
| **Funds from operations attributable to common stockholders and unit holders** | **$ 102,599** | **$ 85,910** | **$ 301,576** | **$ 243,554** |
| | | | | |
| **Funds from operations attributable to common stockholders and unit holders** | $ 102,599 | $ 85,910 | $ 301,576 | $ 243,554 |
| Amortization of above and below market leases, net | (95) | 223 | (208) | 2,022 |
| Non-recurring dead deal costs and other | — | 110 | — | 601 |
| Debt extinguishment and modification expenses | 838 | — | 838 | 679 |
| Redemption of preferred stock | — | — | — | 2,582 |
| Retirement plan adoption | — | (253) | — | 2,650 |
| Severance costs | — | 2,148 | — | 2,148 |
| **Core funds from operations** | **$ 103,342** | **$ 88,138** | **$ 302,206** | **$ 254,236** |
| | | | | |
| **Weighted average common shares and units** | | | | |
| Weighted average common shares outstanding | 179,054 | 162,652 | 178,648 | 160,288 |
| Weighted average units outstanding | 3,710 | 3,169 | 3,683 | 3,155 |
| **Weighted average common shares and units - basic** | **182,764** | **165,821** | **182,331** | **163,443** |
| Dilutive shares | 108 | 810 | 142 | 581 |
| **Weighted average common shares, units, and other dilutive shares - diluted** | **182,872** | **166,631** | **182,473** | **164,024** |
| **Core funds from operations per share / unit - basic** | **$ 0.57** | **$ 0.53** | **$ 1.66** | **$ 1.56** |
| **Core funds from operations per share / unit - diluted** | **$ 0.57** | **$ 0.53** | **$ 1.66** | **$ 1.55** |
| | | | | |
| **CASH AVAILABLE FOR DISTRIBUTION RECONCILIATION** | | | | |
| **Core funds from operations** | $ 103,342 | $ 88,138 | $ 302,206 | $ 254,236 |
| Non-rental property depreciation and amortization | 56 | 51 | 163 | 160 |
| Straight-line rent adjustments, net | (4,351) | (4,272) | (12,440) | (13,159) |
| Capital expenditures | (6,503) | (6,846) | (22,379) | (15,926) |
| Capital expenditures reimbursed by tenants | — | (760) | (804) | (2,395) |
| Lease commissions and tenant improvements | (9,277) | (6,035) | (22,286) | (12,950) |
| Non-cash portion of interest expense | 1,011 | 803 | 2,755 | 2,079 |
| Non-cash compensation expense | 2,738 | 2,934 | 9,408 | 9,185 |
| Severance costs | — | (1,619) | — | (1,619) |
| **Cash available for distribution** | **$ 87,016** | **$ 72,394** | **$ 256,623** | **$ 219,611** |

## Non-GAAP Financial Measures and Other Definitions

**Acquisition Capital Expenditures:** We define Acquisition Capital Expenditures as 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, capital expenditures, leasing commissions and tenant improvements, and severance costs.

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, 2021.

**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, Run Rate Adjusted EBITDAre, and Annualized 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 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.

We define Annualized Run Rate Adjusted EBITDAre as Run Rate Adjusted EBITDAre excluding allowable one-time items multiplied by four plus allowable one-time items.

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, rental property 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 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, 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 rental property 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.

**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.

**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, 2021.

**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, 2021, 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.