2020 – WINTER / SPRING

FORWARD-LOOKING STATEMENTS & DEFINITIONS

Forward-Looking Statements

This presentation 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, 2019, 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.

Additional information is also available on the Company's website at www.stagindustrial.com

THOUGHTFUL APPROACH TO INDUSTRIAL REAL ESTATE

STAG Industrial

is an owner and operator
of industrial real estate

Only pure-play industrial REIT active across the entire domestic industrial real estate market

Designed to create and enhance value

- Platform able to address a large opportunity in an attractive asset class
- Relative value investment strategy driven by a robust quantitative process
- Scalable operating platform focused on cash flow maximization
- Ability to add additional value at the asset level
- Widely diversified portfolio across geography, tenancy, industry, lease maturity
- Investment grade balance sheet with low leverage and high liquidity

SIGNIFICANT TRANSFORMATION SINCE IPO

- Portfolio strengthened and diversified
- Investment grade balance sheet achieved

PORTFOLIO TRANSFORMATION	IPO [1]	Q4 2019
Square feet (millions)	14.2	91.4
Properties	93	450
Primary and secondary markets (% ABR)	70.5%	94.3%
Flex / Office (% ABR)	21.1%	0.9%
BALANCE SHEET STRENGTHENED	**IPO**	**Q4 2019**
Equity market capitalization (millions)	$290	$4,627
Net debt to run rate adjusted / EBITDA	5.9x	4.8x
Debt / total capitalization	46.8%	26.0%
% secured debt	100.0%	3.3%

STAG HAS GROWN INTO ONE OF THE LARGEST OWNERS AND OPERATORS OF U.S. INDUSTRIAL REAL ESTATE

1. Reflects data as of Q2 2011

BUILDING BLOCKS OF GROWTH

	HISTORICAL TREND	2020 GUIDANCE	NORMALIZED EXPECTATIONS OVER NEXT FIVE YEARS	NOTES
Internal Growth	Average cash same store NOI growth of ~1.0% over past five years	**Cash same store NOI growth of 1.0% - 2.0%** • Includes bad debt assumption of 50 bps • Retention range of 65 – 75% • Includes ~70 bps impact for top ten tenant move-out	**Cash same store NOI growth of 2.0% - 3.0%**	Driven by increased contractual rental escalators, positive mark-to-market on re-leasing, and disposition of non-core assets
External Growth	Average acquisition volume of ~$675 million over past five years	**Acquisition volume range of $800 million to $1 billion** • Stabilized range of $725 million to $875 million • Value add range of $75 million to $125 million • Disposition range of $150 to $250 million	**Acquisition volume range of $800 million to $1 billion**	Robust acquisition pipeline greater than $2 billion
G&A	G&A as a % of NOI has averaged ~14% over past five years	**G&A range of $41 to $43 million** • Includes costs associated with establishing Dallas office	**G&A as a % of NOI equal to 10%**	G&A as a % of NOI equal to 11% in 2019
Capital Expenditures	Average capital expenditure per average SF equal to $0.31 over past three years	**Capital expenditure per average SF range of $0.27 to $0.31** • Includes capital associated with long term lease to investment grade logistics tenant	**Capital expenditure per average SF range of $0.25 - $0.27**	Heavy roof replacement cycle complete
Capitalization	Reduction in leverage since 2015 with net debt to run rate adjusted EBITDA reduced from 5.6x in 2015 to 4.8x as of Q4 2019 Cash available for distribution payout ratio equal to 92% in 2019	**Net debt to run rate adjusted EBITDA of 4.75x to 6.00x** • Operate leverage at low end of range in 2020	**Maintain leverage level consistent with current investment grade ratings** **Cash available for distribution payout ratio consistent with industrial peers**	Leverage at normalized levels after years of de-levering Moderation of cash available for distribution payout ratio will increase retained earnings

+ Portfolio premium created as a result of granular asset acquisition strategy

+ Additional value created at the asset level through value-add projects and built-to-suit take-out acquisitions

+ Additional value created at the asset level through expansions and developments

CLEAR PATH TO STRONG CORE FFO GROWTH

OPERATIONAL EXPERTISE FOCUSED ON MAXIMIZING CASH FLOW

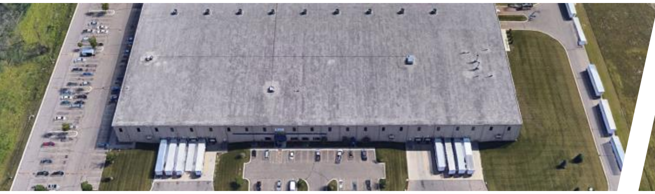
- Regional asset management supported by local brokers on all new and renewal leasing transactions
- Customer Solutions Group with corporate and portfolio wide context to execute on opportunities within portfolio
- Capital Projects Group oversees all physical requirements of the portfolio, including ESG initiatives
- Leverage leasing and project management expertise to create additional value at the asset level through various opportunities

Operational expertise allows STAG to pursue and acquire value-add opportunities

- Vacancy
- Known move-outs
- Short lease durations
- Redevelopment
- Building expansions

MULTI-FACETED APPROACH TO CREATING VALUE

CASE STUDIES: VALUE ADDED THROUGH OPERATIONS



Uncertain Tenancy - Lansing, PA

- Acquired building in 2011 subject to a ten-year lease
- Negotiated early lease termination and executed new lease to investment grade rated e-commerce tenant
- New ten-year lease with 23% increase over previous rent and negotiated termination fee with original tenant
- Exit cap rate ~345bps below stabilized acquisition cap rate[1]

Uncertain Tenancy - Savannah, GA

- Original tenant terminated their lease
- Executed new lease with zero downtime featuring a substantial credit upgrade
- New six-year lease with 23% increase over previous rent and 3.0% annual rent escalators
- Exit cap rate ~150bps below stabilized acquisition cap rate[1]

Below Market Lease - Bedford Heights, OH

- Less than two years of remaining lease term and below market rental rate at acquisition
- Renewed tenant for five years with 90% increase over expiring rent with 2.75% annual rent escalators
- Exit cap rate ~120 bps below stabilized acquisition cap rate[1]

Acquired Vacancy - Waukegan, IL

- Vacant at time of acquisition
- Executed new lease within seven months of ownership
- New 74-month lease with 2.5% annual rent escalators
- Sold asset in December 2018 at cap rate ~350 bps below stabilized acquisition cap rate

Short Term Lease - Lafayette, IN

- Executed a new lease with zero downtime
- Executed 62-month lease with 3% annual rent escalators
- Exit cap rate ~200 bps below stabilized acquisition cap rate[1]

Execute Expansion – Humble, TX

- Tenant required 157,000 SF expansion existing building
- Previous owner was not capable of executing the project, providing STAG the opportunity to acquire the asset and manage the construction project
- Following expansion, executed new seven-year lease with 1.5% annual rent escalators
- Exit cap rate ~100 bps below stabilized acquisition cap rate[1]

ABILITY TO CREATE VALUE THROUGH LEASING AND REDEVELOPMENT

1. Acquisition cap rate compared third party real estate brokerage estimate of current exit cap rate

VALUE CREATION THROUGH DEVELOPMENT

Property
8 Campus Drive

Location
Burlington, NJ
Exit 6A of NJ Turnpike

Opportunity
Acquired 500,000 SF building with 25 acres of excess land in 2015

Development Plan

- ✔ Subdivided the excess 25 acres for the development project
- ✔ Construction began in April 2019 and was shell-complete in December 2019
- ✔ Created an independent access drive to enhance ingress / egress
- ✔ Full Class A building specifications

PROJECTED RETURNS

50% - 55%	$9.5 + MILLION	8.5%
Profit Margin	Nominal Profit	Stabilized Yield

DEMONSTRATION OF PORTFOLIO PREMIUM

PORTFOLIO DISPOSITIONS	2016 PORTFOLIO	2018 PORTFOLIO
CHARACTERISTICS		
Number of buildings	6	7
Square feet	1.6 million	1.8 million
Average building size	261,593 SF	250,494 SF
WA lease term	4.2 years	6.5 years
RETURN PROFILE		
Acquisition cost	$63 million	$84 million
Disposition proceeds	$81 million	$114 million
Gain	$18 million	$30 million
Absolute price return	29%	36%
Unlevered IRR	15%	15%
CAPITALIZATION PROFILE		
Individual acquisition cap rate	9.2%	8.0%
Portfolio disposition cap rate	6.9%	6.2%
Cap rate compression	2.3%	1.8%

2016 PORTFOLIO

2018 PORTFOLIO

- Portfolios were aggregated on a granular basis
- Assets are representative of the overall Operating Portfolio
- Value created through the aggregation of individual assets
- Accretive redeployment of proceeds into opportunity set

INDIVIDUAL ASSET AGGREGATION INTO PORTFOLIOS CREATES VALUE

INDUSTRIAL REAL ESTATE OFFERS ATTRACTIVE OPPORTUNITY

Large and highly fragmented asset class

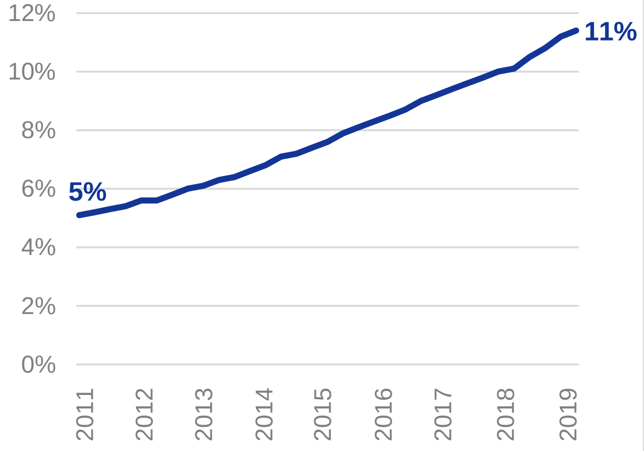
The 20 largest owners of U.S. industrial real estate own less than 15% of the industrial stock[1]

Stable cash flow due to high tenant retention and low capital expenditure requirement [2]

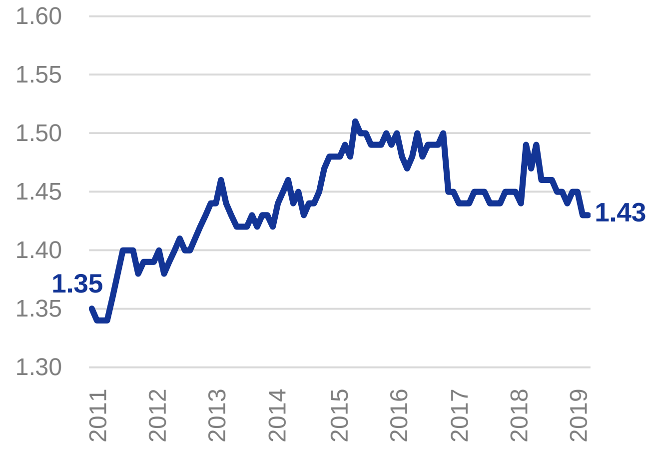
GDP growth and personal consumption drive industrial demand

E-commerce and supply chain reconfiguration providing secular demand drivers

E-COMMERCE AS A % OF RETAIL SALES (U.S)



RETAIL INVENTORY TO SALES RATIO (U.S)



43%

of STAG's portfolio handles e-commerce activity [3]

E-COMMERCE DRIVES INCREMENTAL INDUSTRIAL DEMAND

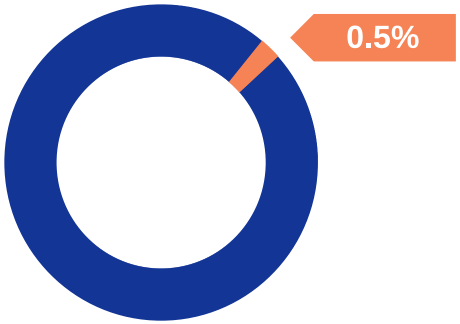
1. Source: Wall Street research
2. Source: CBRE-EA Industrial Outlook
3. 2019 tenant survey

BROAD BASED OPPORTUNITY SET

LARGE TARGET MARKET

- U.S. industrial market is more than $1 trillion in total size[1]
- STAG's opportunity set spans the top 60 markets in the U.S.
- Relative value investment strategy across all fungible industrial markets enhances value creation

$1 Trillion Total Industrial Market[1]



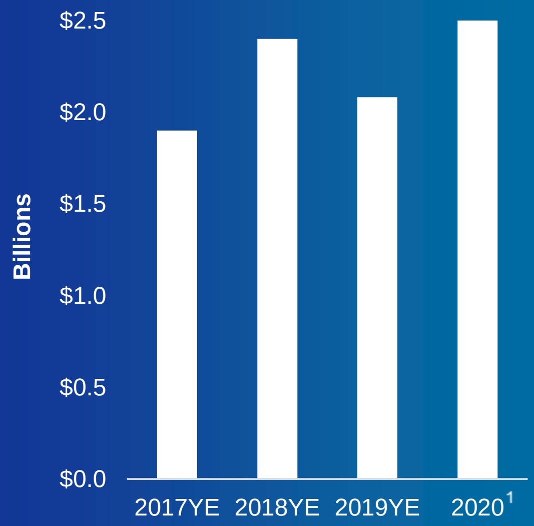
STAG's Share of Target Asset Universe is 0.5%[2]

LONG RUNWAY FOR CONTINUED EXTERNAL GROWTH

1. Per CoStar, RCA and STAG management's estimates using publicly available data
2. Real Estate Cost Basis at Q4 2019 divided by total industrial market value

PROCESS DRIVEN APPROACH TO ADDRESS ATTRACTIVE OPPORTUNITY

ACQUISITION PIPELINE



- Value created via granular approach to acquisitions across a broad opportunity set – relative value investment strategy employed with portfolio premium value created upon acquisition
- Perceived risk of single-tenant assets frequently creates relative value acquisition opportunities
- Benefit from a network of 3,000+ real estate brokers developed over time who value STAG's institutional transactional certainty
- Platform constructed to rationally evaluate thousands of opportunities – quantitative approach allows for wide opportunity set and the platform as constructed is difficult to replicate
- Leverage data analytics to identify markets and potential acquisition opportunities

2019 Acquisition Activity

1,250+
transactions pass initial triage for investment consideration

295
transactions underwritten

61
transactions closed

5%
of transactions considered were acquired

21%
of transactions underwritten were acquired

1. As of February 19, 2020

EMPHASIS ON DIVERSIFICATION

ATTENTION TO DIVERSIFICATION REDUCES RISK AND ENHANCES VALUE

PORTFOLIO WIDELY DIVERSIFIED ACROSS GEOGRAPHY, TENANT, INDUSTRY, LEASE TERM

Portfolio spans 60+ markets

Largest market exposure is less than 10% of ABR

Portfolio includes exposure to 45+ industries

Largest tenant is less than 2% of ABR

Less than 35% of leases expire over next three years

Note: Information presented as of Q4 2019

SOPHISTICATED AND DIVERSE TENANT BASE

- In-depth tenant credit analysis and ongoing credit monitoring
- Dedicated credit analysis team of four professionals (three CFA charter holders)
- Focus on single-tenant industrial real estate results in larger and thus more sophisticated tenants

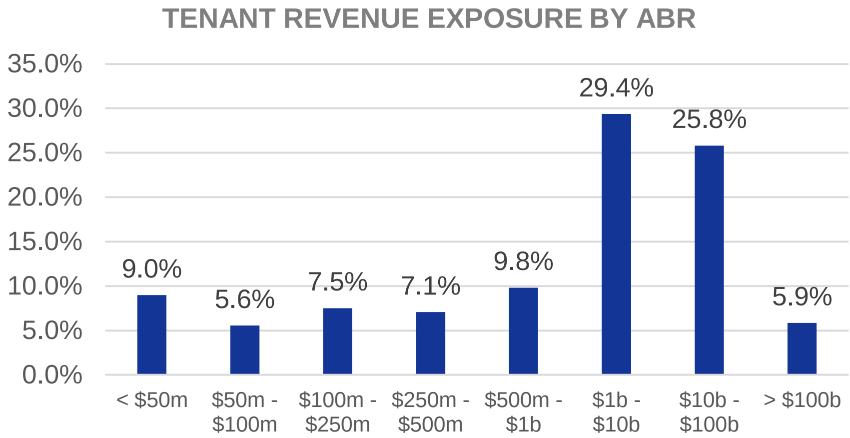
55% of tenants publicly rated

86% of tenants have revenue > $100 million

61% of tenants have revenue > $1 billion

TOP TENANT < 2% OF ABR

TOP 20 TENANTS < 20% OF ABR



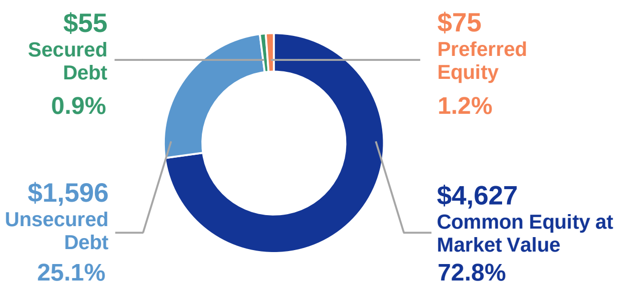
Top 10 Tenants	
Amazon	1.9%
General Services Administration	1.8%
XPO Logistics, Inc.	1.2%
DHL Supply Chain	1.0%
Solo Cup	1.0%
TriMas Corporation	1.0%
DS Smith	1.0%
Ford Motor Company	0.9%
Yanfeng US Automotive Interior	0.8%
FedEx Corporation	0.8%
Total	11.4%

Note: Based on annualized base rental revenue and the inclusion of tenants, guarantors, and / or non-guarantor parents

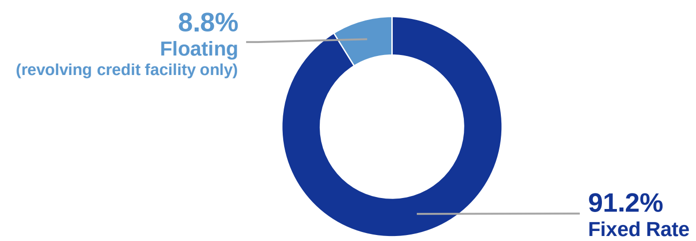
BALANCE SHEET DISCIPLINE

CONSERVATIVE BALANCE SHEET POSITIONED TO SUPPORT GROWTH

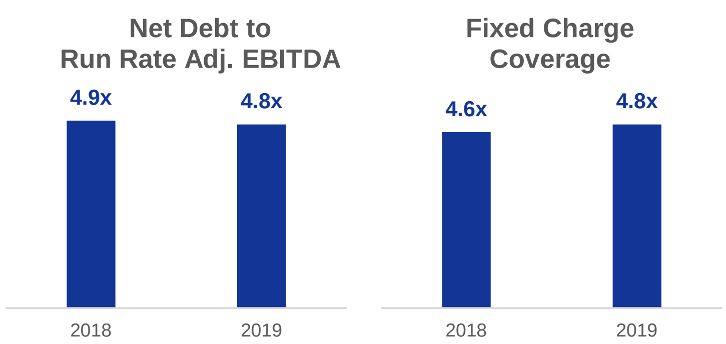
Conservative Capitalization
(in $ millions)



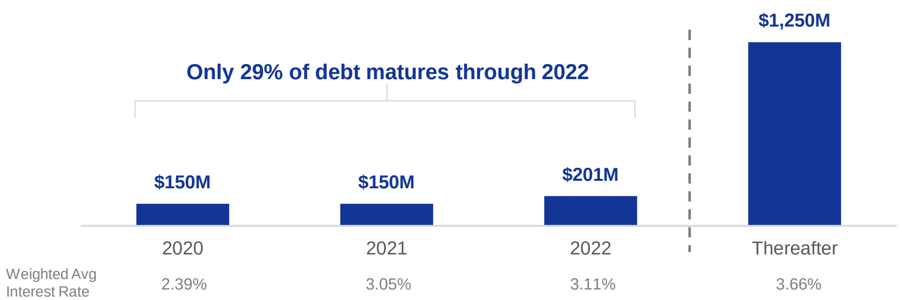
Fixed Rate Borrower



Low Leverage



Balanced Debt Maturity Ladder [1]
($ in millions)



Note: Information presented as of Q4 2019
1. Weighted Avg Interest Rate and debt notional reflect outstanding revolving credit facility balance as of Q4 2019

COMPELLING VALUATION

Growing Income

Internal growth with long history of success managing portfolio

External growth with large opportunity set and robust investment pipeline

Established built-to-suit takeout partner to developers nationwide

Value Creation

Attractive asset class that is difficult to aggregate

Granular investment approach to identify relative value

Aggregation creates portfolio premium

Value add opportunities at asset level

- Reposition under-leased assets
- Redevelopment
- Development

Low Risk

Widely diversified portfolio across geography, tenancy, industry, lease maturity

Investment grade balance sheet with low leverage and high level of liquidity

FFO MULTIPLE[1]

17.1x
STAG

30.6x
Peer Average[2]

IMPLIED CAP RATE[1]

5.6%
STAG

4.0%
Peer Average[2]

ATTRACTIVE VALUATION COMPARED TO INDUSTRIAL REIT PEERS

1. Information presented as of February 19, 2020 (Closing Share Price as of February 18, 2020); FFO multiple incorporates published 2020 SNL Consensus FFO; implied cap rate per Wall Street research
2. Peers consist of DRE, EGP, FR, PLD, REXR, TRNO

ESG - ENVIRONMENTAL

GREEN LEASE LEADERS AWARD RECIPIENT

Recognizes forward-thinking companies that utilize energy efficient and sustainable leases

- Silver level awarded in 2019
- STAG form lease includes environmentally friendly provisions with an emphasis on energy efficiency to promote sustainability
- Application for Gold level submitted for 2020

SOLAR PANEL INSTALLATION

Leverage rooftop square footage to create clean energy

- Two installations completed in 2019, one underway in 2020, and four more to be deployed in 2020. Actively pursuing opportunities nationwide to identify viable sites within the portfolio
- Current projects across four states consisting of 12 buildings and 21 mega watts potential production

REFLECTIVE ROOFING

Reflect sunlight to reduce warehouse temperature and decrease energy usage

- Converted 16% of roofs from non-reflective to reflective since 2015
- 40% + of portfolio benefits from reflective roofing as of year end 2019

LED LIGHTING CONVERSION

More efficient lighting system reduces energy usage

- T5 & LED lighting systems in 86% of portfolio
- Converted more than 9.7 million square feet of less efficient lighting systems to LED systems since 2016
- Actively pursuing additional opportunities for upgrade across portfolio

CONTINUOUSLY PROMOTE SOUND ENVIRONMENTAL OCCUPANCY AND OWNERSHIP

ESG - SOCIAL AND GOVERNANCE

SOCIAL RESPONSIBILITY

Our Charitable Action Committee is a proud supporter of Boston-based nonprofit organizations

- Focus on efforts benefiting children and young adults
- Support provided through donations and significant volunteering

Heading Home · The Home for Little Wanderers (Strong families. Strong life.) · room to grow · Big Brothers Big Sisters of Eastern Massachusetts

GOVERNANCE

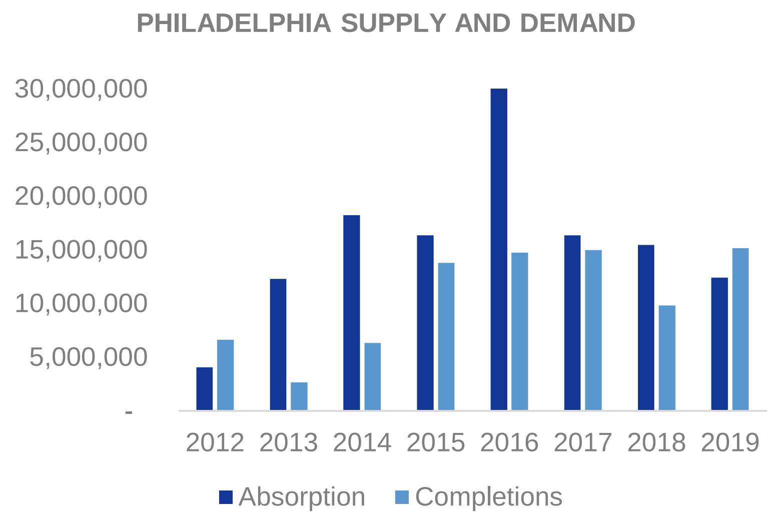
- Diverse board with lead independent director
- Shareholder friendly bylaws including majority voting and shareholder ability to amend bylaws
- Alignment of management compensation with total shareholder return
- Stock ownership guidelines for executives and directors

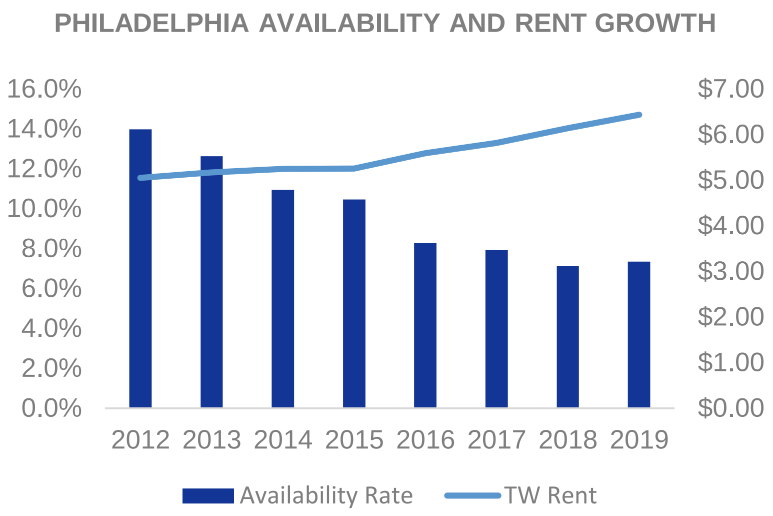
APPENDIX

PHILADELPHIA

MARKET #1

8.5% ABR





DEMAND

Strategic location
Near major interstates; Can reach 40% of U.S. population within one day

Skilled labor
Increasingly transitioning from blue collar manufacturing to white collar business services

Large base of skilled labor continues to attract manufacturers

Growth potential
Changing consumer trends including e-commerce and expectations of faster delivery speeds favor strategic locations

SUPPLY

Increasing development
Development exploded beginning in 2015, reaching its peak with 10.2 MSF delivered in 2017 in Metro Philadelphia

Growth potential
Land availability, infrastructure to handle additional square footage

Note: TW Rent is CBRE EA's effective rent index

PHILADELPHIA

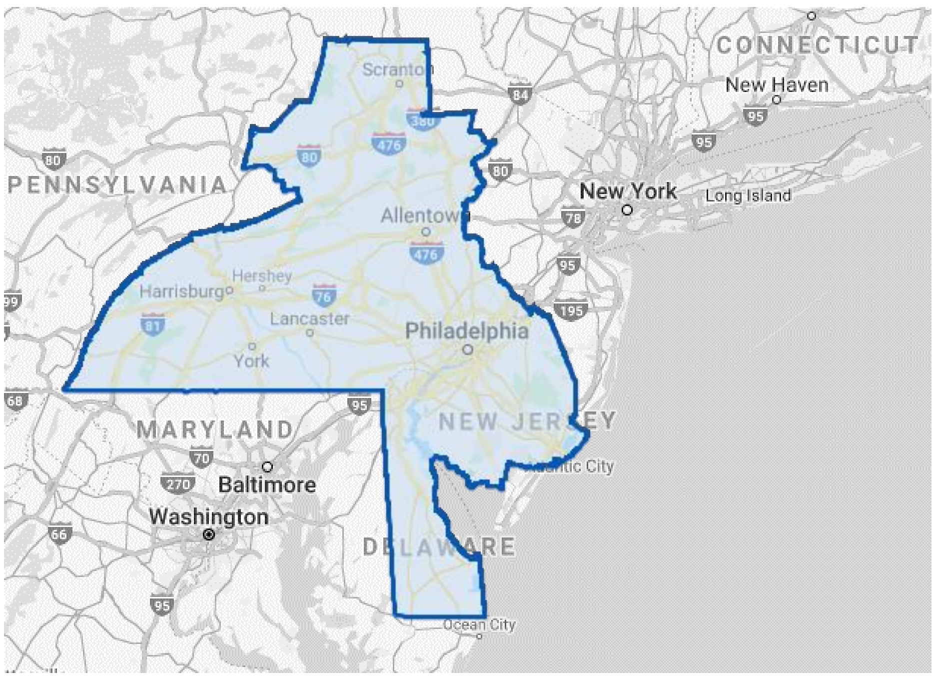
MARKET #1

8.5% ABR

STRATEGIC LOCATION

- Region encompasses Philadelphia Metro and Central PA/Lehigh Valley
- Central to East Coast population centers and truck routes servicing them

[1]



Tenant Activity in Recent Years

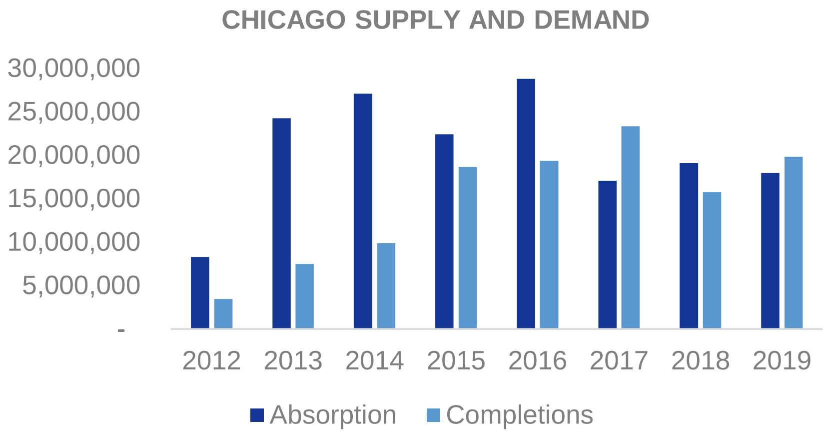
amazon
ups
Kellogg's
syncreon supply chain synergy
TESLA
FedEx
PIRELLI
EXEL LOGISTICS

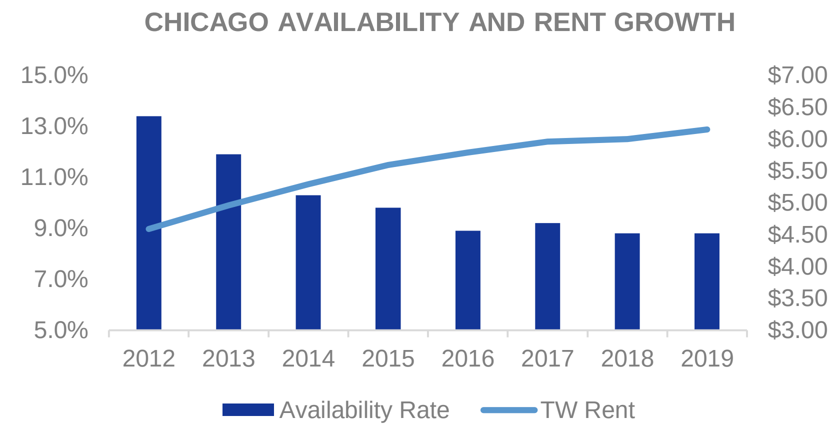
1. Map outline based on Costar Research market boundaries

CHICAGO

MARKET #2

7.6% ABR





DEMAND

Large Population/Strong Prime Age Segment

9.5 million residents; Strong prime age worker segment with 34.5% of population in prime working age range (national average = 33%)

Strategic Location/Nation's Premier Freight Hub

Largest inland port in the U.S.,18 regional intermodal terminals and 6 Class I Railroads; 25% of all freight trains and 50% of all intermodal trains pass through Metropolitan Chicago

Fiscal Situation

This has been and will continue to be a concern in some areas (Cook County), however the corresponding shifts in tenant demand as led to a boom in tenant activity in the Southern Wisconsin suburbs and other Chicago area counties

Tenant Diversity

Diverse industrial tenant base: transportation logistics, manufacturing, food, life sciences, paper/printing

SUPPLY

Concentrated Development

Much of the development this cycle has been concentrated in the I-55 Corridor (Joliet) as well as Southern Wisconsin (Kenosha)

Institutional Comfort

Broad base of developers interested and active over a long period of time; Strategic location, proximity to major transportation corridors, and massive population reached in a 1 hour and 1-day drive gives comfort to long-term importance as a logistics hub

Note: TW Rent is CBRE EA's effective rent index

CHICAGO

MARKET #2

7.6% ABR

RECENT TENANT ACTIVITY

FRESENIUS

DIAGEO

SAMSUNG

Crate&Barrel

Expeditors

wayfair

TARGET

EXEL LOGISTICS

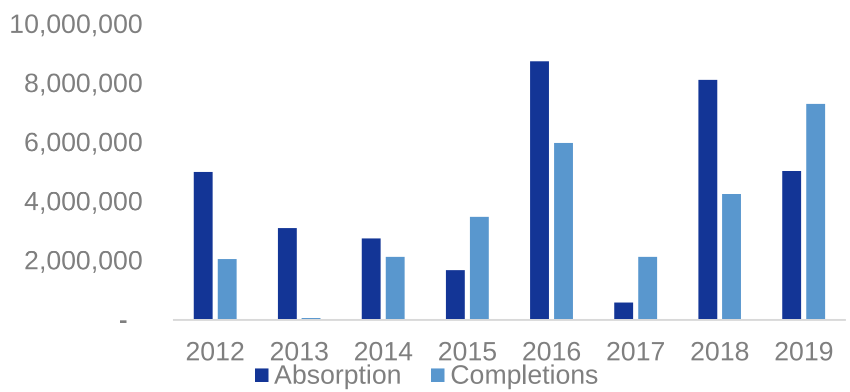
CHICAGO IS THE NATION'S PREMIER FREIGHT HUB

GREENVILLE/SPARTANBURG

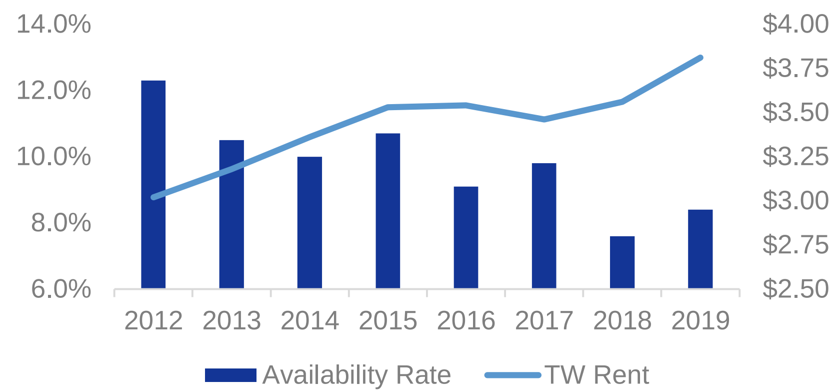
MARKET #3

5.5% ABR

GREENVILLE SUPPLY AND DEMAND



GREENVILLE AVAILABILITY AND RENT GROWTH



DEMAND

Strategic location
Near rapidly growing southeast population centers and key infrastructure

Economic resources
Large non-unionized labor force; government committed to infrastructure investment

Growth potential
Population and economic growth above national average; growing importance of east coast ports

SUPPLY

Increasing awareness and acceptance
By developers and institutional investors

Limited availability of ready land
Limited number of entitled sites with access to key infrastructure

Favorable development mix
Has historically favored BTS, currently seeing increase in spec development as the market realizes its strong potential

Note: TW Rent is CBRE EA's effective rent index

GREENVILLE/SPARTANBURG

MARKET #3

5.5% ABR

BMW has invested $10 billion in its Spartanburg plant since 1994. Products include all new X6 announced in July 2019

Inland port at Greer has significantly outperformed expectations with record volume in May 2019 of more than 204 thousand TEUs handled

Strategically located on I-85 with direct 1 day or less access to the entire Southeast region

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 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, 2019.

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.

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, 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, straight-line rent adjustments, non-cash compensation, amortization of above and below market leases, net, gain (loss) on involuntary conversion, loss on extinguishment of debt, 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.

NON-GAAP FINANCIAL MEASURES & OTHER DEFINITIONS

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, loss on extinguishment of debt, 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.

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.

Location Classification: We define primary markets as the markets which have approximately 200 million or more in net rentable square footage. We define secondary industrial markets as the markets which each have net rentable square footage ranging from approximately 25 million to approximately 200 million. We define tertiary markets as markets with less than 25 million square feet of net rentable square footage.

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.

NON-GAAP FINANCIAL MEASURES & OTHER DEFINITIONS

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, loss on extinguishment of debt, 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 and solar income. 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 at 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.

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.

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.

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.