



# Investor Presentation August 2022

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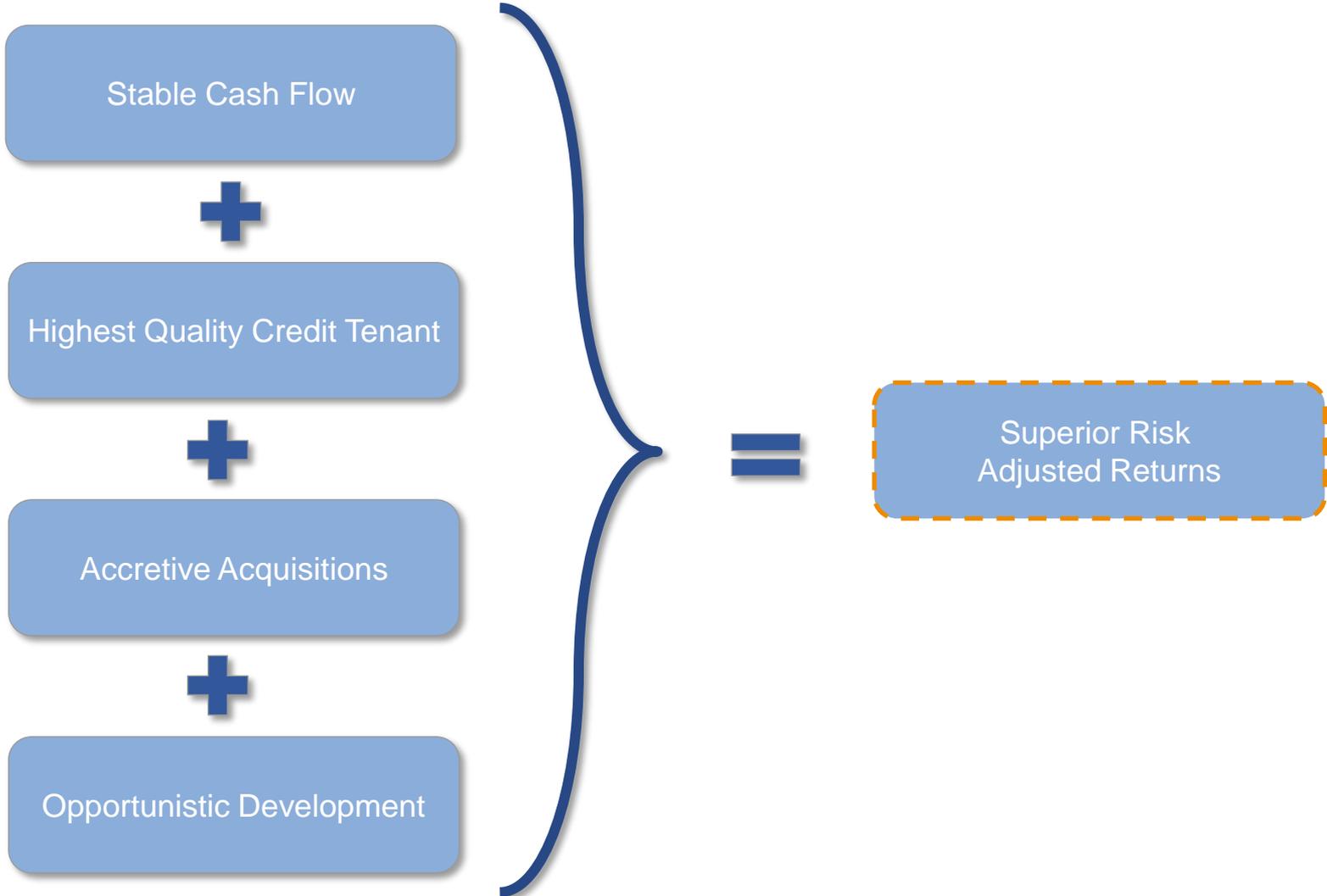
This presentation contains statements that, to the extent they are not recitations of historical fact, constitute "forward-looking statements." Actual outcomes and results could differ materially from those forecasts due to the impact of many factors, of which many are beyond the control of the Company. The words "believe" "expect," "anticipate," "intend," "plan," "estimate," "aim," "forecast," "project," "will," "may," "might," "should," "could" and similar expressions (or their negative) identify certain of these forward-looking statements. Forward-looking statements include statements regarding: strategies, outlook and growth prospects; future plans and potential for future growth, including property acquisitions and development activities; liquidity and capital resources; the government's demand for leased property; economic outlook and industry trends; and the strength and competency of competitors.

The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in the Company's records and other data available from third parties. These assumptions are inherently subject to significant uncertainties and contingencies that are difficult or impossible to predict and are beyond its control. The Company may not achieve or accomplish these expectations, beliefs or projections. In addition, important factors that, in the view of the Company, could cause actual results to differ materially from those discussed in the forward-looking statements include the achievement of the anticipated levels of profitability, changes in the U.S. government's demand for leased versus owned property, changes in the aggregate size of the U.S. government and its agencies, difficulties in completing and successfully integrating acquisitions, including the recently announced acquisition of a portfolio of ten properties leased to the U.S. Veterans Administration (the "VA Portfolio"), risks associated with our joint venture activities, the impact of general business and economic conditions, including the adverse impact of the novel coronavirus (COVID-19) on the U.S., regional and global economies and general volatility of the capital and credit markets, and the other risks and uncertainties associated with our business described from time to time in our filings with the Securities and Exchange Commission (the "SEC"), including our annual report on Form 10-K filed with the SEC on February 28, 2022 and on our Form 10-Q filed with the SEC on August 2, 2022. Past performance should not be taken as an indication or guarantee of future results, and no representation or warranty, express or implied, is made regarding future performance.

This presentation includes certain non-GAAP financial measures, including EBITDA. These non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP. Descriptions of the Company's calculations and reconciliations of these non-GAAP financial measures to the most comparable GAAP metric can be found in our most recent Supplemental Information Package available on our website and included as exhibit 99.2 to our Form 8-K dated August 2, 2022.

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# How our Shareholders Make Money



# Focus on Mission-Critical U.S. Government Agencies



Easterly underwrites the agency and the importance of the building within the hierarchy of the agency

## Agency Selection

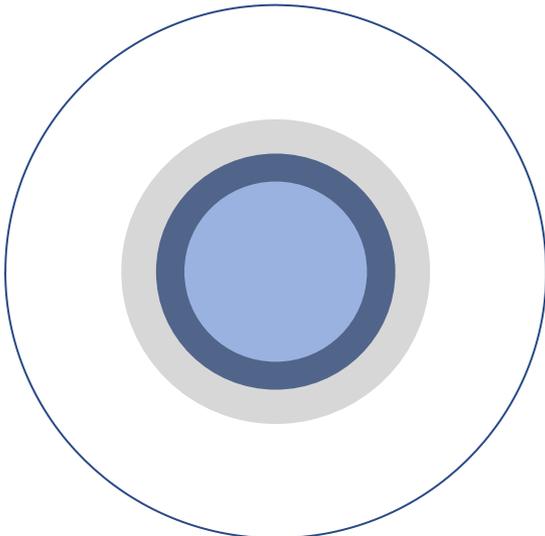
- Target U.S. Government agencies with **enduring missions**
  - **Growing** federal agencies
  - Subject of **increased priority**
  - **Security related**

## Target Market

- Major federal buildings of **Class A construction**
- At least 85% leased to a **single U.S. Government tenant**
- In excess of **40,000 RSF** with expansion potential

## Additional Criteria

- In **strategic locations** to facilitate the tenant agency's mission
- **Less than 20 years old**, when considering acquisitions
- **Minimum lease term of ten years**, when considering development projects
- Specialized **build-to-suit** features
- Focused on **environmental sustainability**



**U.S. Federal Leases**  
550 Million RSF  
(55,000 Locations)<sup>(1)</sup>

**GSA Inventory<sup>(2)</sup>**  
188 Million RSF  
(8,100 Leases; 6,800 Locations)

**Properties > 40,000 RSF<sup>(2)</sup>**  
119 Million RSF  
(1,000 Leases; 800 Locations)

**TARGET GSA MARKET**  
**Single Tenant Leased**  
71 Million RSF  
(500 Leases & Locations)



**TARGET VA MARKET**  
**Single Tenant Leased**  
4 Million RSF  
(50 Leases & Locations)



**TOTAL MARKET**  
**Single Tenant Leased**  
75 Million RSF  
(550 Leases & Locations)

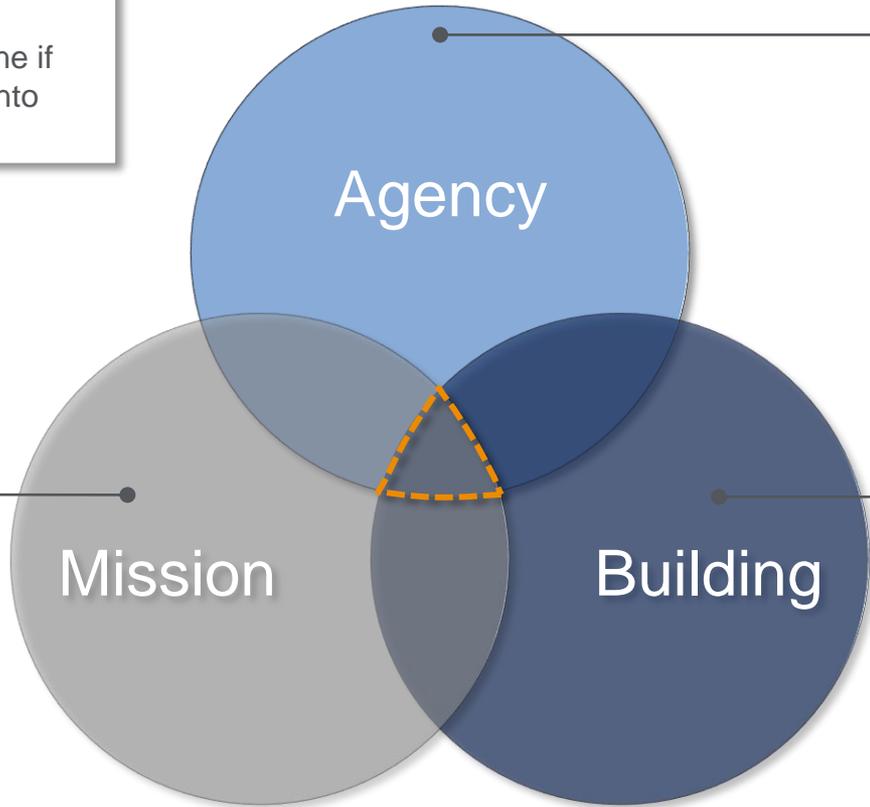
Source: GSA and proprietary research  
 (1) Data as of 2013. Figure is no longer tracked by the government.  
 (2) Based on GSA's Leased Inventory from July 2018.

**THREE-PART UNDERWRITING**  
Before purchasing any building, Easterly performs a three-part underwriting analysis to determine if the asset should be introduced into Easterly's growing portfolio



### Mission

- Mission performed in building is critical to the operation of the agency
- Requires special building features and functionality to perform mission
- Core mission is agnostic to any political party



### Agency

- Underlying tenant agency has a growing mission within the country
- Agency's mission is inherent to the functioning and operation of the United States



### Building

- Young
- Build-to-suit design
- Strategic location
- Meets strict commercial real estate underwriting criteria
- Accretive to the Company

 = the Easterly portfolio

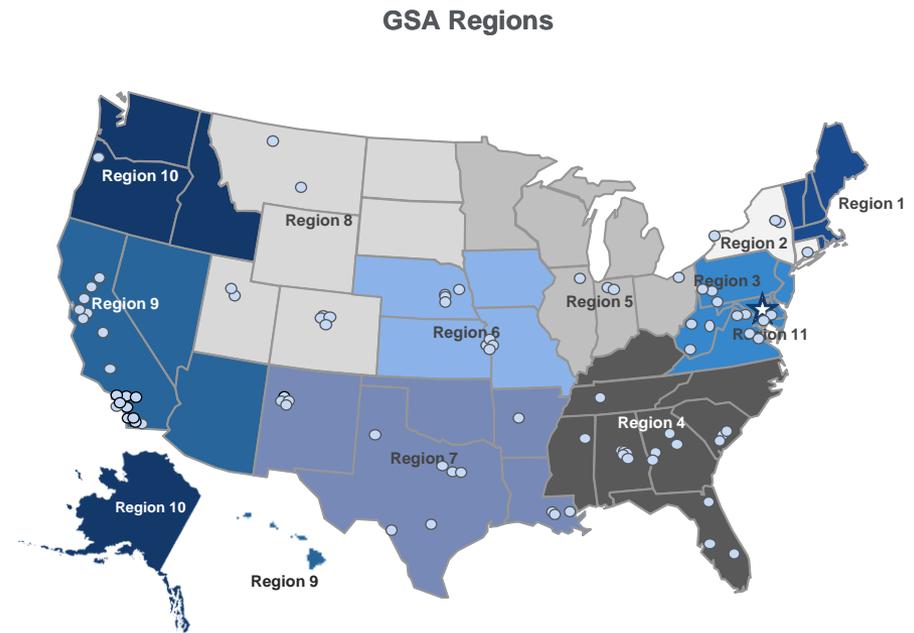
# High Quality Portfolio of U.S. Government-Leased Assets



## Portfolio Snapshot

Number of Operating Properties	94
Total Leased Square Feet	9.1 million
Weighted Average Age	13.8 years <sup>(1)</sup>
% Leased	99.1%
Weighted Average Remaining Lease Term	10.0 years <sup>(2)</sup>
Ann. Lease Income / Leased SF	\$34.23
Average Building Size	96.5k square feet
Property Type <i>(Based on leased square feet)</i>	<ul style="list-style-type: none"> <li>▪ Office (65%)</li> <li>▪ VA Outpatient (16%)</li> <li>▪ Lab (7%)</li> <li>▪ Courthouse/Office (4%)</li> <li>▪ Other (8%)<sup>(3)</sup></li> </ul>

## Geographic Footprint



- |                          |                        |
|--------------------------|------------------------|
| 1. New England           | 7. Greater Southwest   |
| 2. Northeast & Caribbean | 8. Rocky Mountain      |
| 3. Mid-Atlantic          | 9. Pacific Rim         |
| 4. Southeast Sunbelt     | 10. Northwest / Arctic |
| 5. Great Lakes           | 11. National Capital   |
| 6. The Heartland         |                        |

NOTE: Figures and metrics are as of 6/30/2022 and pro forma for acquisitions subsequent to quarter end, except for Ann. Lease Income / Leased SF. Property-level data for VA Portfolio properties owned by the Company's unconsolidated joint venture is presented at 100%, unless otherwise noted.

(1) Weighted average age is based on rentable square feet. Age is based on the property's original date of construction, or its renovation-to-suit date, if applicable.

(2) Weighted average remaining lease term is based on leased square feet.

(3) Includes Warehouse and Distribution.

# VA Portfolio Overview



**10**  
*Number of Assets*

**1,214,165 SF**  
*Leased Square Feet*

**100%**  
*Leased*

**20-Year Lease Terms (Firm)**  
*15-Year Chattanooga Lease*

**Brand New, Build-to-Suit**  
*State-of-the-art PACT compliant VA Outpatient facilities*

**\$174+ Million**  
*VA Funded Improvements*

**31,062 – 257,294 SF**  
*Rentable Building Area*

**4Q20 – 4Q23**  
*Estimated Completion Dates*

**Green Portfolio**  
*Designed to Achieve Green Globe® Certification*

NOTE: On October 13, 2021, the Company formed an unconsolidated joint venture with a leading global investor to serve as the investment vehicle for the acquisition of the VA Portfolio. Easterly will retain an approximately 53% stake in the joint venture and the joint venture partner will retain an approximately 47% stake in the joint venture. Easterly will also receive asset management fees and be responsible for the day-to-day management of the properties.

# VA Portfolio - Strengthening the Platform



VA - San Antonio

CAD and NAV accretive portfolio acquisition of scale, consistent with high-quality, mission critical bullseye strategy

Materially reduces the average age of the portfolio while simultaneously extending the weighted average remaining lease term

Delivering cash flow growth to shareholders through a strategic joint venture partnership with one of the preferred leading global investors

Firmly establishes Easterly as the natural owner of this specific class of Government-leased assets

100% of Annualized Lease Income backed by the full faith and credit of the U.S. Government

Long term lease maturities with low anticipated maintenance capex

Experienced and aligned management team with deep VA expertise



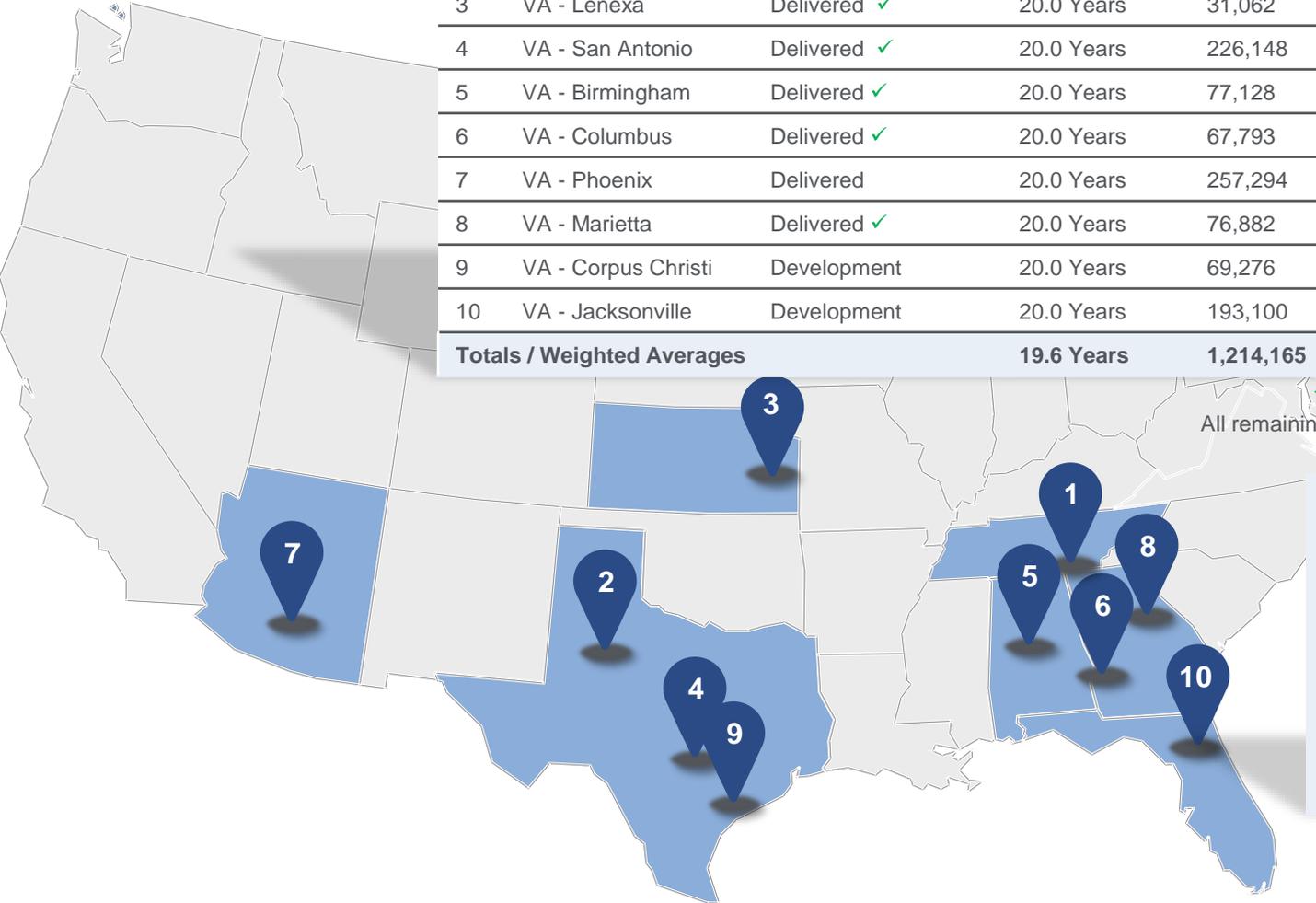
VA - Lenexa



VA - Birmingham

# VA Portfolio Lease Snapshot

#	Asset	Status	Lease Term (Firm)	Leased SF	% of Portfolio Size	Occupancy
1	VA - Chattanooga	Delivered ✓	15.0 Years	94,566	7.8%	100%
2	VA - Lubbock	Delivered ✓	20.0 Years	120,916	10.0%	100%
3	VA - Lenexa	Delivered ✓	20.0 Years	31,062	2.6%	100%
4	VA - San Antonio	Delivered ✓	20.0 Years	226,148	18.6%	100%
5	VA - Birmingham	Delivered ✓	20.0 Years	77,128	6.4%	100%
6	VA - Columbus	Delivered ✓	20.0 Years	67,793	5.6%	100%
7	VA - Phoenix	Delivered	20.0 Years	257,294	21.2%	100%
8	VA - Marietta	Delivered ✓	20.0 Years	76,882	6.3%	100%
9	VA - Corpus Christi	Development	20.0 Years	69,276	5.7%	100%
10	VA - Jacksonville	Development	20.0 Years	193,100	15.9%	100%
<b>Totals / Weighted Averages</b>			<b>19.6 Years</b>	<b>1,214,165</b>	<b>100.0%</b>	<b>100%</b>



✓ Indicates the asset has been acquired.  
 All remaining assets are identified future acquisitions.

**GEOGRAPHIC DIVERSITY AND ROBUST VETERAN POPULATION**

The Portfolio provides a well-diversified collection of Veteran rich locations throughout the U.S. Sun Belt and Heartland regions.

# 2022 Acquisitions To Date (non-VA Portfolio)

Easterly continues to acquire mission critical, build-to-suit assets that fulfill our strict investment criteria



## NARA - Broomfield

- 161,730 leased square feet
- Build-to-suit completed in 2012
- National Archives and Records Administration (NARA)
- 100% leased until May 2032
- One of 18 facilities strategically located throughout the country, providing services across seven states
- Specifically constructed to provide for optimal environmental controls, including temperature and humidity



## FBI - Tampa

- 138,000 leased square feet
- Build-to-suit completed in 2005
- Federal Bureau of Investigation (FBI)
- 100% leased until November 2040
- One of 56 FBI field offices strategically located throughout the country
- Serves as regional headquarters for six satellite offices and 18 counties
- Level IV security with perimeter fencing, guard gate, blast protection, setbacks, magnetometers, and SCIF space

# 2021 Acquisitions (non-VA Portfolio)



FBI - Knoxville

- 99,130 leased square feet
- Completed in 2010
- Build-to-suit
- LEED Certified
- Lease Expiration: August 2025
- One of 56 field offices of the FBI
- The features reinforced fencing, a visitor screening facility, vehicle barriers and a secured parking garage, ballistic glass windows and redundant power systems.



NWS - Kansas City

- 94,378 leased square feet
- Renovated in 2020
- Build-to-suit
- Lease Expiration: December 2033 (December 2038 w/ 5-year renewal option)
- Serves as the Central Region Headquarters for the National Weather Service, one of six located throughout the country.



USAO - Louisville

- 60,000 leased square feet
- Completed in 2011
- Build-to-suit
- LEED Silver
- Lease Expiration: December 2031
- Located across the street from the Gene Snyder U.S. Federal Courthouse
- Includes security features including perimeter fencing, controlled access, bollards, secure garage parking and separate exterior parking for visitors.



Various GSA - Cleveland

- 61,384 leased square feet
- Renovated in 2016 and 2021
- Wtd. Avg. Lease Expiration: June 2034 (assuming VNA renewal options are exercised)
- Tenants include Department of Homeland Security (66% of the building), the National Weather Service (15% of the building) and VNA Health Group (19% of the building)
- Facility Security Level III asset that includes secured entry and parking, a sally port, generator and uninterrupted power supply battery system.



ICE - Louisville

- 17,420 leased square feet
- Completed in 2011
- Build-to-suit
- LEED Silver
- Lease Expiration: May 2021
- Features secure perimeter fencing, secure parking, redundant power and an underground vault.



USCIS - Kansas City

- 489,316 leased square feet
- Completed in 1999
- Wtd. Avg. Lease Expiration: February 2036 (January 2045 assuming all renewal options are exercised)
- Serves as the National Benefits Center (NBC) and processes applications from every U.S. state and territory for different immigration benefits.



USAO - Springfield

- 43,600 leased square feet
- Completed in 2002
- Build-to-suit
- Lease Expiration: March 2038
- Conveniently located on the same block as the U.S. District Courthouse
- Includes high security features due to the sensitive nature of the criminal prosecutions in which the U.S. Attorneys are actively involved.

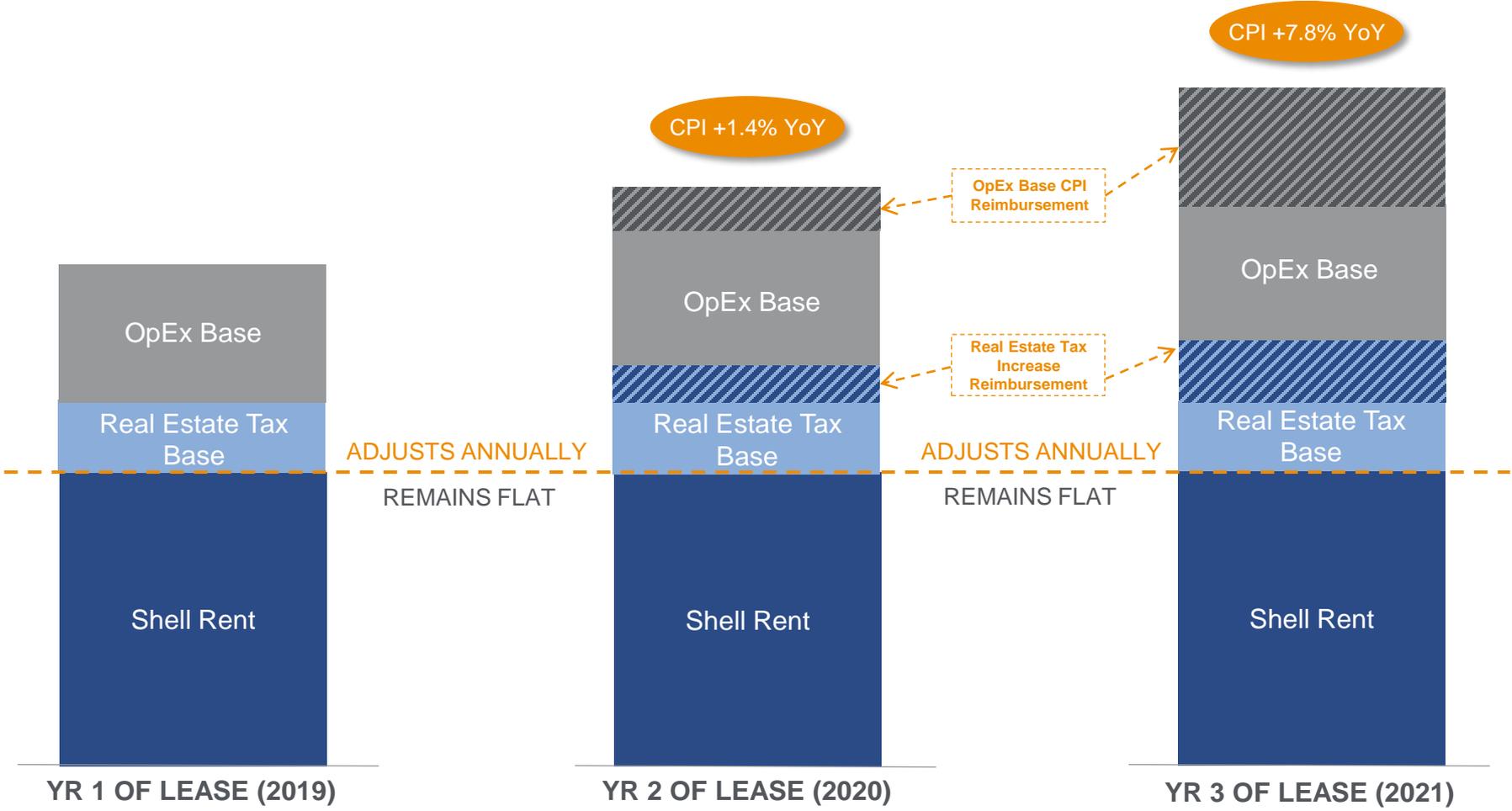


VA - Midwest

- 80,000 leased square feet
- Completed in 2021
- Build-to-suit
- Lease Expiration: May 2041
- Two Green Globes® certified
- Provides a wide range of medical and ancillary services including primary care, mental health, audiology, optometry, dermatology, radiology, and prosthetic.

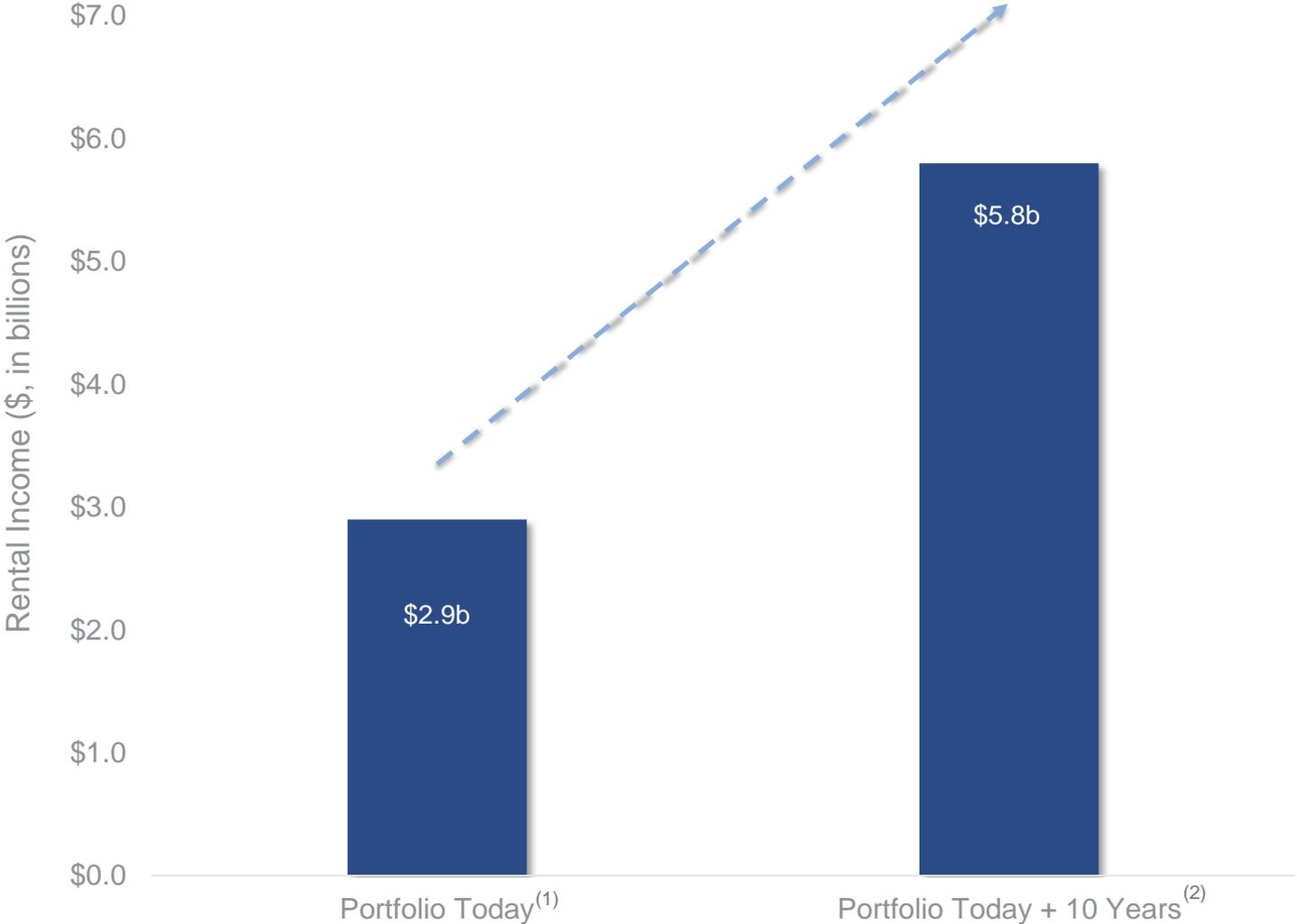
# Rent Structured to Rise with Inflation

GSA leases include an OpEx base which grows with inflation, protecting the Company from NOI margin compression



NOTE: While CPI figures mentioned on this page reflect actual percentages based on a December base month, this slide is used solely for illustrative purposes and does not reflect any specific property within the Company's portfolio, either wholly owned or through the JV. Further, percentage changes as reflected on this page are not to scale and are displayed in these materials for visual illustration.

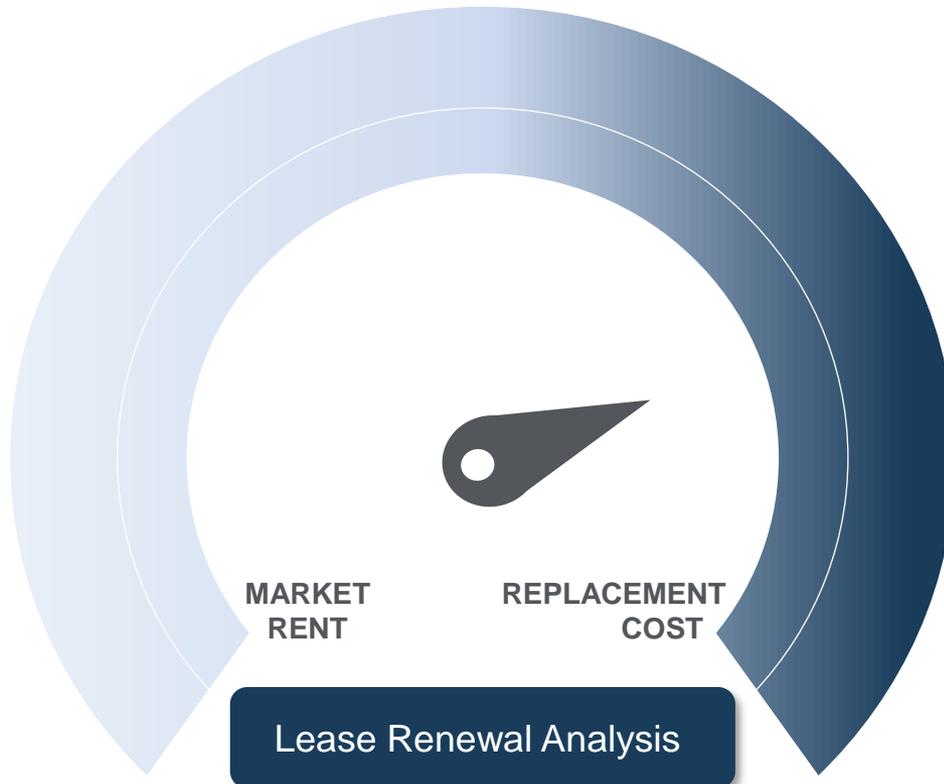
# Focused on Stable, Recurring Cash Flows Backed by the Full Faith and Credit of the U.S. Government



(1) Represents aggregate rental income due during the remaining term of existing U.S. Government leases. Figures are as of 6/30/2022 and pro forma for acquisitions subsequent to quarter end, either wholly owned or owned through the JV at the Company's pro rata amount.

(2) In an illustrative example that assumes all current leases with the U.S. Government in the Easterly portfolio are renewed for a 10-year lease term with a 10% increase in rent upon its current lease expiration.

# Illustrative Example of How Easterly Thinks About Renewals



## Bullseye

- Property fulfills the right mix of mission criticality, tenant agency representation and customized building features
- Company bases renewal price upon replacement cost for this asset
- “Bullseye” represents the vast majority of the Easterly Portfolio

## Plain Vanilla

- Property fulfills important missions for tenant agencies but within a more typical office setting
- Company bases renewal price upon local market rent for this asset class
- “Plain vanilla” represents a very small portion of the Easterly Portfolio

# Quarterly Update: 2022 - 2023 Renewals



Easterly has five remaining notable leases expiring in 2022 and 2023, representing 4.9% of Ann. Lease Income and approximately 455.7k square feet combined

**ACTUALS**

**Renewals**

Properties (Leases) Renewed:<sup>(1)</sup>

- ✓ FBI - Birmingham
- ✓ EPA - Kansas City
- ✓ ICE - Louisville

YTD Renewal Statistics:

- 3 properties / 3 leases renewed
- 169,531 SF combined
- 2.8% of Ann. Lease Income
- 19.5yr WALT

## 2022 NOTABLE EXPIRATIONS

Property	% Ann. Lease Income	Leased SF
FBI - Little Rock (holdover)	0.8%	102,377
DEA - Dallas (Lab) (holdover)	0.8%	49,723

## 2023 NOTABLE EXPIRATIONS

Property	% Ann. Lease Income	Leased SF
Various GSA - Chicago (FAA)	2.1%	194,540
DEA - Birmingham	0.5%	35,616
JUD - Jackson	0.7%	73,397

NOTE: Percentages and figures as of 6/30/2022. Weighted averages are based on leased square feet.

(1) Renewals may not take effect the same quarter they are signed. New lease commencement dates are as follows: (i) FBI - Birmingham commenced in May 2022; (ii) EPA - Kansas City est. commencement date of April 2023; (iii) ICE - Louisville lease commenced retroactively to June 1 2021.

# Easterly's Green Portfolio



## Energy Efficiency

- ✓ 2022 Green Lease Leaders Award Recipient
- ✓ 26 LEED Certifications<sup>(1)</sup>
  - Includes one Platinum and 11 Gold
- ✓ 12 ENERGY STAR Certifications<sup>(1)</sup>
- ✓ ENERGY STAR Partner
- ✓ 30 Green Globe Certifications<sup>(2)</sup>



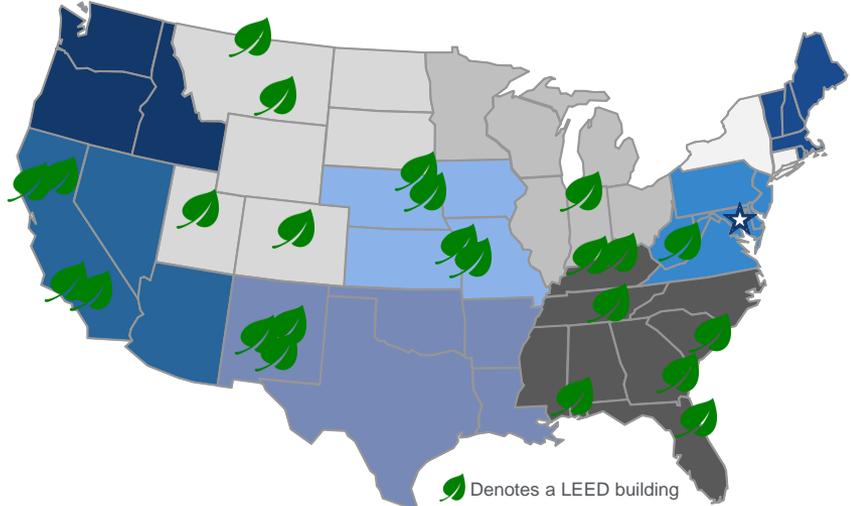
## Renewable Energy

- ✓ Increased focus on solar generation across the portfolio
  - FEMA - Tracy (~327 kW)
  - USFS - Albuquerque II (~135 kW)
  - VA - Lubbock (~ 2kW)<sup>(3)</sup>
- ✓ 329 well geothermal field (FBI - Omaha)



## Water & Biodiversity

- ✓ Green rooftop constructed utilizing materials with 30% recycled content (FBI - Salt Lake City)
- ✓ Use of native or adaptive plant species to reduce the need for irrigation (EPA - Lenexa)
- ✓ Installation of low flow plumbing fixtures to minimize on-site water usage



Roof top solar panels, USFS - Albuquerque II

(1) As of 6/30/2022.  
 (2) Pro forma for the completion and future acquisition of all 10 properties in the VA Portfolio transaction.  
 (3) Serves as supplemental water heating.

# Attractive Market Opportunity



The U.S. Government is the largest employer in the world and the largest office tenant in the U.S.

## Favorable Market Dynamics

- GSA-leased inventory has grown 23.3% since 1998 (as compared to a 1.1% decline for GSA-owned), and the GSA now rents more than it owns<sup>(1)</sup>
- Given recent federal budget constraints, we believe it is likely that the U.S. Government will continue to grow its leased portfolio of assets

## Fragmented Market

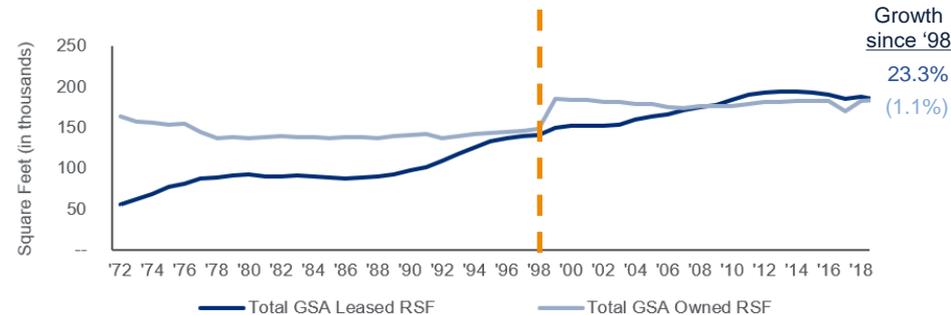
- The largest owners of federally-leased assets own approximately 26.2% in aggregate, with no single landlord owning more than 5.4%<sup>(2)</sup>
- No national broker or clearing house for GSA-leased properties

## High Barriers to Entry

- Knowledge of GSA procurement process, protocols and culture
- Understanding of mission and hierarchy of tenant agencies
- Proven experience in acquiring, developing and managing GSA properties
- Access to capital

## Favorable Demand Dynamics

GSA-Leased Inventory has Grown Faster than GSA-Owned Inventory<sup>(1)</sup>



## Top Owners of Federally-Leased Real Estate<sup>(2)</sup>

(in thousands)	RSF	% Market Ownership
Boyd Watterson	10,062	5.4%
Easterly Government Properties	9,000	4.8%
Office Properties Income Trust	6,273	3.3%
NGP	5,102	2.7%
USAA Real Estate Company	4,736	2.5%
Corporate Office Properties Trust (COPT)	4,065	2.2%
JBG Smith	2,686	1.4%
MetLife Real Estate Investments	2,551	1.4%
LCOR	2,387	1.3%
Brookfield Property Partners	2,300	1.2%
<b>Top Owners</b>	<b>49,162</b>	<b>26.2</b>
<b>Total GSA - Leased RSF</b>	<b>187,496</b>	<b>100.0%</b>

Source: Company filings, GSA and Colliers International.

(1) Based on GSA's FY 2018 State of the Portfolio Snapshot.

(2) Based on GSA's Lease Inventory from December 2018, Colliers International Top GSA Property Owners (2020 Edition), and the leased square footage of the Easterly Portfolio as of 6/30/2022 and pro forma for acquisitions, either wholly owned or through the joint venture, subsequent to quarter end. Reflects 100% of the square footage of VA Portfolio properties owned by our unconsolidated joint venture.

# Sources of Growth



# Proven Acquisition Platform with Identified Pipeline



## Demonstrated Ability to Source Transactions

### Track Record

- Since its inception, Easterly has grown the portfolio from 2.1 million leased square feet and 29 properties to its current size of 9.1 million leased square feet and 94 operating properties<sup>(1)</sup>
- Longstanding relationships with owners, developers and brokers

### Identified Pipeline

- Proprietary database tracks target properties
- Tracking an estimated \$700 + million of properties
  - Actively evaluating ~\$350 million

### Acquisitions Since IPO <sup>(2)</sup>



(1) As of 6/30/2022 and pro forma for acquisition completed subsequent to quarter end. Reflects 100% of the leased square footage of properties owned by Easterly's unconsolidated joint venture.

(2) Reflects the Company's 53% joint venture pro rata share of the purchase price for the four VA Portfolio properties acquired in 2021, and the three VA Portfolio properties acquired YTD in 2022.



# Completed Development Projects: FEMA - Tracy, FDA - Alameda & FDA - Lenexa



Completed in 2018

Completed in 2019

Completed in 2020



**FEMA - Tracy**

<b>Leased Square Feet</b>	210,373
<b>Property Acquisition Date</b>	October 2017
<b>Lease Commencement</b>	October 2018

<b>Notes</b>	<ul style="list-style-type: none"> <li>Serves as Regional Warehouse for emergency supplies for FEMA</li> <li>One of eight regional distribution centers located throughout the country</li> <li>100% leased to FEMA via GSA</li> <li>20-year firm term first generation lease</li> <li>Houses an inventory of goods that may be needed for FEMA's response to a disaster</li> <li>Single story, sits on 19 acres of land</li> <li>Blend of office, warehouse and refrigerated space</li> </ul>
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**FDA - Alameda**

<b>Leased Square Feet</b>	69,624
<b>Property Acquisition Date</b>	August 2016
<b>Lease Commencement</b>	August 2019

<b>Notes</b>	<ul style="list-style-type: none"> <li>Serves as San Francisco Office and Laboratory for the FDA</li> <li>One of thirteen field laboratories located throughout the country</li> <li>Modern, Class A laboratory</li> <li>Houses two wet and dry laboratories for chemistry and microbiology</li> <li>Houses regional laboratory and administrative personnel from multiple programs within the Office of Regulatory Affairs</li> <li>Security personnel on site 24/7/365</li> <li>100% leased to FDA via GSA</li> <li>20-year firm term first generation lease</li> </ul>
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**FDA - Lenexa**

<b>Leased Square Feet</b>	59,690
<b>Property Acquisition Date</b>	May 2017
<b>Lease Commencement</b>	September 2020

<b>Notes</b>	<ul style="list-style-type: none"> <li>Serves as Kansas City Office and Laboratory for FDA</li> <li>One of thirteen field laboratories located throughout the country</li> <li>Modern, Class A laboratory</li> <li>Houses the Total Diet and Pesticides Research Center, Pesticides analysis, Chemotherapeutics / LC-MS Poison screening, Mycotoxins analysis, Drugs and Dietary Supplements analysis, Dioxins analysis and Metals / Elemental Specialization analysis</li> <li>100% leased to FDA via GSA</li> <li>20-year/15-year firm term first generation lease</li> </ul>
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# FDA - Atlanta: Active Development Project



FDA - Atlanta	
Approx. Leased Square Feet	162,000
Property Acquisition Date	August 2019
Expected Lease Commencement Date	2Q 2025
Notes	<ul style="list-style-type: none"> <li>• Will serve as one of 13 regional laboratories strategically located throughout the country</li> <li>• 100% leased to FDA via GSA</li> <li>• 20-year firm term first generation lease</li> <li>• Will house both laboratory and office space for the Atlanta District Office as well as the Southeast Food and Feed Laboratory and Southeast Tobacco Laboratory</li> <li>• Will oversee regulatory operations within the Atlanta region</li> <li>• Will house four separate laboratories for nutritional analysis, chemistry, microbiology and tobacco</li> <li>• Will meet the requirements of the National Institute of Health Design Requirements Manual</li> <li>• Covers operations in Alabama, Florida, Georgia, Louisiana, Tennessee, Mississippi, North Carolina, South Carolina, U.S. Virgin Islands, and Puerto Rico</li> </ul>

Note: Square footage, estimated lease commencement date, and design rendering are subject to change throughout the development process.

# Easterly Team Drives Competitive Advantage



Easterly's purpose-built team is the leading owner, manager, acquirer, and developer of mission-critical U.S. Government leased real estate

## Acquire

- Over two decades exclusively focused on purchasing U.S. Government leased assets
- Closed \$3.1 billion, comprised of 97 U.S. Government-leased assets, over 12 years
- Expansive set of property owner relationships, which drive off-market transactions
- Government Relations department deeply embedded in the acquisition process, leveraging nearly 40 years of government experience across all three branches of government.

## Develop

- Over 30 years of experience developing nearly 5 million square feet of build-to-suit construction
- Deep-seated knowledge of GSA requirements and the needs of tenant agencies
- Thorough understanding of the U.S. Government's procurement process and standards as well as relationships throughout the GSA and agencies of the U.S. Government

## Manage

- Unparalleled ability to work with and manage the bureaucracy and nuances of transacting with the federal government
- Prior experience working at the GSA, as a broker on the National Broker Contract, and in non-GSA commercial real estate management
- Deep relationships with the GSA leveraged within the Asset Management and Government Relations teams

## Finance

- Demonstrated ability to consistently access secured and unsecured debt markets as well as the public and private equity markets
- Cultivated a strong and consistent lender base in the debt private placement market with a unique credit story
- Created GSA specific documentation and drove top execution within the CMBS market
- Growing JV partnership with highly regarded global investor

# Easterly's Capital Structure is Positioned for Growth



## Pro Forma Market Capitalization

(\$ in millions)

Common Shares - Fully Diluted Basis	103.4
Closing Price as of 6/30/2022	\$19.04
<b>Equity Market Capitalization – Fully Diluted Basis</b>	<b>\$1,967.9</b>
Secured Mortgage Debt	\$248.8
Revolving Credit Facility	150.1
Term Loan Facilities	250.0
Senior Unsecured Notes	700.0
<b>Total Debt</b>	<b>\$1,348.9</b>
Less: Cash and Cash Equivalents	(8.4)
<b>Net Debt</b>	<b>\$1,340.5</b>
<b>Total Enterprise Value</b>	<b>\$3,308.4</b>
<b>Credit Metrics:</b>	
Net Debt / Total Enterprise Value	40.5%
Adjusted Net Debt to Annualized Quarterly Pro Forma EBITDA	7.2x
Cash Interest Coverage Ratio	4.0x

Approximately 88% of in-place debt is at attractive, fixed rate levels with long-dated maturities

denotes a sustainability-linked pricing component whereby the spread will decrease by 0.01% if Easterly achieves certain sustainability targets as determined by an independent third-party evaluation. The sustainability-linked pricing component applies to the Company's Revolving Credit Facility and the Company's 2018 Term Loan, both amended in 2021.

## Pro Forma Debt Profile

(\$ in millions)

	Balance	Stated Rate	Maturity
ICE - Charleston	\$14.1	4.21%	2027
USFS II - Albuquerque	14.3	4.46%	2026
DEA - Pleasanton	15.7	L+1.50%	2023
CBP - Savannah	10.8	3.40%	2033
MEPCOM - Jacksonville	6.2	4.41%	2025
VA - Loma Linda	127.5	3.59%	2027
VA - Golden	8.7	5.00%	2024
USCIS - Kansas City	51.5	3.68%	2024
<b>Total Secured Debt</b>	<b>\$248.8</b>	<b>3.69%</b>	<b>2026</b>
Revolving Credit Facility	\$150.1	L+1.25%	2025
Term Loan Facilities	250.0	2.67% / 3.91%	2024 / 2026
Senior Unsecured Notes <sup>(1)</sup>	700.0	3.56%	2027 - 2034
<b>Total Debt</b>	<b>\$1,348.9</b>	<b>3.44%</b>	<b>2028</b>
<b>Adjusted Net Debt <sup>(2)</sup></b>	<b>\$1,328.1</b>		

## Pro Forma Debt Maturity Schedule

(\$ in millions)



NOTE: All amounts and metrics are as of 6/30/2022 and pro forma for acquisitions, either through the JV or wholly owned, that took place subsequent to quarter end. VA - Columbus, with a 53% pro rata share, assumes 60% equity at a price of \$21.72/share and 40% debt funded through the Company's revolving credit facility at an interest rate of 2.64%. The Company's 2016 and 2018 Term Loans have interest rates effectively fixed at 2.67% and 3.91% respectively, given the Company's execution of interest rate swaps.

(1) 3.56% represents a weighted average interest rate among all tranches of the Company's senior unsecured notes.

(2) Adjusted Net Debt is equal to Net Debt less 40% of costs to date for FDA - Atlanta.

# Investment Highlights



FBI - San Antonio

**98% OF LEASE INCOME BACKED BY FULL FAITH AND CREDIT OF THE U.S. GOVERNMENT <sup>(1)</sup>**



VA - San Jose

**DEFINABLE EDGE IN U.S. GOVERNMENT-LEASED SECTOR**



CBP - Savannah

**CONSERVATIVE BALANCE SHEET & SUPERIOR CAPITAL MANAGEMENT**

**EXPERIENCED AND ALIGNED MANAGEMENT TEAM WITH DEEP GSA EXPERTISE**

(1) As of 6/30/2022, based on Ann. Lease Income.

# Experienced Management Team and Board



## Management Team

Name / Position	Experience
<b>William Trimble, III</b> Chief Executive Officer & President	<ul style="list-style-type: none"> <li>Co-Founded Easterly Partners in 2011, an investment and management firm focused on GSA-leased properties</li> <li>Over 25 years of investment management experience</li> </ul>
<b>Meghan Baivier</b> EVP & Chief Financial and Operating Officer	<ul style="list-style-type: none"> <li>Appointed COO of Easterly in 2015 and CFO in 2016</li> <li>Previously with Citigroup's Real Estate and Lodging Investment Banking group</li> </ul>
<b>Michael Ibe</b> EVP – Development & Acquisitions	<ul style="list-style-type: none"> <li>Founder of Western Devcon, a leading owner and developer of GSA assets</li> <li>Development expertise in build-to-suit properties for the GSA</li> <li>Over 30 years of development and construction management experience</li> </ul>
<b>Allison Marino</b> SVP & Chief Accounting Officer	<ul style="list-style-type: none"> <li>Joined Easterly in 2021</li> <li>Previously with Carr Properties as Vice President, Controller, and Marriott's Financial Reporting and Analysis Group</li> </ul>
<b>Ron Kendall</b> EVP – Government Relations	<ul style="list-style-type: none"> <li>Over 32 years of federal real estate experience</li> <li>Former Federal Executive, worked in senior management positions in all 3 Branches, including 26 years with GSA</li> </ul>
<b>Mark Bauer</b> EVP – Development	<ul style="list-style-type: none"> <li>Over 30 years in commercial real estate development and investment</li> <li>Served as the Chief Financial Officer to Western Devcon prior to joining Easterly upon IPO in 2015</li> </ul>
<b>Andrew Pulliam</b> EVP – Acquisitions & Portfolio Mgmt	<ul style="list-style-type: none"> <li>Over 20 years of experience in federally leased real estate acquisitions, dispositions and financing</li> <li>Formerly with Republic Properties Corporation</li> </ul>

## Board of Directors

Name / Position	Experience
<b>Darrell Crate</b> Chairman	<ul style="list-style-type: none"> <li>Co-Founded Easterly Partners in 2011</li> <li>27 years of institutional investment experience</li> <li>Former CFO of Affiliated Managers Group (NYSE: AMG) from 1998 – 2011</li> </ul>
<b>Michael Ibe</b> Vice Chairman	<ul style="list-style-type: none"> <li>EVP – Development &amp; Acquisitions</li> </ul>
<b>William Trimble, III</b> Director	<ul style="list-style-type: none"> <li>Chief Executive Officer &amp; President</li> </ul>
<b>William Binnie</b> Lead Independent Director	<ul style="list-style-type: none"> <li>CEO &amp; President of Carlisle Capital Corporation</li> <li>Founder, Former Chairman &amp; CEO of Carlisle Plastics</li> </ul>
<b>Cynthia Fisher</b> Director	<ul style="list-style-type: none"> <li>Co-Founder and Managing Director of WaterRev</li> <li>Co-Founder, former President and Director of ViaCell (formerly NASDAQ: VIAC)</li> <li>Director, The Boston Beer Co. (NYSE: SAM)</li> </ul>
<b>Scott Freeman</b> Director	<ul style="list-style-type: none"> <li>Managing Partner of FHR Capital, LLC, a privately held real estate investment and advisory company</li> <li>Former Managing Director and Global Head of Portfolio Management of Colony Capital, Inc.</li> </ul>
<b>Emil Henry, Jr.</b> Director	<ul style="list-style-type: none"> <li>Founder and CEO of Tiger Infrastructure</li> <li>Former Assistant Secretary of the Treasury</li> <li>Director, StoneCastle Financial (NASDAQ: BANX)</li> </ul>
<b>Tara Innes</b> Director	<ul style="list-style-type: none"> <li>Former Managing Director of Fixed Income Research at AIG Asset Management</li> <li>Former Managing Director for REITs/Financial Institutions at Fitch Ratings</li> <li>Co-Founder of The Credit Roundtable</li> </ul>

Senior management owns approximately 8% of Easterly Government Properties <sup>(1)</sup>

(1) On a fully-diluted basis, assuming all OP units and LTIP units that have been earned and vested are converted to REIT shares, as of 6/30/2022.

# Overview of a Typical Government Lease



<b>Type of Lease</b>	<ul style="list-style-type: none"><li>▪ Modified gross lease</li></ul>
<b>Tenants</b>	<ul style="list-style-type: none"><li>▪ U.S. Government agencies</li></ul>
<b>Lease Term <sup>(1)</sup></b>	<ul style="list-style-type: none"><li>▪ Initial term of typically 10 - 20 years</li><li>▪ Renewal leases typically 5 - 10 years</li></ul>
<b>Base Rent</b>	<ul style="list-style-type: none"><li>▪ Base rent for initial term is generally set at a flat rate for the life of the lease</li></ul>
<b>Tenant Reimbursement</b>	<ul style="list-style-type: none"><li>▪ <u>Operating Expenses</u>: Tenant required to pay a portion of the increases after the initial base year (Urban CPI – based)</li><li>▪ <u>Property Taxes</u>: Tenant is typically required to pay for any increase after the initial base year</li></ul>
<b>Tenant Improvements</b>	<ul style="list-style-type: none"><li>▪ Certain leases may include a TI allowance within base rent which is amortized over the life of the lease</li><li>▪ Other alterations made at tenant's expense, generally managed and performed by Easterly</li></ul>
<b>Renewal Rate</b>	<ul style="list-style-type: none"><li>▪ New base rent reset based on:<ul style="list-style-type: none"><li>– Inflation</li><li>– Replacement cost of the building at time of renewal</li><li>– Enhancements to the property since the date of the prior lease</li></ul></li></ul>

Note: The above represents a general description of a typical lease with U.S. Government agencies. Leases are typically based on the GSA form lease, but the terms and conditions of any actual lease may vary from the terms described above.

(1) Some leases include a "soft term" following an initial guaranteed term that allows the tenant the right to terminate the lease before the stated term expires.

# Summary of Development Project Costs

## Conceptual Overview

- Development projects consist of two types of costs:
  - **Shell & Tenant Improvement (TI) Allowance**
  - **TI Lump-Sum Reimbursement**
- TI Lump-Sum Reimbursements are borne and financed by DEA through the period of construction
  - **Creates “temporary” borrowings / leverage**
- The U.S. Government is contractually obligated to repay DEA for TI Lump-Sum Reimbursements upon lease commencement

## Financial Impact

(Illustrative example: \$100 million project with 20-year firm lease term)

		% of Total Costs	Indicative Earnings Impact	Indicative One-Time Cash Impact
Shell & TI Allowance	}	<b>40%</b> (\$40mm)	<b>Annual Cash Income:</b> <b>7.0-7.5% Yield-on-Cost</b> (\$2.8-3.0mm)	<b>N/A</b>
+				
TI Lump-Sum Reimbursement	}	<b>60%</b> (\$60mm)	<b>Annual GAAP Income:</b> <b>Lump-Sum Reimbursement (\$)</b> <b>Firm Lease Term (yrs)</b> (\$3.0mm)	<b>Reimbursement Received Upon Completion</b> (\$60mm)

# Lease Renewals & Accounting Treatment

- A GSA lease is comprised of **Base Rent** and the rent associated with government-dictated **Tenant Improvement (TI) Allowance**
- Upon lease award, Easterly commits to a maximum TI Allowance
  - Actual TI expenditures can be lower than this maximum (given the incumbent nature of the building) depending on the Government's scope of work
- The amount of time it takes for the government to award the lease, approve the actual TI package and for Easterly to complete the TI work can vary (see examples 1 & 2)
- Rent associated with TI expenditures is not paid for by the government, nor recognized by Easterly, until TI construction is complete
- The following are two examples of potential renewal rent recognition, depending on TI expenditure timing:

## Example 1

### Assumptions

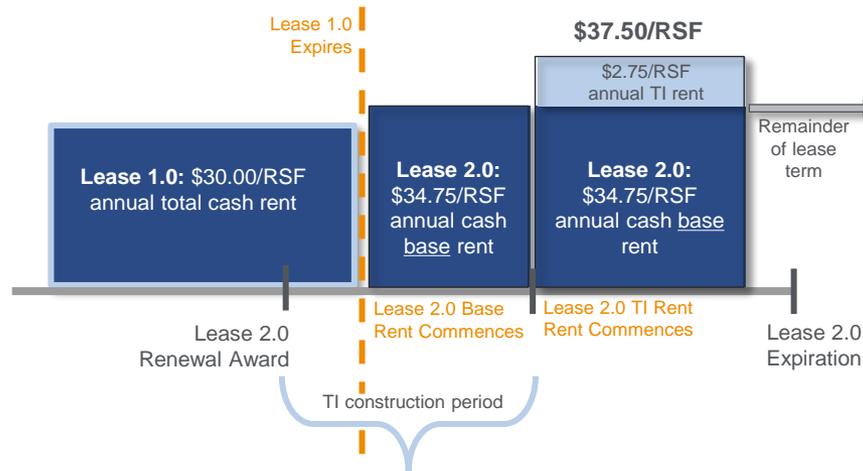
- Typical GSA structure (flat base rent with reimbursement for increases in Operating Expenses and Real Estate Tax)
- 15-year lease renewal term
- 100,000 RSF
- Renewal lease awarded and TIs completed **in advance of the current lease expiration**



## Example 2

### Assumptions

- Typical GSA structure (flat base rent with reimbursement for increases in Operating Expenses and Real Estate Tax)
- 15-year lease renewal term
- 100,000 RSF
- Renewal lease awarded but TIs not completed until **after the renewal lease commences**



# How Do You Comp Easterly?

## Are We an Office or Net Lease REIT?



Easterly compares favorably when considering key traits that drive value in the context of Net Lease versus Office

	Office REITs	Net Lease REITs	Easterly
Tenancy	Multiple tenants	Single tenant	Single tenant
Lease Structure	Full-Service Gross	NNN / NN	Modified Gross
Credit Quality	Medium	High (Typically Achieved Through Diversity)	Highest Quality through Single Tenant (U.S. Gov't)
Renewal Probability	Low / Medium (commodity office)	Very High (for retail)	Very High (portfolio wide)
Geographic Focus	Market Specific (Gateway or Non-Gateway)	National (Credit / Concept Driven)	National (Credit / Concept Driven)
Product Type Diversity	Office Only	Diversified	Predominately Office
Use	Transient / Commodity	Mission Critical	Mission Critical
Cash Flow Characteristics	Variable	Stable	Stable

# Pro Forma EBITDA Reconciliation



	<b>Quarter Ended June 30, 2022</b>
<b>Net income</b>	\$ 8,130
Depreciation and amortization	24,343
Interest expense	11,439
Tax expense	174
Unconsolidated real estate venture share of above adjustments	1,181
<b>EBITDA</b>	<b>\$ 45,267</b>
Pro forma adjustments <sup>(1)</sup>	1,169
<b>Pro forma EBITDA</b>	<b>\$ 46,436</b>

(1) Pro forma assuming a full quarter of operations for the one property acquired by the Company's unconsolidated joint venture subsequent to June 30, 2022 at a 53% pro rata share.