**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**Washington, D.C. 20549**

# FORM 10-Q

(Mark One)

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

**For the Quarter Ended September 30, 2019**

OR

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

For the Transition Period From _______to ________

Commission File Number: **001-38106**

**PLYMOUTH INDUSTRIAL REIT, INC.**
(Exact name of registrant as specified in its charter)

| | |
|---|---|
| **Maryland** | **27-5466153** |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| **260 Franklin Street, Suite 700, Boston, MA 02110** | **(617) 340-3814** |
| (Address of principal executive offices) | (Registrant's telephone number) |

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

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

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

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

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

Indicate by check mark whether the Registrant is a shell company (as defined in Exchange Act Rule 12b-2). YES☐ NO ☑

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

| Title of Each Class | Trading Symbol | Name of Each Exchange on Which Registered |
|---|---|---|
| Common Stock, par value $0.01 per share | PLYM | NYSE American |
| 7.50% Series A Cumulative Redeemable Preferred Stock, par value $0.01 per share | PLYM-PrA | NYSE American |

As of November 5, 2019, the Registrant had outstanding 13,406,302 shares of common stock.

**Plymouth Industrial REIT, Inc.**

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**PART I. FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**PLYMOUTH INDUSTRIAL REIT, INC.**
**CONDENSED CONSOLIDATED BALANCE SHEETS**
*(In thousands, except share and per share amounts)*

| | September 30, 2019 (Unaudited) | December 31, 2018 |
|---|---|---|
| **Assets** | | |
| Real estate properties | $ 565,394 | $ 452,610 |
| Less accumulated depreciation | (57,331) | (41,279) |
| Real estate properties, net | 508,063 | 411,331 |
| | | |
| Cash | 25,720 | 5,394 |
| Cash held in escrow | 8,571 | 7,808 |
| Restricted cash | 2,510 | 1,759 |
| Deferred lease intangibles, net | 45,768 | 37,940 |
| Other assets | 11,214 | 5,931 |
| Total assets | $ 601,846 | $ 470,163 |
| | | |
| **Liabilities, preferred stock and equity (deficit)** | | |
| Liabilities: | | |
| Secured debt, net | $ 319,448 | $ 288,993 |
| Borrowings under line of credit, net | — | 28,187 |
| Accounts payable, accrued expenses and other liabilities | 32,222 | 21,996 |
| Deferred lease intangibles, net | 7,579 | 7,067 |
| Total liabilities | 359,249 | 346,243 |
| Commitments and contingencies (Note 11) | | |
| | | |
| Preferred stock, par value $0.01 per share, 100,000,000 shares authorized, | | |
| Series A: 2,040,000 shares issued and outstanding at September 30, 2019 and December 31, 2018 (aggregate liquidation preference of $51,000 at September 30, 2019 and December 31, 2018) | 48,868 | 48,868 |
| Series B: 4,411,764 shares issued and outstanding at September 30, 2019 and December 31, 2018, (aggregate liquidation preference of $97,183 and $96,689 at September 30, 2019 and December 31, 2018, respectively) | 77,893 | 72,192 |
| | | |
| Equity: | | |
| Common stock, $0.01 par value: 900,000,000 shares authorized; 13,406,302 and 4,821,876 shares issued and outstanding at September 30, 2019 and December 31, 2018, respectively | 134 | 49 |
| Additional paid in capital | 249,827 | 126,327 |
| Accumulated deficit | (146,072) | (137,983) |
| Total stockholders' equity (deficit) | 103,889 | (11,607) |
| Non-controlling interest | 11,947 | 14,467 |
| Total equity | 115,836 | 2,860 |
| Total liabilities, preferred stock and equity | $ 601,846 | $ 470,163 |

*The accompanying notes are an integral part of the condensed consolidated financial statements.*

**PLYMOUTH INDUSTRIAL REIT, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**
**UNAUDITED**
*(In thousands, except share and per share amounts)*

| | For the Three Months Ended September 30, | | For the Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| Rental revenue | $ 19,123 | $ 11,648 | $ 52,807 | $ 35,054 |
| Other revenue | — | 5 | — | 526 |
| Total revenues | 19,123 | 11,653 | 52,807 | 35,580 |
| Operating expenses: | | | | |
| Property | 6,920 | 4,349 | 19,216 | 12,589 |
| Depreciation and amortization | 9,399 | 6,249 | 26,307 | 19,235 |
| General and administrative | 2,135 | 1,394 | 5,472 | 4,347 |
| Total operating expenses | 18,454 | 11,992 | 50,995 | 36,171 |
| Other income (expense): | | | | |
| Interest expense | (3,643) | (3,575) | (11,061) | (11,777) |
| Loss on extinguishment of debt | — | (804) | — | (4,405) |
| Change in fair value of warrant derivative | — | — | (181) | 48 |
| Total other expense, net | (3,643) | (4,379) | (11,242) | (16,134) |
| Net loss | (2,974) | (4,718) | (9,430) | (16,725) |
| Less: loss attributable to non-controlling interest | (308) | (417) | (1,341) | (1,709) |
| Net loss attributable to Plymouth Industrial REIT, Inc. | (2,666) | (4,301) | (8,089) | (15,016) |
| Less: Preferred stock dividends | 1,566 | 956 | 4,698 | 2,868 |
| Less: Series B preferred stock accretion to redemption value | 1,900 | — | 5,701 | — |
| Less: amount allocated to participating securities | 62 | 48 | 177 | 155 |
| Net loss attributable to common stockholders | $ (6,194) | $ (5,305) | $ (18,665) | $ (18,039) |
| Net loss per share attributable to common stockholders | $ (0.68) | $ (1.22) | $ (2.73) | $ (4.74) |
| Weighted-average common shares outstanding basic and diluted | 9,081,180 | 4,350,687 | 6,847,950 | 3,801,900 |

*The accompanying notes are an integral part of the condensed consolidated financial statements.*

# PLYMOUTH INDUSTRIAL REIT, INC.
## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN PREFERRED STOCK AND EQUITY (DEFICIT)
## UNAUDITED

*(In thousands, except share and per share amounts)*

**Nine months ended September 30, 2019:**

| | Preferred Stock Series A $0.01 Par Value | | Preferred Stock Series B $0.01 Par Value | | Common Stock, $0.01 Par Value | | Additional Paid in | Accumulated | Stockholders' Equity | Non-controlling | Total Equity |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | Shares | Amount | Capital | Deficit | (Deficit) | Interest | (Deficit) |
| **Balance January 1, 2019** | **2,040,000** | **$ 48,868** | **4,411,764** | **$ 72,192** | **4,821,876** | **$ 49** | **$ 126,327** | **$ (137,983)** | **$ (11,607)** | **$ 14,467** | **$ 2,860** |
| Series B Preferred stock accretion to redemption value | — | — | — | 1,900 | — | — | (1,900) | — | (1,900) | — | (1,900) |
| Net proceeds from common stock | — | — | — | — | 278,302 | 2 | 4,513 | — | 4,515 | — | 4,515 |
| Stock based compensation | — | — | — | — | — | — | 288 | — | 288 | — | 288 |
| Restricted shares issued | — | — | — | — | 29,192 | — | — | — | — | — | — |
| Dividends and distributions | — | — | — | — | — | — | (3,489) | — | (3,489) | (393) | (3,882) |
| Net loss | — | — | — | — | — | — | — | (2,946) | (2,946) | (653) | (3,599) |
| **Balance, March 31, 2019** | **2,040,000** | **$ 48,868** | **4,411,764** | **$ 74,092** | **5,129,370** | **$ 51** | **$ 125,739** | **$ (140,929)** | **$ (15,139)** | **$ 13,421** | **$ (1,718)** |
| Series B Preferred stock accretion to redemption value | — | — | — | 1,901 | — | — | (1,901) | — | (1,901) | — | (1,901) |
| Net proceeds from common stock | — | — | — | — | 3,572,017 | 36 | 58,237 | — | 58,273 | — | 58,273 |
| Stock based compensation | — | — | — | — | — | — | 305 | — | 305 | — | 305 |
| Restricted shares issued | — | — | — | — | 53,395 | 1 | — | — | 1 | — | 1 |
| Dividends and distributions | — | — | — | — | — | — | (4,823) | — | (4,823) | (393) | (5,216) |
| Net loss | — | — | — | — | — | — | — | (2,477) | (2,477) | (380) | (2,857) |
| **Balance, June 30, 2019** | **2,040,000** | **$ 48,868** | **4,411,764** | **$ 75,993** | **8,754,782** | **$ 88** | **$ 177,557** | **$ (143,406)** | **$ 34,239** | **$ 12,648** | **$ 46,887** |
| Series B Preferred stock accretion to redemption value | — | — | — | 1,900 | — | — | (1,900) | — | (1,900) | — | (1,900) |
| Net proceeds from common stock | — | — | — | — | 4,644,032 | 46 | 80,481 | — | 80,527 | — | 80,527 |
| Stock based compensation | — | — | — | — | — | — | 282 | — | 282 | — | 282 |
| Restricted shares issued | — | — | — | — | 7,488 | — | — | — | — | — | — |
| Dividends and distributions | — | — | — | — | — | — | (6,593) | — | (6,593) | (393) | (6,986) |
| Net loss | — | — | — | — | — | — | — | (2,666) | (2,666) | (308) | (2,974) |
| **Balance September 30, 2019** | **2,040,000** | **$ 48,868** | **4,411,764** | **$ 77,893** | **13,406,302** | **$ 134** | **$ 249,827** | **$ (146,072)** | **$ 103,889** | **$ 11,947** | **$ 115,836** |

**Nine months ended September 30, 2018:**

| | Preferred Stock Series A $0.01 Par Value | | Preferred Stock Series B $0.01 Par Value | | Common Stock, $0.01 Par Value | | Additional Paid in | Accumulated | Stockholders' Equity | Non-controlling | Total Equity |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | Shares | Amount | Capital | Deficit | (Deficit) | Interest | (Deficit) |
| **Balance January 1, 2018** | **2,040,000** | **$ 48,931** | **—** | **$ —** | **3,819,201** | **$ 39** | **$ 123,270** | **$ (119,213)** | **$ 4,096** | **$ 7,115** | **$ 11,211** |
| Series A Preferred stock offering costs | — | (53) | — | — | — | — | — | — | — | — | — |
| Stock based compensation | — | — | — | — | — | — | 200 | — | 200 | — | 200 |
| Dividends and distributions | — | — | — | — | — | — | (2,290) | — | (2,290) | (158) | (2,448) |
| Repurchase and retirement of common stock | — | — | — | — | (263,158) | (3) | (4,997) | (54) | (5,054) | — | (5,054) |
| Net loss | — | — | — | — | — | — | — | (4,010) | (4,010) | (463) | (4,473) |
| **Balance March 31, 2018** | **2,040,000** | **$ 48,878** | **—** | **$ —** | **3,556,043** | **$ 36** | **$ 116,183** | **$ (123,277)** | **$ (7,058)** | **$ 6,494** | **$ (564)** |
| Series A Preferred stock offering costs | — | (10) | — | — | — | — | — | — | — | — | — |
| Common stock offering costs | — | — | — | — | — | — | (8) | — | (8) | — | (8) |
| Stock based compensation | — | — | — | — | — | — | 200 | — | 200 | — | 200 |
| Dividends and distributions | — | — | — | — | — | — | (2,290) | — | (2,290) | (158) | (2,448) |
| Net loss | — | — | — | — | — | — | — | (6,705) | (6,705) | (829) | (7,534) |
| **Balance, June 30, 2018** | **2,040,000** | **$ 48,868** | **—** | **$ —** | **3,556,043** | **$ 36** | **$ 114,085** | **$ (129,982)** | **$ (15,861)** | **$ 5,507** | **$ (10,354)** |
| Common stock offering costs | — | — | — | — | 1,262,833 | 13 | 17,868 | — | 17,881 | — | 17,881 |
| Stock based compensation | — | — | — | — | — | — | 202 | — | 202 | — | 202 |
| Restricted shares issued | — | — | — | — | 3,000 | — | — | — | — | — | — |
| Dividends and distributions | — | — | — | — | — | — | (2,763) | — | (2,763) | (158) | (2,921) |
| Net loss | — | — | — | — | — | — | — | (4,301) | (4,301) | (417) | (4,718) |
| **Balance, September 30, 2018** | **2,040,000** | **$ 48,868** | **—** | **$ —** | **4,821,876** | **$ 49** | **$ 129,392** | **$ (134,283)** | **$ (4,842)** | **$ 4,932** | **$ 90** |

*The accompanying notes are an integral part of the condensed consolidated financial statements.*

**PLYMOUTH INDUSTRIAL REIT, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
**UNAUDITED**
*(In thousands)*

| | For the Nine Months Ended September 30, 2019 | 2018 |
|---|---|---|
| **Operating activities** | | |
| Net loss | $ (9,430) | $ (16,725) |
| Adjustments to reconcile net loss to net cash provided by operating activities: | | |
| Depreciation and amortization | 26,307 | 19,235 |
| Straight line rent adjustment | (778) | (925) |
| Intangible amortization in rental revenue, net | (1,059) | (964) |
| Loss on extinguishment of debt | — | 4,405 |
| Amortization of debt related costs | 783 | 1,834 |
| Change in fair value of warrant derivative | 181 | (48) |
| Stock based compensation | 875 | 602 |
| Changes in operating assets and liabilities: | | |
| Other assets | (3,291) | (702) |
| Deferred leasing costs | (1,740) | (697) |
| Accounts payable, accrued expenses and other liabilities | 5,854 | (270) |
| Net cash provided by operating activities | 17,702 | 5,745 |
| **Investing activities** | | |
| Acquisition of properties | (92,327) | (44,159) |
| Real estate improvements | (3,271) | (2,488) |
| Net cash used in investing activities | (95,598) | (46,647) |
| **Financing activities** | | |
| Net proceeds from common stock | 143,315 | 17,873 |
| Additional offering costs of preferred stock | — | (63) |
| Proceeds from issuance of secured debt | 63,115 | 135,200 |
| Repayment of secured debt | (63,503) | (84,330) |
| Repayment of mezzanine debt | — | (34,682) |
| Proceeds from credit facility | 57,697 | 45,225 |
| Repayment of credit facility | (86,250) | (31,000) |
| Debt issuance costs | (2,304) | (2,667) |
| Repurchase of common stock | — | (5,054) |
| Dividends paid | (12,334) | (7,206) |
| Net cash provided by financing activities | 99,736 | 33,296 |
| Net increase (decrease) in cash and cash held in escrow and restricted cash | 21,840 | (7,606) |
| Cash and cash held in escrow and restricted cash at beginning of period | 14,961 | 19,163 |
| Cash and cash held in escrow and restricted cash at end of period | $ 36,801 | $ 11,557 |
| **Supplemental Cash Flow Disclosures:** | | |
| Interest paid | $ 10,046 | $ 9,943 |
| **Supplemental Non-Cash Investing and Financing Activities:** | | |
| Dividends declared included in dividends payable | $ 5,637 | $ 2,764 |
| Distribution payable to non-controlling interest holder | $ 393 | $ 158 |
| Series B accretion to redemption value | $ 5,701 | $ — |
| Fixed asset acquisitions included in accounts payable, accrued expenses and other liabilities | $ 647 | $ 124 |
| Deferred leasing costs included in accounts payable, accrued expenses and other liabilities | $ 33 | $ 455 |
| Assumption of mortgage notes | $ 30,581 | $ — |

*The accompanying notes are an integral part of the condensed consolidated financial statements.*

**Plymouth Industrial REIT, Inc.**
**Notes to Condensed Consolidated Financial Statements**
**Unaudited**
(*all dollar amounts in thousands, except share and per share data*)

## 1. Nature of the Business and Basis of Presentation

***Business***

Plymouth Industrial REIT, Inc., (the “Company”, “we” or the “REIT”) is a Maryland corporation formed on March 7, 2011. The Company is structured as an umbrella partnership REIT, commonly called an UPREIT, and owns substantially all of its assets and conducts substantially all of its business through its operating partnership, Plymouth Industrial Operating Partnership, L.P., a Delaware limited partnership (the “Operating Partnership”). The Company, as general partner of the Operating Partnership, controls the Operating Partnership and consolidates the assets, liabilities, and results of operations of the Operating Partnership. As of September 30, 2019 and December 31, 2018, the Company owned a 92.8% and 82.2%, respectively, equity interest in the Operating Partnership.

The Company is a full service, vertically integrated, self-administered and self-managed organization. The Company focuses on the acquisition, ownership and management of single and multi-tenant Class B industrial properties, including distribution centers, warehouses and light industrial properties, primarily located in secondary and select primary markets across the U.S. As of September 30, 2019, the Company, through its subsidiaries, owns 72 industrial properties comprising approximately 14.9 million square feet.

## 2. Summary of Significant Accounting Policies

The accounting policies underlying the accompanying unaudited condensed consolidated financial statements are those set forth in the Company's audited financial statements for the years ended December 31, 2018 and 2017. Additional information regarding the Company’s significant accounting policies related to the accompanying interim financial statements is as follows:

***Basis of Presentation***

The Company’s interim condensed consolidated financial statements include the accounts of the Company, the Operating Partnership and their subsidiaries. The interim condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). All significant intercompany transactions have been eliminated in consolidation. These interim condensed consolidated financial statements include adjustments of a normal and recurring nature considered necessary by management to fairly present the Company's financial position and results of operations. These interim condensed consolidated financial statements may not be indicative of financial results for the full year. It is suggested that these interim condensed consolidated financial statements and notes thereto should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto for the years ended December 31, 2018 and 2017 included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2018 as filed with the United States Securities and Exchange Commission on March 7, 2019.

***Use of Estimates***

The preparation of the condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Management makes significant estimates regarding the allocation of tangible and intangible assets or business acquisitions, impairments of long-lived assets, stock-based compensation and its common stock warrant liability. These estimates and assumptions are based on management’s best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment. Management adjusts such estimates when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ from those estimates and assumptions.

***Reclassifications***

Tenant recoveries totaling $2,906 and $8,809 on the Company’s condensed consolidated Statements of Operations for the three and nine months ended September 30, 2018, respectively, were reclassified into rental revenue due to the adoption of ASU 2016-02, Leases (“ASU 2016-02”). The change in the fair market value of our common stock warrants totaling $0 and $48 for the three and nine months ending September 30, 2018, respectively, were reclassified to Other expense - Change in fair value of warrant derivative from Operating expenses - General and administrative on the Company’s condensed consolidated Statements of Operations.

(*all dollar amounts in thousands, except share and per share data*)

**2. Summary of Significant Accounting Policies (continued)**

***Risks and Uncertainties***

The state of the overall economy can significantly impact the Company's operational performance and thus impact its financial position. Should the Company experience a significant decline in operational performance, it may affect the Company's ability to make distributions to its stockholders, service debt, or meet other financial obligations.

***Segments***

The Company has one reportable segment–industrial properties. These properties have similar economic characteristics and also meet the other criteria that permit the properties to be aggregated into one reportable segment.

***Revenue Recognition and Tenant Receivables and Rental Revenue Components***

Minimum rental revenue from real estate operations is recognized on a straight-line basis. The straight-line rent calculation on leases includes the effects of rent concessions and scheduled rent increases, and the calculated straight-line rent income is recognized over the lives of the individual leases. The Company maintains allowances for doubtful accounts receivable and straight-line rents receivable, based upon estimates determined by management. Management specifically analyzes aged receivables, tenant credit-worthiness and current economic trends when evaluating the adequacy of the allowance for doubtful accounts. At September 30, 2019 and December 31, 2018 the Company did not recognize an allowance for doubtful accounts. The Company incurred write-offs of $41 and $0 during the nine months ended September 30, 2019 and 2018, respectively. The Company includes accounts receivable and straight line rent receivables within other assets in the balance sheet. For the nine months ended September 30, 2019 and 2018, rental revenue was derived from various tenants. As such, future receipts are dependent upon the financial strength of the lessees and their ability to perform under the lease agreements.

Rental revenue is comprised of the following:

| | Period Ended September 30, 2019 | Period Ended September 30, 2018 |
|---|---|---|
| Income from leases | $ 38,279 | $ 24,356 |
| Straight-line rent adjustments | 778 | 925 |
| Tenant recoveries | 12,691 | 8,809 |
| Amortization of above market leases | (483) | (402) |
| Amortization of below market leases | 1,542 | 1,366 |
| Total | $ 52,807 | $ 35,054 |

***Cash Equivalents and Restricted Cash***

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. There were no cash equivalents at September 30, 2019 and December 31, 2018. The Company maintains cash and restricted cash, which includes tenant security deposits and cash collateral for its borrowings discussed in Note 5, cash held in escrow for real estate tax, insurance and tenant capital improvements and leasing commissions, in bank deposit accounts, which at times may exceed federally insured limits. As of September 30, 2019, the Company has not realized any losses in such cash accounts and believes it is not exposed to any significant risk of loss.

The following table presents a reconciliation of cash, cash held in escrow and restricted cash reported within our condensed consolidated balance sheet to amounts reported within our condensed consolidated statement of cash flows:

| | September 30, 2019 | December 31, 2018 |
|---|---|---|
| Cash as presented on balance sheet | $ 25,720 | $ 5,394 |
| Cash held in escrow as presented on balance sheet | 8,571 | 7,808 |
| Restricted cash as presented on balance sheet | 2,510 | 1,759 |
| Cash and cash held in escrow and restricted cash as presented on cash flow statement | $ 36,801 | $ 14,961 |

**2. Summary of Significant Accounting Policies (continued)**

***Fair Value of Financial Instruments***

The Company applies various valuation approaches in determining the fair value of its financial assets and liabilities within a hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company’s assumptions about the inputs that market participants would use in pricing the asset or liability and are developed based on the best information available in the circumstances. The fair value hierarchy is broken down into three levels based on the source of inputs as follows:

Level 1— Quoted prices for identical instruments in active markets.

Level 2— Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3— Significant inputs to the valuation model are unobservable.

The availability of observable inputs can vary among the various types of financial assets and liabilities. To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for financial statement disclosure purposes, the level in the fair value hierarchy within which the fair value measurement is categorized is based on the lowest level input that is significant to the overall fair value measurement. Level 2 inputs such as interest rates and credit spreads, are applied in determining the fair value of the interest rate cap in the amount of $0 at September 30, 2019 and December 31, 2018. Level 3 inputs are applied in determining the fair value of warrants to purchase common stock in the amount of $293 and $112 at September 30, 2019 and December 31, 2018, respectively, as discussed in Note 6.

Financial instruments include cash, restricted cash, cash held in escrow and reserves, accounts receivable, senior secured debt, line of credit, accounts payable and accrued expenses and other current liabilities. The values of these financial instruments approximate their fair value due to their relatively short maturities and prevailing interest rates.

***Debt Issuance Costs***

Debt issuance costs are reflected as a reduction to the respective loan amounts in the form of a debt discount. Amortization of this expense is included in interest expense in the condensed consolidated statements of operations.

Debt issuance costs amounted to $6,722 and $6,232 at September 30, 2019 and December 31, 2018, respectively, and related accumulated amortization amounted to $2,011 and $1,754 at September 30, 2019 and December 31, 2018, respectively. Unamortized debt issuance costs amounted to $4,711 and $4,478 at September 30, 2019 and December 31, 2018, respectively. At September 30, 2019, the balance outstanding under the line of credit is $0. The Company has classified net unamortized debt issuance costs of $1,214 related to the Line of Credit Agreement from Borrowings under line of credit, net to Other assets in the condensed consolidated balance sheet.

***Stock Based Compensation***

The Company grants stock based compensation awards to our employees and directors typically in the form of restricted shares of common stock. The Company measures stock-based compensation expense based on the fair value of the awards on the grant date and recognizes the expense ratably over the vesting period. Forfeitures of unvested shares are recognized in the period the forfeiture occurs.

***Comprehensive Loss***

Comprehensive loss includes net loss as well as other changes in equity (deficit) that result from transactions and economic events other than those with members. There was no difference between net loss and comprehensive loss for the periods ended September 30, 2019 and 2018.

***Derivative Instrument***

The Company uses an interest rate cap as a derivative instrument to manage interest rate risk and is recognized on the balance sheet at fair value. The interest rate cap is not designated as a hedging instrument and changes in fair value are marked to market through earnings. The input values used in the fair value measurement of the interest rate cap were obtained using quoted market prices for similar assets in markets that are not active and therefore are classified as Level 2 under the fair value hierarchy. The fair value of the interest rate cap is estimated based on using interest rates that management believes reflect the risks associated with debt instruments of similar risk and duration.

(*all dollar amounts in thousands, except share and per share data*)

***2. Summary of Significant Accounting Policies (continued)***

***Earnings per Share***

The Company follows the two-class method when computing net loss per share of common stock as the Company has issued shares that meet the definition of participating securities. The two-class method determines net loss per share for each class of common and participating securities according to dividends declared or accumulated and participation rights in undistributed earnings. The two-class method requires income available to common stockholders for the period to be allocated between common and participating securities based upon their respective rights to receive dividends as if all income for the period had been distributed. Diluted net loss per share is the same as basic net loss per share since the Company does not have any common stock equivalents such as stock options. The warrants are not included in the computation of diluted net loss per share as they are anti-dilutive for the periods presented.

***Recently Issued Accounting Pronouncements***

In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-02 and various subsequent ASU's, which require a lessee to recognize assets and liabilities on the balance sheet for operating leases and changes many key definitions, including the definition of a lease. The update includes a short-term lease exception for leases with a term of 12 months or less, in which a lessee can make an accounting policy election not to recognize lease assets and lease liabilities. The new standard also requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases.

We adopted ASU 2016-02 effective January 1, 2019 using the modified retrospective transition approach and elected the package of practical expedients, both provided for under ASU 2018-11, *Leases (Topic 842): Targeted Improvements*. The package of practical expedients allows us not to reassess whether contracts are or contain leases, lease classification, and whether initial direct costs qualify for capitalization. The Company also elected the practical expedient to not separate non-lease components from lease components of our real estate leases.

For arrangements where the Company is the lessee, the adoption of ASU 2016-02 resulted in a material impact on our condensed consolidated balance sheets as of September 30, 2019, upon the recognition of the right-of-use asset and the related lease liabilities. The Company recorded an initial right of use asset and lease liability of approximately $2,096 on the condensed consolidated balance sheet upon adoption of ASU 2016-02 on January 1, 2019. The adoption of ASU 2016-02 did not have a material impact on our condensed consolidated statements of operations as we elected to adopt the standard effective January 1, 2019 using the modified retrospective transition approach, with no restatement of prior periods presented. The Company includes the right of use asset within other assets and the corresponding lease liability within accounts payable, accrued expenses and other liabilities in the condensed consolidated balance sheet.

For arrangements where the Company is the lessor, the Company concluded the new lease standard does not have a material impact on the condensed consolidated financial statements.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on the Company's financial statements.

**3. Real Estate Properties**

Real estate properties consisted of the following at September 30, 2019 and December 31, 2018:

| | September 30, 2019 | December 31, 2018 |
|---|---|---|
| Land | $ 110,287 | $ 92,628 |
| Buildings, building improvements and tenant improvements | 412,300 | 325,933 |
| Site improvements | 41,534 | 33,270 |
| Construction in process | 1,273 | 779 |
| | 565,394 | 452,610 |
| Less accumulated depreciation | (57,331) | (41,279) |
| Real estate properties | $ 508,063 | $ 411,331 |

Depreciation expense was $16,052 and $11,817 for the nine months ended September 30, 2019 and 2018, respectively.

**3. Real Estate Properties (continued)**

*Acquisition of Properties*

The Company made the following acquisitions of property during the nine months ended September 30, 2019:

On January 4, 2019, the Company acquired a single Class B industrial property, consisting of approximately 73,785 square feet, located in Chicago, Illinois for an aggregate purchase price of approximately $5,425.

On June 10, 2019, the Company acquired a single Class B industrial property, consisting of approximately 485,000 square feet, located in Indianapolis, Indiana for an aggregate purchase price of approximately $17,100.

On July 29, 2019, the Company acquired a single Class B industrial property, consisting of approximately 129,000 square feet, located in St. Louis, Missouri for an aggregate purchase price of $5,400.

On August 29, 2019, the Company acquired a single Class B industrial property, consisting of approximately 566,281 square feet, located in Memphis, Tennessee for an aggregate purchase price of $22,050. The purchase price included the assumption of approximately $9,577 of existing mortgage debt secured by the property.

On August 29, 2019, the Company acquired a seven-property portfolio of Class B industrial buildings, consisting of approximately 1,071,129 square feet, located in Chicago, Illinois for an aggregate purchase price of $32,250.

On August 30, 2019, the Company acquired a six-property portfolio of Class B industrial buildings, consisting of approximately 591,695 square feet, located in Cincinnati and Columbus, Ohio for an aggregate purchase price of $36,200. The purchase price included the assumption of approximately $21,004 of existing mortgage debt secured by the property.

The allocation of the aggregate purchase price in accordance with Financial Accounting Standards Board, (FASB), ASU 2017-01 (Topic 805) "Business Combinations," of the assets and liabilities acquired at their relative fair values as of their acquisition date, is as follows:

| | | Purchase Price (in thousands) |
|---|---|---|
| Total Purchase Price | | |
| Purchase price | $ | 118,425 |
| Acquisition costs | | 4,483 |
| Total | $ | 122,908 |
| | | |
| Allocation of Purchase Price | | |
| Land | $ | 17,658 |
| Building | | 83,066 |
| Site improvements | | 8,264 |
| Total real estate properties | | 108,988 |
| | | |
| Deferred lease intangibles | | |
| Tenant relationships | | 2,458 |
| Leasing commissions | | 2,249 |
| Above market lease value | | 204 |
| Below market lease value | | (1,963) |
| Lease in place value | | 11,997 |
| Net deferred lease intangibles | | 14,945 |
| | | |
| Assumed debt - market value | | |
| Above market debt value | | (1,025) |
| Net assumed debt – market value | | (1,025) |
| Totals | $ | 122,908 |

**4. Leases**

**As a Lessor**

We lease our properties to tenants under agreements that are classified as operating leases. We recognize the total minimum lease payments provided for under the leases on a straight-line basis over the lease term. Many of our leases include the recovery of certain operating expenses such as common area maintenance, insurance, real estate taxes and utilities from our tenants. The recovery of such operating expenses are recognized in *Rental revenue* in the condensed consolidated statements of operations. Some of our tenant leases contain options to extend leases at a fair market rate and may also include options to terminate. A minor number of the Company's tenant leases are subject to changes in the Consumer Price Index ("CPI").

As of September 30, 2019, undiscounted future minimum rental receipts due under non-cancellable operating leases for each of the next five years and total thereafter were as follows (in thousands):

| | Future Minimum Rental Receipts |
|---|---|
| 2019 | $ 14,790 |
| 2020 | 56,230 |
| 2021 | 45,547 |
| 2022 | 35,355 |
| 2023 | 28,151 |
| 2024 | 20,587 |
| Thereafter | 26,342 |
| Total minimum rental receipts | $ 227,002 |

These amounts do not reflect future rental revenue from the renewal or replacement of existing leases and excludes tenant recoveries and rental increases that are not fixed or indexed to CPI.

**As a Lessee**

At September 30, 2019, we have three, non-cancelable office space operating leases. These leases have remaining lease terms ranging from 4.9 years to 5.5 years. The lease agreements do not contain residual value guarantees or an option to renew. As of September 30, 2019, total right of use assets and lease liabilities were approximately $2,191 and $2,215, respectively. In arriving at the lease liability as of September 30, 2019, we applied a weighted-average incremental borrowing rate of 5.3% over the weighted-average remaining lease term of 5.4 years. The incremental borrowing rate is the rate equal to the closest borrowing under the KeyBank line of credit agreement.

The following table summarizes the operating lease expense recognized during the three and nine months ended September 30, 2019 included in the Company's condensed consolidated statements of operations.

| | Three months ended September 30, 2019 | Nine months ended September 30, 2019 |
|---|---|---|
| Operating lease expense included in general and administrative expense attributable to office leases | $ 113 | $ 327 |

The following table summarizes supplemental cash flow information related to operating leases recognized during the three and nine months ended September 30, 2019 in the Company's condensed consolidated statements of cash flows.

| | Three months ended September 30, 2019 | Nine months ended September 30, 2019 |
|---|---|---|
| Cash paid for amounts included in the measurement of lease liabilities (operating cash flows) | $ 102 | $ 304 |

**4. Leases (continued)**

The following table summarizes the minimum rental commitments under our non-cancelable leases, which is discounted by our incremental borrowing rate to calculate the lease liability for the operating leases in which we are the lessee (in thousands):

| | September 30, 2019 | December 31, 2018 |
|---|---|---|
| 2019 | $ 104 | $ 378 |
| 2020 | 453 | 385 |
| 2021 | 465 | 393 |
| 2022 | 474 | 400 |
| 2023 | 483 | 407 |
| Thereafter | 587 | 519 |
| Total undiscounted rental commitments | 2,566 | $ 2,482 |
| Present value adjustment using incremental borrowing rate | 351 | |
| Total lease liability | $ 2,215 | |

As of September 30, 2019 and December 31, 2018, the Company had no finance leases.

**5. Borrowing Arrangements**

***AIG Loan***

Certain indirect subsidiaries of the Operating Partnership have entered into a senior secured loan agreement with investment entities managed by AIG Asset Management (the "AIG Loan").

As of September 30, 2019 and December 31, 2018, there was $120,000 of indebtedness outstanding under the AIG Loan. The AIG Loan bears interest at 4.08% per annum and has a seven-year term maturing in October, 2023. The AIG Loan provides for monthly payments of interest only for the first three years of the term and thereafter monthly principal and interest payments based on a 27-year amortization period.

The borrowings under the AIG Loan are secured by first lien mortgages on the properties held by wholly-owned subsidiaries of Plymouth Industrial 20 LLC. The obligations under the AIG Loan are also guaranteed in certain circumstances by the Company and certain of the Operating Partnership's wholly-owned subsidiaries.

The AIG Loan agreement contains customary representations and warranties, as well as affirmative and negative covenants. The negative covenants include restrictions on additional indebtedness, restrictions on liens, fundamental changes, dispositions, restricted payments, change in nature of business, transactions with affiliates and burdensome agreements. The AIG Loan contains financial covenants that require minimum liquidity and net worth. The AIG Loan is subject to acceleration upon certain specified events of defaults, including breaches of representations or covenants, failure to pay other material indebtedness, failure to pay taxes or a change of control of our company, as defined in the senior secured loan agreement. The Company is in compliance with the respective covenants at September 30, 2019. As of November 1, 2019, the AIG Loan may be prepaid in full, but not in part, provided that up to three properties securing the AIG Loan may be released with the applicable portion of the AIG Loan being repaid, subject to paying a premium equal to the greater of (a) 1% of the outstanding principal and (b) the present value of the note as defined in the AIG Loan.

Borrowings outstanding amounted to $117,688 and $117,263, net of $2,312 and $2,737 of unamortized debt issuance costs, at September 30, 2019 and December 31, 2018, respectively.

***Minnesota Life Loan***

On April 30, 2018, certain wholly-owned subsidiaries of the Operating Partnership entered into a secured loan agreement with Minnesota Life Insurance Company, or the Minnesota Life Loan, in the original principal amount of $21,500. The Minnesota Life Loan bears interest at 3.78% per annum and has a ten-year term, maturing on May 1, 2028. The Minnesota Life Loan provides for monthly payments of interest only for the first year of the term and thereafter monthly principal and interest payments based on a 30-year amortization period. The borrowings under the Minnesota Life Loan are secured by first lien mortgages on seven of the Company's properties.

**5. Borrowing Arrangements (continued)**

The Minnesota Life Loan contains customary affirmative and negative covenants, including limitations with respect to indebtedness, liens, investments, distributions, mergers and acquisitions, dispositions of assets and transactions with affiliates. The Company is in compliance with the respective covenants at September 30, 2019.

Borrowings outstanding amounted to $21,041 and $21,133, net of $330 and $367 of unamortized debt issuance costs, at September 30, 2019 and December 31, 2018, respectively.

***Transamerica Loan***

On July 10, 2018, certain wholly-owned subsidiaries (the "Borrowers") of the Operating Partnership entered into a loan agreement with Transamerica Life Insurance Company (the "Transamerica Loan") providing for commercial mortgage loans to the Borrowers in the aggregate principal amount of $78,000. The Transamerica Loan matures on August 1, 2028 and bears interest at the fixed rate of 4.35% per annum. The promissory notes (the "Notes") evidencing the Transamerica Loan provided for the Borrowers to make monthly interest-only payments through August 2019 and thereafter equal monthly installments of principal plus accrued interest based on a 30-year amortization period. The Borrowers may repay the Transamerica Loan in whole or in part at any time, subject to paying a premium equal to the greater of (a) 1% of the prepayment amount and (b) the "Yield Protection Amount," as defined in the Notes.

The Transamerica Loan and the Notes contain customary events of default, including non-payment of principal or interest and bankruptcy. Any default under the Transamerica Loan or any Note will constitute a default under each of the other Notes. Each Borrower has guaranteed the payment obligations of all the other Borrowers under the Notes. The Borrowers are in compliance with all respective covenants at September 30, 2019.

Borrowings outstanding amounted to $73,455 and $73,609, net of $1,064 and $1,011 of unamortized debt issuance costs, at September 30, 2019 and December 31, 2018, respectively.

***Fisher Park Mortgage***

On October 15, 2018, a wholly-owned subsidiary of the Operating Partnership assumed a mortgage (the "Fisher Park Mortgage") with a balance of $13,907 as part of our acquisition of the property in greater Cincinnati. The Fisher Park Mortgage, held by JP Morgan Chase Bank, matures on January 1, 2027, bears interest at 5.229% and is secured by the property. The Fisher Park Mortgage requires monthly installments of principal plus accrued interest based on a 30-year amortization. As part of the allocation of the Fisher Park purchase price per ASC 805, the Company recorded a $92 discount on the assumed debt value.

The Fisher Park Mortgage contains certain financial covenants, customary events of default, including non-payment of principal or interest and bankruptcy, and certain trigger events to occur upon the Debt Service Coverage Ratio going below certain thresholds as defined within the loan agreement. The borrower is in compliance with all covenants at September 30, 2019.

Borrowings outstanding amounted to $13,634 and $13,783, net of $82 and $90 of unamortized fair market value discount, at September 30, 2019 and December 31, 2018, respectively.

***Allianz Loan***

On March 21, 2019, certain wholly-owned subsidiaries (the "Allianz Borrowers") of the Operating Partnership entered into a loan agreement (the "Allianz Loan") with Allianz Life Insurance Company of North America providing for commercial mortgage loans to the Allianz Borrowers in the aggregate principal amount of $63,115. The Allianz Loan matures on April 10, 2026 and bears interest at the fixed rate of 4.07% per annum. The promissory note (the "Allianz Note") evidencing the Allianz Loan require the Allianz Borrowers to make monthly interest-only payments through April 2022 and thereafter the Allianz Note requires equal monthly installments of principal plus accrued interest based on a 30-year amortization period. The Allianz Borrowers may repay the Allianz Loan at any time, subject to paying a premium equal to the greater of (i) one percent (1%) of the amount of the principal indebtedness being prepaid and (ii) the difference between the present value of remaining payments up to maturity and the unpaid principal balance as defined within the Allianz Note.

The Allianz Loan contains customary events of default, including non-payment of principal or interest and bankruptcy and certain trigger events to occur upon the Debt Service Coverage Ratio going below certain thresholds as defined within the loan agreement. The Allianz Borrowers are in compliance with all respective covenants at September 30, 2019.

Borrowings outstanding amounted to $62,110, net of $1,005 of unamortized debt issuance costs, at September 30, 2019.

**5. Borrowing Arrangements (continued)**

***South Park Mortgage***

On August 29, 2019, a wholly-owned subsidiary of the Operating Partnership assumed a mortgage (the "South Park Mortgage") with a balance of $9,577 as part of our acquisition of the property in Memphis. The South Park Mortgage, held by Lincoln National, matures January 2022, bears interest at 3.41% and is secured by the property. The South Park Mortgage requires monthly installments of principal plus accrued interest based on a 30-year amortization. As part of the allocation of the South Park purchase price per ASC 805, the Company recorded a $65 premium on the assumed debt value.

The South Park Mortgage contains certain covenants, customary events of default, including non-payment of principal or interest and bankruptcy. The borrower is in compliance with all covenants at September 30, 2019.

Borrowings outstanding amounted to $9,622, inclusive of $62 of unamortized fair market value premium, at September 30, 2019.

***Orange Point Mortgage***

On August 30, 2019, a wholly-owned subsidiary of the Operating Partnership assumed a mortgage (the "Orange Point Mortgage") with a balance of $21,004 as part of our acquisition of the 6-property portfolio in Cincinnati and Columbus. The Orange Point Mortgage, held by Ohio National Life Insurance Company, matures August 2024, bears interest at 4.14% and is secured by the properties. The Orange Point Mortgage requires monthly installments of principal plus accrued interest based on a 25-year amortization. As part of the allocation of the Orange Point purchase price per ASC 805, the Company recorded a $960 premium on the assumed debt value.

The Orange Point Mortgage contains certain covenants, customary events of default, including non-payment of principal or interest and bankruptcy. The borrower is in compliance with all covenants at September 30, 2019.

Borrowings outstanding amounted to $21,898, inclusive of $944 of unamortized fair market value premium, at September 30, 2019.

***Line of Credit Agreement***

On August 7, 2019 the Operating Partnership entered into an amended and restated credit agreement (the "New Credit Agreement") with KeyBank National Association, or KeyBank, and the other lenders to increase our revolving credit facility to $100,000 with the ability to increase up to $200,000, subject to certain conditions. The New Credit Agreement extends the term of our initial line of credit agreement to August 2023 with two six-month extensions through August 2024. Borrowings under the New Credit Agreement bear interest at either (1) the base rate (determined from the highest of (a) KeyBank's prime rate, (b) the federal funds rate plus 0.50% and (c) the one month LIBOR rate plus 1.0%) or (2) LIBOR, plus, in either case, a spread between 200 and 250 basis points depending on our total leverage ratio. At September 30, 2019 the interest rate was approximately 4.39%.

The New Credit Agreement contains customary affirmative and negative and financial covenants, including limitations with respect to indebtedness, liens, investments, distributions, mergers and transactions with affiliates as outlined in the New Credit Agreement. The Company is in compliance with the respective covenants at September 30, 2019. The New Credit Agreement is secured by certain assets of the Operating Partnership and certain of its subsidiaries and includes the Company guarantee for the payment of all indebtedness under the New Credit Agreement. Borrowings outstanding amounted to $0 and $28,550 at September 30, 2019 and December 31, 2018, respectively, offset by unamortized debt issuance costs of $363, at December 31, 2018. Borrowings available under the New Credit Agreement amounted to $74,632, net of a letter of credit totaling $93, at September 30, 2019.

**Repayment of Debt**

***KeyBank Bridge Loan***

On December 14, 2018, the Operating Partnership and certain of its subsidiaries entered into a loan agreement (the "KeyBank Bridge Loan") with KeyBank. The KeyBank Bridge Loan provided for a secured loan in the amount of $63,115. On March 21, 2019, the Company used the proceeds of the Allianz Loan, along with additional working capital, to repay in full the KeyBank Bridge Loan.

(*all dollar amounts in thousands, except share and per share data*)

## 6. Common Stock

***Equity Offering***

On July 23, 2018, the Company completed a follow-on public offering of 1,262,833 shares of common stock, including 160,369 shares of common stock issued upon exercise of the underwriters' overallotment option, resulting in net proceeds of approximately $17,843. The Company used the net proceeds of the public offering to acquire additional industrial properties, for working capital and other general purposes.

During May 2019, the Company completed a follow-on public offering of 3,425,000 shares of common stock, including 425,000 shares of common stock issued upon exercise of the underwriters' overallotment option, at $17.50 per share resulting in net proceeds of approximately $55,857. The Company used the net proceeds of the public offering to acquire additional industrial properties, pay down the line of credit, for working capital and other general purposes.

During September 2019, the Company completed a follow-on public offering of 3,450,000 shares of common stock, including 450,000 shares of common stock issued upon exercise of the underwriters' overallotment option, at $18.00 per share resulting in net proceeds of approximately $58,756. The Company used the net proceeds of the public offering to acquire additional industrial properties, pay down the line of credit, for working capital and other general purposes.

***ATM Program***

On August 24, 2018, the Company entered into a distribution agreement with D.A. Davidson & Co., KeyBanc Capital Markets and National Securities Corporation (the "Agents"), pursuant to which the Company may issue and sell, from time to time, shares of its common stock having an aggregate offering price of up to $50,000 through a "at-the-market equity offering program" (the "ATM program").

During the nine months ended September 30, 2019, the Company sold 1,619,351 securities for a weighted average share price of $18.11 under the ATM program, resulting in net proceeds of approximately $28,702, of which 1,194,032 shares were sold in the quarter ended September 30, 2019. As of September 30, 2019, the Company had approximately $20,678 available for issuance under the ATM program.

***Common Stock Warrants***

On June 14, 2017, the Company issued warrants to acquire 250,000 shares of the Company's common stock at a strike price of $23.00 per share, which expire in 2022. Due to the Company's subsequent common stock issuances, the outstanding warrants have increased to 303,029 shares at a strike price of $18.98 per share at September 30, 2019.

The warrants are accounted for as a liability on the accompanying condensed consolidated balance sheet as they contain provisions that are considered outside of the Company's control, such as the holders' option to receive cash in lieu and other securities in the event of a reorganization of the Company's common stock underlying such warrants. The fair value of these warrants is re-measured at each financial reporting period with any changes in fair value recognized as a change in fair value of warrant liability in the accompanying condensed consolidated statements of operations.

A roll-forward of the warrants is as follows:

| | | |
|---|---|---|
| Balance at January 1, 2019 | $ | 112 |
| Change in fair value | | 181 |
| Balance at September 30, 2019 | $ | 293 |

The warrants in the amount of $293 at September 30, 2019 represent their fair value determined using a Binomial Valuation Model applying Level 3 inputs as described in Note 2. The significant inputs into the model were: exercise price of $18.98, volatility of 18.1%, an expected annual dividend of $1.50, a term of 2.69 years and an annual risk-free interest rate of 1.56%. The warrants in the amount of $112 at December 31, 2018 represent their fair value determined using a Binomial Valuation Model applying Level 3 inputs as described in Note 2. The significant inputs into the model were: exercise price of $21.06, volatility of 20.0%, an expected annual dividend of $1.50, a term of 3.5 years and an annual risk-free interest rate of 2.47%.

The fair value of these warrants is re-measured at each financial reporting period with any changes in fair value recognized as a change in fair value of warrant liability in the accompanying condensed consolidated statements of operations. The warrants have an expiration date of June 13, 2022. The warrants are not included in the computation of diluted net loss per share as they are anti-dilutive for the periods presented since the Company recorded a net loss during the nine months ended September 30, 2019 and 2018.

(*all dollar amounts in thousands, except share and per share data*)

**6. Common Stock (continued)**

***Common Stock Dividends***

The following table sets forth the common stock distributions that were declared during the nine months ended September 30, 2019 and the year ended December 31, 2018.

| | Cash Dividends Declared per Share | Aggregate Amount |
|---|---|---|
| 2019 | | |
| First quarter | $ 0.3750 | $ 1,923 |
| Second quarter | $ 0.3750 | $ 3,257 |
| Third quarter | $ 0.3750 | $ 5,027 |
| | | |
| 2018 | | |
| First quarter | $ 0.3750 | $ 1,334 |
| Second quarter | $ 0.3750 | $ 1,334 |
| Third quarter | $ 0.3750 | $ 1,807 |
| Fourth quarter | $ 0.3750 | $ 1,808 |

**7. Preferred Stock**

***Series A Preferred Stock***

The table below sets forth the Company's outstanding Series A Preferred Stock issuance as of September 30, 2019:

| Preferred Stock Issuance | Issuance Date | Number of Shares | Liquidation Value per Share | Dividend Rate |
|---|---|---|---|---|
| 7.5% Series A Preferred Stock | 10/25/2017 | 2,040,000 | $ 25.00 | 7.5% |

The following table sets forth the 7.5% Series A preferred stock distributions that were declared during the nine months ended September 30, 2019 and the year ended December 31, 2018.

| | Cash Dividends Declared per Share | Aggregate Amount |
|---|---|---|
| 2019 | | |
| First quarter | $ 0.46875 | $ 956 |
| Second quarter | $ 0.46875 | $ 956 |
| Third quarter | $ 0.46875 | $ 956 |
| | | |
| 2018 | | |
| First quarter | $ 0.46875 | $ 956 |
| Second quarter | $ 0.46875 | $ 956 |
| Third quarter | $ 0.46875 | $ 956 |
| Fourth quarter | $ 0.46875 | $ 956 |

***Series B Preferred Stock***

The table below sets forth the Company's outstanding Series B Convertible Redeemable Preferred Stock issuance as of September 30, 2019.

| Preferred Stock Issuance | Issuance Date | Number of Shares | Liquidation Value per Share | Current Dividend Rate |
|---|---|---|---|---|
| Series B Convertible Redeemable Preferred Stock | 12/14/2018 | 4,411,764 | $ 22.03 | 3.25% |

(*all dollar amounts in thousands, except share and per share data*)

**7. Preferred Stock (continued)**

The following table sets forth the Series B preferred stock dividends that were declared during the nine months ended September 30, 2019 and the year ended December 31, 2018. The Company did not pay any dividends prior to the closing of the offering of its Series B Preferred Stock on December 14, 2018.

| | Cash Dividends Declared per Share | Aggregate Amount |
|---|---|---|
| 2019 | | |
| First quarter | $ 0.13813 | $ 610 |
| Second quarter | $ 0.13813 | $ 610 |
| Third quarter | $ 0.13813 | $ 610 |
| | | |
| 2018 | | |
| Fourth quarter (commencing December 14, 2018 to December 31, 2018) | $ 0.02609 | $ 115 |

**8. Non-Controlling Interests**

**Operating Partnership Units Acquisitions**

In connection with the acquisition of the Shadeland Portfolio on August 11, 2017, the Company, through its Operating Partnership issued 421,438 Operating Partnership Units ("OP Units") at $19.00 per OP Unit for a total of approximately $8,007. In connection with the Cincinnati, Ohio acquisition on October 15, 2018, the Company, through its Operating Partnership issued 626,011 OP Units at $17.00 per OP Unit for a total of approximately $10,642. The holders of the OP Units are entitled to receive distributions concurrent with the dividends paid on our common stock. The following table sets forth the OP Unit distributions that were declared during the nine months ended September 30, 2019 and the year ended December 31, 2018.

| | Cash Distributions Declared per OP Unit | Aggregate Amount |
|---|---|---|
| 2019 | | |
| First quarter | $ 0.375 | $ 393 |
| Second quarter | $ 0.375 | $ 393 |
| Third quarter | $ 0.375 | $ 393 |
| 2018 | | |
| First quarter | $ 0.375 | $ 158 |
| Second quarter | $ 0.375 | $ 158 |
| Third quarter | $ 0.375 | $ 158 |
| Fourth quarter | $ 0.375(1) | $ 357 |

(1) Distributions for the OP Units issued in connection with the Cincinnati, Ohio acquisition were paid on a pro-rated distribution equal to a quarterly distribution of $0.375 per OP Unit or $199 in the aggregate for the quarter ended December 31, 2018.

The proportionate share of the loss attributed to the partnership units was $308 and $417 for the three months ending September 30, 2019 and 2018, respectively, and $1,341 and $1,709 for the nine months ending September 30, 2019 and 2018, respectively.

**9. Incentive Award Plan**

The following table is a summary of the total restricted shares granted, forfeited and vested for the nine months ended September 30, 2019:

| | Shares |
|---|---|
| **Unvested restricted stock at January 1, 2019** | 124,051 |
| Granted | 90,075 |
| Forfeited | — |
| Vested | (50,364) |
| **Unvested restricted stock at September 30, 2019** | 163,762 |

(*all dollar amounts in thousands, except share and per share data*)

**9. Incentive Award Plan (continued)**

The Company recorded equity-based compensation in the amount of $875 and $602 for the nine months ended September 30, 2019 and 2018, respectively, which is included in general and administrative expenses in the accompanying condensed consolidated statements of operations. Equity-based compensation expense for shares issued to employees and directors is based on the grant-date fair value of the award and recognized on a straight-line basis over the requisite period of the award. The unrecognized compensation expense associated with the Company's restricted shares of common stock at September 30, 2019 was approximately $2,605 and is expected to be recognized over a weighted average period of approximately 3 years.

**10. Earnings per Share**

**Net loss per Common Share**

Basic and diluted net loss per share attributable to common stockholders was calculated as follows:

| | Three months Ended September 30, | | Nine months Ended September 30, | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| Numerator | | | | |
| Net loss | $ (2,974) | $ (4,718) | $ (9,430) | $ (16,725) |
| Less: loss attributable to non-controlling interest | (308) | (417) | (1,341) | (1,709) |
| Net loss attributable to Plymouth Industrial REIT, Inc. | (2,666) | (4,301) | (8,089) | (15,016) |
| Less: Preferred stock dividends | 1,566 | 956 | 4,698 | 2,868 |
| Less: Series B Preferred stock accretion to redemption value | 1,900 | — | 5,701 | — |
| Less: amount allocated to participating securities | 62 | 48 | 177 | 155 |
| Net loss attributable to common stockholders | $ (6,194) | $ (5,305) | $ (18,665) | $ (18,039) |
| | | | | |
| Denominator | | | | |
| Weighted-average common shares outstanding basic and diluted | 9,081,180 | 4,350,687 | 6,847,950 | 3,801,900 |
| | | | | |
| Net loss per share attributable to common stockholders – basic and diluted | $ (0.68) | $ (1.22) | $ (2.73) | $ (4.74) |

The Company uses the two-class method of computing earnings per common share in which participating securities are included within the basic EPS calculation. The amount allocated to participating securities is according to dividends declared (whether paid or unpaid). The restricted stock does not have any participatory rights in undistributed earnings. The unvested shares of restricted stock are accounted for as participating securities as they contain non-forfeitable rights to dividends.

In periods where there is a net loss, the weighted average number of common shares outstanding used to calculate both basic and diluted net loss per share attributable to common stockholders is the same. The Company's potential dilutive securities at September 30, 2019 include the 303,029 shares of common stock issuable pursuant to the outstanding warrants and 163,762 shares of restricted common stock. The warrant shares and restricted common stock have been excluded from the computation of diluted net loss per share attributable to common stockholders as the effect of including them would reduce the net loss per share.

**11. Commitments and Contingencies**

***Employment Agreements***

The Company has entered into employment agreements with the Company's Chief Executive Officer, President and Chief Investment Officer, and Executive Vice President and Chief Financial Officer. As approved by the compensation committee of the Board of Directors the agreements provide for base salaries ranging from $200 to $300 annually with discretionary cash performance awards. The agreements contain provisions for equity awards, general benefits, and termination and severance provisions, consistent with similar positions and companies.

## 11. Commitments and Contingencies (continued)

### *Legal Proceedings*

The Company is not currently party to any material legal proceedings. At each reporting date, the Company evaluates whether or not a potential loss amount or a potential range of loss is probable and reasonably estimable under the provisions of the authoritative guidance that addresses accounting for contingencies. The Company expenses as incurred, costs related to such legal proceedings.

### *Contingent Liability*

In conjunction with the issuance of the OP Units for acquisitions, the agreements contain a provision for the Company to provide tax protection to the holders if the acquired properties are sold in a transaction that would result in the recognition of taxable income or gain prior to the sixth anniversary of the acquisition. The Company intends to hold these investments and has no plans to sell or transfer any interest that would give rise to a taxable transaction.

## 12. Subsequent Events

On October 30, 2019, the Company acquired a single Class B industrial property, consisting of approximately 295,693 square feet, located in Atlanta, Georgia for an aggregate purchase price of $19,400.

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

We make statements in this Quarterly Report on Form 10-Q that are forward-looking statements, which are usually identified by the use of words such as "anticipates," "believes," "estimates," "expects," "intends," "may," "plans" "projects," "seeks," "should," "will," and variations of such words or similar expressions. Our forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in or suggested by our forward-looking statements are reasonable, we can give no assurance that our plans, intentions, expectations, strategies or prospects will be attained or achieved and you should not place undue reliance on these forward-looking statements. Furthermore, actual results may differ materially from those described in the forward-looking statements and may be affected by a variety of risks and factors including, without limitation:

- the competitive environment in which we operate;
- real estate risks, including fluctuations in real estate values and the general economic climate in local markets and competition for tenants in such markets;
- decreased rental rates or increasing vacancy rates;
- potential defaults on or non-renewal of leases by tenants;
- potential bankruptcy or insolvency of tenants;
- acquisition risks, including failure of such acquisitions to perform in accordance with projections;
- the timing of acquisitions and dispositions;
- potential natural disasters such as earthquakes, wildfires or floods;
- national, international, regional and local economic conditions;
- the general level of interest rates;
- potential changes in the law or governmental regulations that affect us and interpretations of those laws and regulations, including changes in real estate and zoning or REIT tax laws, and potential increases in real property tax rates;
- financing risks, including the risks that our cash flows from operations may be insufficient to meet required payments of principal and interest and we may be unable to refinance our existing debt upon maturity or obtain new financing on attractive terms or at all;
- lack of or insufficient amounts of insurance;
- our ability to maintain our qualification as a REIT;
- litigation, including costs associated with prosecuting or defending claims and any adverse outcomes; and
- possible environmental liabilities, including costs, fines or penalties that may be incurred due to necessary remediation of contamination of properties presently owned or previously owned by us.

Any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise over time, and it is not possible for us to predict those events or how they may affect us. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The following discussion and analysis is based on, and should be read in conjunction with our unaudited financial statements and notes thereto as of September 30, 2019 and 2018 included elsewhere in this Quarterly Report, as well as information contained in our Annual Report on Form 10-K for the year ended December 31, 2018 (the "2018 10-K") filed with the United States Securities and Exchange Commission (the "SEC") on March 7, 2019, including the audited historical financial statements and related notes thereto as of and for the years ended December 31, 2018 and 2017 contained therein, which is accessible on the SEC's website at www.sec.gov.

### Overview

We are a full service, vertically integrated, self-administered and self-managed REIT focused on the acquisition, ownership and management of single and multi-tenant Class B industrial properties, including distribution centers, warehouses and light industrial properties. The Company's portfolio at September 30, 2019 consists of 72 industrial properties (the "Company Portfolio") located in ten states with an aggregate of approximately 14.9 million rentable square feet leased to 253 different tenants.

Our strategy is to acquire, own and manage single and multi-tenant Class B industrial properties located primarily in secondary markets across the U.S.; however, we may make opportunistic acquisitions of Class A industrial properties or industrial properties located in primary markets. We seek to generate attractive risk-adjusted returns for our stockholders through a combination of dividends and capital appreciation.

## Factors That May Influence Future Results of Operations

### *Business and Strategy*

Our core investment strategy is to acquire primarily Class B industrial properties predominantly in secondary markets across the U.S. We expect to acquire these properties through third-party purchases and structured sale-leasebacks where we believe we can achieve high initial yields and strong ongoing cash-on-cash returns. In addition, we may make opportunistic acquisitions of Class A industrial properties or industrial properties in primary markets that offer similar return characteristics.

Our target markets are comprised primarily of secondary markets because we believe these markets tend to have less occupancy and rental rate volatility and less buyer competition relative to primary markets. We also believe that the systematic aggregation of such properties will result in a diversified portfolio that will produce sustainable risk-adjusted returns. Future results of operations may be affected, either positively or negatively, by our ability to effectively execute this strategy.

We also intend to pursue joint venture arrangements with institutional partners which could provide management fee income as well as residual profit-sharing income. Such joint ventures may involve investing in industrial assets that would be characterized as opportunistic or value-add investments. These may involve development or re-development strategies that may require significant up-front capital expenditures, lengthy lease-up periods and result in inconsistent cash flows. As such, these properties' risk profiles and return metrics would likely differ from the non-joint venture properties that we target for acquisition.

### *Rental Revenue*

We receive income primarily from rental revenue from our properties. The amount of rental revenue generated by the Company Portfolio depends principally on the occupancy levels and lease rates at our properties, our ability to lease currently available space and space that becomes available as a result of lease expirations and on the rental rates at our properties. As of September 30, 2019, the Company Portfolio was approximately 96.8% occupied. Our occupancy rate is impacted by general market conditions in the geographic areas which our properties are located and the financial condition of tenants in our target markets.

### *Scheduled Lease Expirations*

Our ability to re-lease space subject to expiring leases will impact our results of operations and will be affected by economic and competitive conditions in the markets in which we operate and by the desirability of our individual properties. During the period from October 1, 2019 through to December 31, 2021, an aggregate of 37.7% of the annualized base rent leases in the Company Portfolio are scheduled to expire, which we believe will provide us an opportunity to adjust below market rates as market conditions continue to improve.

During 2018 and the nine months ended September 30, 2019, leases for space totaling 3,600,403 square feet (24.1% of the Company Portfolio) either was subject to renewal or expired. Approximately 52.5% of the expired space was renewed and an additional 1,770,193 square feet was leased to new tenants. As of September 30, 2019, the vacancy rate of the Company Portfolio was 3.2%.

During the year ended December 31, 2018 and nine months ended September 30, 2019, lease negotiation efforts resulted in 52 leases commencing with durations in excess of six months encompassing 3,153,801 square feet and 7 leases commencing with a duration of less than 6 months encompassing 508,155 square feet. Renewed leases made up 49.9% of the square footage covered by the 52 leases in excess of 6 months, and the rent under the renewed leases increased an average of 1.7% over the prior leases. Leases to new tenants comprised the other 50.1% of the square footage covered by the 52 leases in excess of 6 months, and the rent under the new leases increased an average of 22.9% over the prior leases. The rental rates under all of the 52 leases in excess of 6 months entered into during 2018 and 2019, increased by an average of 9.5% over the rates of the prior leases.

The table below reflects certain data about our new and renewed leases with terms of greater than six months executed in the year ended December 31, 2018 and the nine months ended September 30, 2019.

| Year | Type | Square Footage | % of Total Square Footage | Expiring Rent | New Rent | % Change | Tenant Improvements $/SF/YR | Lease Commissions $/SF/YR |
|---|---|---|---|---|---|---|---|---|
| 2018 | Renewals | 482,067 | 33.2% | $ 5.84 | $ 5.57 | -4.6% | $ 0.24 | $ 0.13 |
| | New Leases | 969,207 | 66.8% | $ 2.85 | $ 3.31 | 16.1% | $ 0.39 | $ 0.21 |
| | **Total** | **1,451,274** | **100.0%** | **$ 3.84** | **$ 4.06** | **5.7%** | **$ 0.34** | **$ 0.18** |
| 2019 | Renewals | 1,092,316 | 64.2% | $ 4.15 | $ 4.39 | 5.8% | $ 0.21 | $ 0.11 |
| | New Leases | 610,211 | 35.8% | $ 2.49 | $ 3.35 | 34.5% | $ 0.25 | $ 0.40 |
| | **Total** | **1,702,527** | **100.0%** | **$ 3.56** | **$ 4.01** | **12.6%** | **$ 0.22** | **$ 0.21** |
| Total | Renewals | 1,574,383 | 49.9% | $ 4.67 | $ 4.75 | 1.7% | $ 0.22 | $ 0.11 |
| | New Leases | 1,579,418 | 50.1% | $ 2.71 | $ 3.33 | 22.9% | $ 0.33 | $ 0.29 |
| | **Total** | **3,153,801** | **100.0%** | **$ 3.69** | **$ 4.04** | **9.5%** | **$ 0.27** | **$ 0.20** |

***Conditions in Our Markets***

The Company Portfolio is located primarily in various secondary markets in the eastern half of the U.S. Positive or negative changes in economic or other conditions, adverse weather conditions and natural disasters in these markets are likely to affect our overall performance.

***Property Expenses***

Our rental expenses generally consist of utilities, real estate taxes, insurance and site repair and maintenance costs. For the majority of the Company Portfolio, property expenses are controlled, in part, by either the triple net provisions or modified gross lease expense reimbursement provisions in tenant leases. However, the terms of our tenant leases vary and in some instances the leases may provide that we are responsible for certain property expenses. Accordingly, our overall financial results will be impacted by the extent to which we are able to pass-through property expenses to our tenants.

***General and Administrative Expenses***

We expect to incur increased general and administrative expenses, including legal, accounting and other expenses related to corporate governance and public reporting and compliance. In addition, we anticipate that our staffing levels will increase from current levels as of September 30, 2019 during the subsequent 12 to 24 months and, as a result, our general and administrative expenses will increase further.

***Critical Accounting Policies***

Our financial statements are prepared in accordance with U.S. generally accepted accounting principles. The preparation of the condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Management makes significant estimates regarding the allocation of tangible and intangible assets or business acquisitions, impairments of long-lived assets, stock-based compensation and its common stock warrants liability. These estimates and assumptions are based on management's best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment. Management adjusts such estimates when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ from those estimates and assumptions.

During the nine months ended September 30, 2019, there were no material changes to our critical accounting policies. Our critical accounting policies are described under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Significant Judgments and Estimates" in our Annual Report on Form 10-K filed with the SEC on March 7, 2019 and the notes to the financial statements appearing elsewhere in this Quarterly Report on Form 10-Q. We believe that the following critical accounting policies involve the most judgment and complexity:

- Real estate property acquisitions, capitalization and depreciation
- Income taxes
- Amortization of deferred lease intangibles – assets and liabilities
- Impairment of Long-lived assets
- Consolidation

Accordingly, we believe the policies set forth in our 2018 10-K are critical to fully understand and evaluate our financial condition and results of operations. If actual results or events differ materially from the estimates, judgments and assumptions used by us in applying these policies, our reported financial condition and results of operations could be materially affected.

**Results of Operations (amounts in thousands)**

Our consolidated results of operations are often not comparable from period to period due to the effect of property acquisitions and dispositions completed during the comparative reporting periods. Our Total Portfolio represents all of the properties owned during the reported periods. To eliminate the effect of changes in our Total Portfolio due to acquisitions and dispositions and to highlight the operating results of our on-going business, we have separately presented the results of our Same Properties Portfolio and Acquisitions/Dispositions.

For the three months ended September 30, 2019 and 2018, we define the Same Store Portfolio as a subset of our Total Portfolio and includes properties that were wholly-owned by us for the entire period presented. We define Acquisitions/Dispositions as any properties that were acquired or sold during the period from July 1, 2018 through September 30, 2019. For the nine months ended September 30, 2019 and 2018, we define the Same Store Portfolio as a subset of our Total Portfolio and includes properties that were wholly-owned by us for the entire period presented. We define Acquisitions/Dispositions as any properties that were acquired or sold during the period from January 1, 2018 through September 30, 2019.

***Three Months Ended September 30, 2019 Compared to September 30, 2018***

The following table summarizes the results of operations for our Same Store Portfolio, our acquisitions and dispositions and total portfolio for the three months ended September 30, 2019 and 2018:

| | Same Store Portfolio | | | | Acquisitions/Dispositions | | | | Total Portfolio | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Three months ended September 30, | | Change | | Three months ended September 30, | | Change | | Three months ended September 30, | | Change | |
| | 2019 | 2018 | $ | % | 2019 | 2018 | $ | % | 2019 | 2018 | $ | % |
| Revenue: | | | | | | | | | | | | |
| Rental revenue | $ 12,399 | $ 11,548 | $ 851 | 7.4% | $ 6,724 | $ 100 | $ 6,624 | 6624% | $ 19,123 | $ 11,648 | $ 7,475 | 64.2% |
| Other revenue | — | 5 | (5) | -100% | — | — | — | — | — | 5 | (5) | -100% |
| *Total revenues* | 12,399 | 11,553 | 846 | 7.3% | 6,724 | 100 | 6,624 | 6624% | 19,123 | 11,653 | 7,470 | 64.1% |
| | | | | | | | | | | | | |
| Property expenses | 4,546 | 4,227 | 319 | 7.5% | 2,374 | 122 | 2,252 | 1846% | 6,920 | 4,349 | 2,571 | 59.1% |
| Depreciation and amortization | | | | | | | | | 9,399 | 6,249 | 3,150 | 50.4% |
| General and administrative | | | | | | | | | 2,135 | 1,394 | 741 | 53.2% |
| *Total operating expenses* | | | | | | | | | 18,454 | 11,992 | 6,462 | 53.9% |
| | | | | | | | | | | | | |
| Other expense | | | | | | | | | | | | |
| Interest expense | | | | | | | | | (3,643) | (3,575) | (68) | 1.9% |
| Loss on extinguishment of debt | | | | | | | | | | (804) | 804 | -100% |
| Total other expense | | | | | | | | | (3,643) | (4,379) | 736 | -16.8% |
| | | | | | | | | | | | | |
| Net loss | | | | | | | | | $ (2,974) | $ (4,718) | $ 1,744 | -37.0% |

*Rental revenue*: Rental revenue increased by approximately $7,475 to $19,123 for the three months ended September 30, 2019 as compared to $11,648 for the three months ended September 30, 2018. The increase was primarily related to an increase in rental revenue from acquisitions of $6,704 offset by dispositions of $80 for a net total of $6,624, and, an increase of $851 from same store properties primarily from an increase in rent income of $586 due to scheduled rent steps and leasing activities and an increase in non-cash rent adjustments of $138 for the three months ended September 30, 2019.

*Property expenses:* Property expenses increased $2,571 for the three months ended September 30, 2019 to $6,920 as compared to $4,349 for the three months ended September 30, 2018 primarily due to an increase in expenses related to acquisitions of $2,328 offset by dispositions of $76 for a net total of $2,252. Property expenses for the same store properties increased approximately $319 primarily due to an increase of $265 in real estate tax expense due to increased assessments.

*Depreciation and amortization*: Depreciation and amortization expense increased by approximately $3,150 to approximately $9,399 for the three months ended September 30, 2019 as compared to $6,249 for the three months ended September 30, 2018, primarily due to an increase from acquisitions of $3,628 offset by dispositions of $50 for a net total of $3,578, and, a decrease of $428 for the same store properties.

*General and administrative*: General and administrative expenses increased approximately $741 to $2,135 for the three months ended September 30, 2019 as compared to $1,394 for the three months ended September 30, 2018. The increase is attributable primarily to increases in compensation expense of $330 due to timing of certain costs related to restricted stock, non-cash stock compensation of $80 and increased head count and professional fees of $187.

*Interest expense*: Interest expense increased by approximately $68 to $3,643 for the three months ended September 30, 2019, as compared to $3,575 for the three months ended September 30, 2018. The increase is primarily due to additional borrowings associated with our acquisition activity. The schedule below is a comparative analysis of the components of interest expense for the three months ended September 30, 2019 and 2018.

| | Three Months Ended September 30, 2019 | Three Months Ended September 30, 2018 |
|---|---|---|
| Accrued interest | $ 325 | $ (164) |
| Amortization of debt issuance costs | 274 | 338 |
| Total accretion of interest and deferred interest | 599 | 174 |
| Cash interest paid | 3,044 | 3,401 |
| Total interest expense | $ 3,643 | $ 3,575 |

*Loss on extinguishment of debt:* Loss on extinguishment of debt of $804 in 2018 was due to the early repayment of the MWG Loan, as fully described in the 2018 10-K.

***Nine Months Ended September 30, 2019 Compared to September 30, 2018***

The following table summarizes the results of operations for our Same Store Portfolio, our acquisitions and dispositions and total portfolio for the nine months ended September 30, 2019 and 2018:

| | Same Store Portfolio | | | | Acquisitions/Dispositions | | | | Total Portfolio | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Nine months ended September 30, | | Change | | Nine months ended September 30, | | Change | | Nine months ended September 30, | | Change | |
| | 2019 | 2018 | $ | % | 2019 | 2018 | $ | % | 2019 | 2018 | $ | % |
| Revenue: | | | | | | | | | | | | |
| Rental revenue | $ 36,475 | $ 34,750 | $ 1,725 | 5.0% | $ 16,332 | $ 304 | $ 16,028 | 5272% | $ 52,807 | $ 35,054 | $ 17,753 | 50.6% |
| Other revenue | — | 526 | (526) | -100% | — | — | — | — | — | 526 | (526) | -100% |
| *Total revenues* | 36,475 | 35,276 | 1,199 | 3.4% | 16,332 | 304 | 16,028 | 5272% | 52,807 | 35,580 | 17,227 | 48.4% |
| Property expenses | 14,047 | 12,323 | 1,724 | 14.0% | 5,169 | 266 | 4,903 | 1843% | 19,216 | 12,589 | 6,627 | 52.6% |
| Depreciation and amortization | | | | | | | | | 26,307 | 19,235 | 7,072 | 36.8% |
| General and administrative | | | | | | | | | 5,472 | 4,347 | 1,125 | 25.9% |
| *Total operating expenses* | | | | | | | | | 50,995 | 36,171 | 14,824 | 41.0% |
| Other expense: | | | | | | | | | | | | |
| Interest expense | | | | | | | | | (11,061) | (11,777) | 716 | -6.1% |
| Loss on extinguishment of debt | | | | | | | | | — | (4,405) | 4,405 | -100% |
| Change in fair value of warrant derivative | | | | | | | | | (181) | 48 | (229) | -477% |
| Total other expense | | | | | | | | | (11,242) | (16,134) | 4,892 | -30.3% |
| Net loss | | | | | | | | | $ (9,430) | $ (16,725) | $ 7,295 | -43.6% |

*Rental revenue*: Rental revenue increased by approximately $17,753 to $52,807 for the nine months ended September 30, 2019 as compared to $35,054 for the nine months ended September 30, 2018. The increase was primarily related to an increase in rental revenue from acquisitions of $16,312 offset by dispositions of $284 for a net total of $16,028, and, an increase of $1,725 from same store properties primarily from an increase in rent income of $2,033 due to scheduled rent steps and leasing activities offset by a decrease in non-cash rent adjustments of $566 for the nine months ended September 30, 2019.

*Other revenue*: Other revenue represents other items not directly related to the operations of our portfolio. The decrease in other revenue by $526 to $0 for the nine months ended September 30, 2019, as compared to $526 for the nine months ending September 30, 2018 was predominately driven by a non-recurring fee for services provided by the Company for a joint venture that did not materialize during the first half of 2018.

*Property expenses:* Property expenses increased $6,627 for the nine months ended September 30, 2019 to $19,216 as compared to $12,589 for the nine months ended September 30, 2018 primarily due to an increase in expenses related to acquisitions of $5,040 offset by dispositions of $137 for a net total of $4,903. Property expenses for the same store properties increased approximately $1,724 primarily due to an increase of $1,814 in real estate tax expense due to increased assessments and a one-time adjustment reducing real estate tax expense during the first half of 2018, offset by net decreases in utilities of $101.

*Depreciation and amortization*: Depreciation and amortization expense increased by approximately $7,072 to approximately $26,307 for the nine months ended September 30, 2019 as compared to $19,235 for the nine months ended September 30, 2018, primarily due to an increase from acquisitions of $8,990 offset by dispositions of $327 for a net total of $8,663, and, a decrease of $1,591 for the same store properties.

*General and administrative*: General and administrative expenses increased approximately $1,125 to $5,472 for the nine months ended September 30, 2019 as compared to $4,347 for the nine months ended September 30, 2018. The increase is attributable primarily to increases in payroll expense of $451, non-cash stock compensation of $273 and professional fees of $226.

*Interest expense*: Interest expense decreased by approximately $716 to $11,061 for the nine months ended September 30, 2019, as compared to $11,777 for the nine months ended September 30, 2018. The decrease is primarily due to the repayment of the Mezzanine Loan during 2018 offset by additional borrowings associated with our acquisition activity during the last nine months of 2018 and first nine months of 2019. The schedule below is a comparative analysis of the components of interest expense for the nine months ended September 30, 2019 and 2018.

| | Nine Months Ended September 30, | |
|---|---|---|
| | 2019 | 2018 |
| Accrued interest | $ 232 | $ 642 |
| Amortization of debt related costs | 783 | 1,192 |
| Total accretion of interest and deferred interest | 1,015 | 1,834 |
| Cash interest paid | 10,046 | 9,943 |
| Total interest expense | $ 11,061 | $ 11,777 |

*Loss on extinguishment of debt:* Loss on extinguishment of debt of $4,405 in 2018 was due to the early repayment of the Mezzanine and MWG Loans, as fully described in the 2018 10-K.

*Change in fair value of warrant derivative:* Change in fair value of warrant derivative represents the change in the fair market value of our common stock warrants. The fair value of warrant derivative adjustment of $(181) for the nine months ended September 30, 2019 was due to an increase in the common stock warrant liability during the first half of 2019. The fair value of warrant derivative adjustment of $48 for the nine months ended September 30, 2018 was due to a decrease in the common stock warrant liability during the first half of 2018.

***Non-GAAP Financial Measures***

In this quarterly report on Form 10-Q, we disclose NOI, EBITDA*re*, FFO and AFFO, each of which meet the definition of "non-GAAP financial measure" set forth in Item 10(e) of Regulation S-K promulgated by the SEC. As a result, we are required to include in this report a statement of why management believes that presentation of these measures provides useful information to investors.

None of NOI, EBITDA*re*, FFO or AFFO 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 NOI, EBITDA*re*, FFO, and AFFO should be compared with our reported net income or net loss and considered in addition to cash flows in accordance with GAAP, as presented in our condensed consolidated financial statements.

***NOI***

We consider net operating income, or NOI, to be an appropriate supplemental measure to net income because it helps both investors and management understand the core operations of our properties. We define NOI as total revenue (including rental revenue, tenant reimbursements, management, leasing and development services revenue and other income) less property-level operating expenses including allocated overhead. NOI excludes depreciation and amortization, general and administrative expenses, impairments, gain/loss on sale of real estate, interest expense, and other non-operating items.

The following is a reconciliation from historical reported net loss, the most directly comparable financial measure calculated and presented in accordance with GAAP, to NOI:

| | For the Three Months Ended September 30, | | For the Nine Months Ended September 30, | |
|---|---|---|---|---|
| **NOI:** | 2019 | 2018 | 2019 | 2018 |
| Net loss | $ (2,974) | $ (4,718) | $ (9,430) | $ (16,725) |
| General and administrative | 2,135 | 1,394 | 5,472 | 4,347 |
| Depreciation and amortization | 9,399 | 6,249 | 26,307 | 19,235 |
| Interest expense | 3,643 | 3,575 | 11,061 | 11,777 |
| Loss on extinguishment of debt | — | 804 | — | 4,405 |
| Change in fair value of warrant derivative | — | — | 181 | (48) |
| Other expense (income) | — | (5) | — | (526) |
| **NOI** | $ 12,203 | $ 7,299 | $ 33,591 | $ 22,465 |

***EBITDAre***

We define earnings before interest, taxes, depreciation and amortization for real estate in accordance with the standards established by the National Association of Real Estate Investment Trusts ("NAREIT"). EBITDA*re* 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. We believe that EBITDA *re* is helpful to investors as a supplemental measure of our operating performance as a real estate company because it is a direct measure of the actual operating results of our industrial properties. The following table sets forth a reconciliation of our historical net loss to EBITDA*re* for the periods presented:

| | For the Three Months Ended September 30, | | For the Nine Months Ended September 30, | |
|---|---|---|---|---|
| **EBITDA*re*:** | 2019 | 2018 | 2019 | 2018 |
| Net loss | $ (2,974) | $ (4,718) | $ (9,430) | $ (16,725) |
| Depreciation and amortization | 9,399 | 6,249 | 26,307 | 19,235 |
| Interest expense | 3,643 | 3,575 | 11,061 | 11,777 |
| Loss on extinguishment of debt | — | 804 | — | 4,405 |
| **EBITDA*re*** | $ 10,068 | $ 5,910 | $ 27,938 | $ 18,692 |

***FFO***

Funds from operations, or FFO, is a non-GAAP financial measure that is widely recognized as a measure of REIT operating performance. We consider FFO to be an appropriate supplemental measure of our operating performance as it is based on a net income analysis of property portfolio performance that excludes non-cash items such as depreciation. The historical accounting convention used for real estate assets requires straight-line depreciation of buildings and improvements, which implies that the value of real estate assets diminishes predictably over time. Since real estate values rise and fall with market conditions, presentations of operating results for a REIT, using historical accounting for depreciation, could be less informative. In December 2018, NAREIT issued a white paper restating the definition of FFO. The purpose of the restatement was not to change the fundamental definition of FFO, but to clarify existing NAREIT guidance. The restated definition of FFO is a follows: Net Income (calculated in accordance with GAAP), excluding: (i) Depreciation and amortization related to real estate, (ii) Gains and losses from the sale of certain real estate assets, (iii) Gain and losses from change in control, and (iv) Impairment write-downs of certain real estate assets and investments in entities when the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity. This restated definition does not give reference to the add back of loss on extinguishment of debt. Commencing on January 1, 2019, we adopted the restated definition of NAREIT FFO on a prospective basis and exclude the add back of loss on debt extinguishment.

We define FFO, consistent with the NAREIT definition, as net income, computed in accordance with GAAP, excluding: gains (or losses) from sales of property, depreciation and amortization of real estate assets, impairment losses, losses on extinguishment of debt and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures will be calculated to reflect FFO on the same basis. Other equity REITs may not calculate FFO as we do, and, accordingly, our FFO may not be comparable to such other REITs' FFO. FFO should not be used as a measure of our liquidity, and is not indicative of funds available for our cash needs, including our ability to pay dividends. FFO attributable to common stockholders and unit holders represents FFO reduced by dividends paid (or declared) to holders of our preferred stock.

The following table sets forth a reconciliation of our historical net loss to FFO attributable to common stockholders and unit holders for the periods presented:

| | For the Three Months Ended September 30, | | For the Nine Months Ended September 30, | |
|---|---|---|---|---|
| **FFO:** | 2019 | 2018 | 2019 | 2018 |
| Net loss | $ (2,974) | $ (4,718) | $ (9,430) | $ (16,725) |
| Depreciation and amortization | 9,399 | 6,249 | 26,307 | 19,235 |
| Loss on extinguishment of debt | — | 804 | — | 4,405 |
| **FFO:** | $ 6,425 | $ 2,335 | $ 16,877 | $ 6,915 |
| Preferred stock dividends | (1,566) | (956) | (4,698) | (2,868) |
| **FFO attributable to common stockholders and unit holders** | $ 4,859 | $ 1,379 | $ 12,179 | $ 4,047 |

***AFFO***

Adjusted funds from operation, or AFFO, is presented in addition to FFO. AFFO is defined as FFO, excluding certain non-cash operating revenues and expenses, acquisition and transaction related costs for transactions not completed and recurring capitalized expenditures. Recurring capitalized expenditures includes expenditures required to maintain and re-tenant our properties, tenant improvements and leasing commissions. AFFO further adjusts FFO for certain other non-cash items, including the amortization or accretion of above or below market rents included in revenues, straight line rent adjustments, impairment losses, non-cash equity compensation and non-cash interest expense.

We believe AFFO provides a useful supplemental measure of our operating performance because it provides a consistent comparison of our operating performance across time periods that is comparable for each type of real estate investment and is consistent with management's analysis of the operating performance of our properties. As a result, we believe that the use of AFFO, together with the required GAAP presentations, provide a more complete understanding of our operating performance.

As with FFO, our reported AFFO may not be comparable to other REITs' AFFO, should not be used as a measure of our liquidity, and is not indicative of our funds available for our cash needs, including our ability to pay dividends.

The following table sets forth a reconciliation of FFO attributable to common stockholders and unit holders to AFFO:

| | For the Three Months Ended September 30, | | For the Nine Months Ended September 30, | |
|---|---|---|---|---|
| **AFFO:** | 2019 | 2018 | 2019 | 2018 |
| FFO attributable to common stockholders and unit holders | $ 4,859 | $ 1,379 | 12,179 | $ 4,047 |
| Amortization of debt related costs | 274 | 338 | 783 | 1,192 |
| Non-cash interest expense | 325 | (164) | 232 | 642 |
| Stock compensation | 282 | 203 | 875 | 602 |
| Change in fair value of warrant derivative | — | — | 181 | — |
| Straight line rent | (298) | (107) | (778) | (925) |
| Above/below market lease rents | (373) | (247) | (1,059) | (964) |
| Recurring capital expenditure (1) | (976) | (599) | (2,222) | (1,941) |
| **AFFO:** | $ 4,093 | $ 803 | $ 10,191 | $ 2,653 |

(1) Excludes non-recurring capital expenditures of $1,542 and $576 for the three months ended September 30, 2019 and 2018, respectively, and $3,230 and $1,823 for the nine months ended September 30, 2019 and 2018, respectively.

***Cash Flow***

A summary of our cash flows for the nine months ended September 30, 2019 and 2018 are as follows:

| | Nine months Ended September 30, | |
|---|---|---|
| | 2019 | 2018 |
| Net cash provided by operating activities | $ 17,702 | $ 5,745 |
| Net cash used in investing activities | $ (95,598) | $ (46,647) |
| Net cash provided by financing activities | $ 99,736 | $ 33,296 |

*Operating activities*: Net cash provided by operating activities for the nine months ended September 30, 2019 increased approximately $11,957 compared to the nine months ended September 30, 2018. The increase was primarily attributable to incremental operating cash flows from acquisitions completed between Q4 2018 and Q3 2019 and same store properties offset by loss of operating cash flows from dispositions completed between Q4 2018 and Q3 2019.

*Investing activities:* Net cash used in investing activities for the nine months ended September 30, 2019 increased approximately $48,951 compared to the nine months ended September 30, 2018 primarily due to property acquisitions completed during the first nine months in 2019 totaling $92,327 as opposed to $44,159 during the first nine months of 2018 and an increase in capital expenditures as a result of our expanded portfolio totaling $783.

*Financing activities:* Net cash provided by financing activities for the nine months ended September 30, 2019 increased $66,440 compared to the nine months ended September 30, 2018. The change was predominantly driven by an increase in net proceeds from the issuance of common stock and the repurchase of common shares during 2018 , offset by net repayment of debt during the first nine months of 2019 as opposed to net proceeds from debt during the first nine months of 2018 and an increase in dividends paid.

***Liquidity and Capital Resources***

We intend to make reserve allocations as necessary to aid our objective of preserving capital for our investors by supporting the maintenance and viability of our properties. If reserves and any other available income become insufficient to cover our operating expenses and liabilities, it may be necessary to obtain additional funds by borrowing, refinancing properties or liquidating our investments.

Our short-term liquidity requirements consist primarily of funds to pay for operating expenses and other expenditures directly associated with our properties, including:

- property expenses that are not borne by our tenants under our leases;
- interest expense on outstanding indebtedness;
- general and administrative expenses; and
- capital expenditures for tenant improvements and leasing commissions.

In addition, we will require funds for future dividends required to be paid on our Series A and Series B Preferred Stock.

We intend to satisfy our short-term liquidity requirements through our existing cash, cash flow from operating activities and the net proceeds of any potential future offerings.

Our long-term liquidity needs consist primarily of funds necessary to pay for acquisitions, recurring and non-recurring capital expenditures and scheduled debt maturities. We intend to satisfy our long-term liquidity needs through cash flow from operations, long-term secured and unsecured borrowings, future issuances of equity and debt securities, property dispositions and joint venture transactions, and, in connection with acquisitions of additional properties, the issuance of Operating Partnership units.

**Existing Indebtedness as of September 30, 2019 (amounts in thousands)**

***AIG Loan***

Certain indirect subsidiaries of the Operating Partnership have entered into a senior secured loan agreement with investment entities managed by AIG Asset Management (the “AIG Loan”).

As of September 30, 2019 and December 31, 2018, there was $120,000 of indebtedness outstanding under the AIG Loan. The AIG Loan bears interest at 4.08% per annum and has a seven-year term maturing in October, 2023. The AIG Loan provides for monthly payments of interest only for the first three years of the term and thereafter monthly principal and interest payments based on a 27-year amortization period.

The borrowings under the AIG Loan are secured by first lien mortgages on the properties held by wholly-owned subsidiaries of Plymouth Industrial 20 LLC. The obligations under the AIG Loan are also guaranteed in certain circumstances by the Company and certain of the Operating Partnership's wholly-owned subsidiaries.

The AIG Loan agreement contains customary representations and warranties, as well as affirmative and negative covenants. The negative covenants include restrictions on additional indebtedness, restrictions on liens, fundamental changes, dispositions, restricted payments, change in nature of business, transactions with affiliates and burdensome agreements. The AIG Loan contains financial covenants that require minimum liquidity and net worth. The AIG Loan is subject to acceleration upon certain specified events of defaults, including breaches of representations or covenants, failure to pay other material indebtedness, failure to pay taxes or a change of control of our company, as defined in the senior secured loan agreement. The Company is in compliance with the respective covenants at September 30, 2019. As of November 1, 2019, the AIG Loan may be prepaid in full, but not in part, provided that up to three properties securing the AIG Loan may be released with the applicable portion of the AIG Loan being repaid, subject to paying a premium equal to the greater of (a) 1% of the outstanding principal and (b) the present value of the note as defined in the AIG Loan.

Borrowings outstanding amounted to $117,688 and $117,263, net of $2,312 and $2,737 of unamortized debt issuance costs, at September 30, 2019 and December 31, 2018, respectively.

***Minnesota Life Loan***

On April 30, 2018, certain wholly-owned subsidiaries of the Operating Partnership entered into a secured loan agreement with Minnesota Life Insurance Company, or the Minnesota Life Loan, in the original principal amount of $21,500. The Minnesota Life Loan bears interest at 3.78% per annum and has a ten-year term, maturing on May 1, 2028. The Minnesota Life Loan provides for monthly payments of interest only for the first year of the term and thereafter monthly principal and interest payments based on a 30-year amortization period. The borrowings under the Minnesota Life Loan are secured by first lien mortgages on seven of the Company's properties.

The Minnesota Life Loan contains customary affirmative and negative covenants, including limitations with respect to indebtedness, liens, investments, distributions, mergers and acquisitions, dispositions of assets and transactions with affiliates. The Company is in compliance with the respective covenants at September 30, 2019.

Borrowings outstanding amounted to $21,041 and $21,133, net of $330 and $367 of unamortized debt issuance costs, at September 30, 2019 and December 31, 2018, respectively.

***Transamerica Loan***

On July 10, 2018, certain wholly-owned subsidiaries (the "Borrowers") of the Operating Partnership entered into a loan agreement with Transamerica Life Insurance Company (the "Transamerica Loan") providing for commercial mortgage loans to the Borrowers in the aggregate principal amount of $78,000. The Transamerica Loan matures on August 1, 2028 and bears interest at the fixed rate of 4.35% per annum. The promissory notes (the "Notes") evidencing the Transamerica Loan provided for the Borrowers to make monthly interest-only payments through August 2019 and thereafter equal monthly installments of principal plus accrued interest based on a 30-year amortization period. The Borrowers may repay the Transamerica Loan in whole or in part at any time, subject to paying a premium equal to the greater of (a) 1% of the prepayment amount and (b) the "Yield Protection Amount," as defined in the Notes.

The Transamerica Loan and the Notes contain customary events of default, including non-payment of principal or interest and bankruptcy. Any default under the Transamerica Loan or any Note will constitute a default under each of the other Notes. Each Borrower has guaranteed the payment obligations of all the other Borrowers under the Notes. The Borrowers are in compliance with all respective covenants at September 30, 2019.

Borrowings outstanding amounted to $73,455 and $73,609, net of $1,064 and $1,011 of unamortized debt issuance costs, at September 30, 2019 and December 31, 2018, respectively.

***Fisher Park Mortgage***

On October 15, 2018, a wholly-owned subsidiary of the Operating Partnership assumed a mortgage (the "Fisher Park Mortgage") with a balance of $13,907 as part of our acquisition of the property in greater Cincinnati. The Fisher Park Mortgage, held by JP Morgan Chase Bank, matures on January 1, 2027, bears interest at 5.229% and is secured by the property. The Fisher Park Mortgage requires monthly installments of principal plus accrued interest based on a 30-year amortization. As part of the allocation of the Fisher Park purchase price per ASC 805, the Company recorded a $92 discount on the assumed debt value.

The Fisher Park Mortgage contains certain financial covenants, customary events of default, including non-payment of principal or interest and bankruptcy, and certain trigger events to occur upon the Debt Service Coverage Ratio going below certain thresholds as defined within the loan agreement. The borrower is in compliance with all covenants at September 30, 2019.

Borrowings outstanding amounted to $13,634 and $13,783, net of $82 and $90 of unamortized fair market value discount, at September 30, 2019 and December 31, 2018, respectively.

***Allianz Loan***

On March 21, 2019, certain wholly-owned subsidiaries (the “Allianz Borrowers”) of the Operating Partnership entered into a loan agreement (the “Allianz Loan”) with Allianz Life Insurance Company of North America providing for commercial mortgage loans to the Allianz Borrowers in the aggregate principal amount of $63,115. The Allianz Loan matures on April 10, 2026 and bears interest at the fixed rate of 4.07% per annum. The promissory note (the “Allianz Note”) evidencing the Allianz Loan require the Allianz Borrowers to make monthly interest-only payments through April 2022 and thereafter the Allianz Note requires equal monthly installments of principal plus accrued interest based on a 30-year amortization period. The Allianz Borrowers may repay the Allianz Loan at any time, subject to paying a premium equal to the greater of (i) one percent (1%) of the amount of the principal indebtedness being prepaid and (ii) the difference between the present value of remaining payments up to maturity and the unpaid principal balance as defined within the Allianz Note.

The Allianz Loan contains customary events of default, including non-payment of principal or interest and bankruptcy and certain trigger events to occur upon the Debt Service Coverage Ratio going below certain thresholds as defined within the loan agreement. The borrowers are in compliance with all respective covenants at September 30, 2019.

Borrowings outstanding amounted to $62,110, net of $1,005 of unamortized debt issuance costs at September 30, 2019.

***South Park Mortgage***

On August 29, 2019, a wholly-owned subsidiary of the Operating Partnership assumed a mortgage (the “South Park Mortgage”) with a balance of $9,577 as part of our acquisition of the property in Memphis. The South Park Mortgage, held by Lincoln National, matures January 2022, bears interest at 3.41% and is secured by the property. The South Park Mortgage requires monthly installments of principal plus accrued interest based on a 30-year amortization. As part of the allocation of the South Park purchase price per ASC 805, the Company recorded a $65 premium on the assumed debt value.

The South Park Mortgage contains certain covenants, customary events of default, including non-payment of principal or interest and bankruptcy. The borrower is in compliance with all covenants at September 30, 2019.

Borrowings outstanding amounted to $9,622, inclusive of $62 of unamortized fair market value premium at September 30, 2019.

***Orange Point Mortgage***

On August 30, 2019, a wholly-owned subsidiary of the Operating Partnership assumed a mortgage (the “Orange Point Mortgage”) with a balance of $21,004 as part of our acquisition of the 6-property portfolio in Cincinnati and Columbus. The Orange Point Mortgage, held by Ohio National Life Insurance Company, matures August 2024, bears interest at 4.14% and is secured by the properties. The Orange Point Mortgage requires monthly installments of principal plus accrued interest based on a 25-year amortization. As part of the allocation of the Orange Point purchase price per ASC 805, the Company recorded a $960 premium on the assumed debt value.

The Orange Point Mortgage contains certain covenants, customary events of default, including non-payment of principal or interest and bankruptcy. The borrower is in compliance with all covenants at September 30, 2019.

Borrowings outstanding amounted to $21,898, inclusive of $944 of unamortized fair market value premium at September 30, 2019.

***Line of Credit Agreement***

On August 7, 2019 the Operating Partnership entered into an amended and restated credit agreement (the “New Credit Agreement”) with KeyBank National Association, or KeyBank, and the other lenders to increase our revolving credit facility to $100,000 with the ability to increase up to $200,000, subject to certain conditions. The New Credit Agreement extends the term of our initial line of credit agreement to August 2023 with two six-month extensions through August 2024. Borrowings under the New Credit Agreement bear interest at either (1) the base rate (determined from the highest of (a) KeyBank’s prime rate, (b) the federal funds rate plus 0.50% and (c) the one month LIBOR rate plus 1.0%) or (2) LIBOR, plus, in either case, a spread between 200 and 250 basis points depending on our total leverage ratio. At September 30, 2019 the interest rate was approximately 4.39%.

The New Credit Agreement contains customary affirmative and negative and financial covenants, including limitations with respect to indebtedness, liens, investments, distributions, mergers and transactions with affiliates as outlined in the New Credit Agreement. The Company is in compliance with the respective covenants at September 30, 2019. The New Credit Agreement is secured by certain assets of the Operating Partnership and certain of its subsidiaries and includes the Company guarantee for the payment of all indebtedness under the New Credit Agreement. Borrowings outstanding amounted to $0 and $28,550 at September 30, 2019 and December 31, 2018, respectively, offset by unamortized debt issuance costs of $363, at December 31, 2018. Borrowings available under the New Credit Agreement amounted to $74,632, net of a letter of credit totaling $93, at September 30, 2019.

**Stock Issuances**

***Universal Shelf S-3 Registration Statement***

The Company has approximately $348,641 available for issuance under its Registration Statement on Form S-3 filed on July 30, 2018 with the SEC. The registration statement allows the Company to offer debt or equity securities (or a combination thereof) from time to time.

During September 2019, the Company completed a follow-on public offering of 3,450,000 shares of common stock, including 450,000 shares of common stock issued upon exercise of the underwriters' overallotment option, resulting in net proceeds of approximately $58,756.

***ATM Program***

On August 24, 2018, the Company filed a prospectus supplement to its registration statement on Form S-3, which enabled the Company, at its discretion from time to time, to sell up to $50,000 worth of shares of its common stock by way of an "at-the-market" offering (the "ATM program"). For the three months ending September 30, 2019, the Company has sold 1,194,032 shares of its common stock under the ATM program for aggregate net proceeds of approximately $21,771. For the nine months ending September 30, 2019, the Company has sold 1,619,351 shares of its common stock under the ATM program for aggregate net proceeds of approximately $28,702. The Company has approximately $20,678 available for issuance under the ATM program.

**Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

**Inflation**

The majority of our leases are either triple net or provide for tenant reimbursement for costs related to real estate taxes and operating expenses. In addition, most of the leases provide for fixed rent increases. We believe that inflationary increases may be at least partially offset by the contractual rent increases and tenant payment of taxes and expenses described above. We do not believe that inflation has had a material impact on our historical financial position or results of operations.

## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK (amounts in thousands)

We are exposed to market risk from changes in interest rates. Interest rate exposure relates primarily to the effect of interest rate changes on borrowings outstanding under our Line of Credit Agreement, which bear interest at a variable rate.

At September 30, 2019, we had $0 of outstanding variable rate debt, which was subject to a weighted average interest rate of 4.41% during the three months ended September 30, 2019. Based on the variable rate borrowings outstanding during the three months ended September 30, 2019, we estimate that had the average interest rate on our weighted average borrowings increased by 100 basis points for the three months ended September 30, 2019, our interest expense for the quarter would have increased by approximately $40. This estimate assumes the interest rate of each borrowing is raised by 100 basis points. The impact on future interest expense as a result of future changes in interest rates will depend largely on the gross amount of our borrowings at that time.

**Interest Rate Risk (amounts in thousands)**

ASC 815, Derivatives and Hedging requires us to recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value and the changes in fair value must be reflected as income or expense. If the derivative is a hedge, depending on the nature of the hedge, changes in the fair value of derivatives are either offset against the change in fair value of the hedged assets, liabilities, or firm commitments through earnings or recognized in other comprehensive income, which is a component of stockholders' equity. The ineffective portion of a derivative's change in fair value is immediately recognized in earnings.

The Company uses an interest rate cap as a derivative instrument to manage interest rate risk and is recognized on the balance sheet at fair value. The interest rate cap is not designated as a hedging instrument and changes in fair value are marked to market through earnings. The input values used in the fair value measurement of the interest rate cap were obtained using quoted market prices for similar assets in markets that are not active and therefore are, classified as Level 2 under the fair value hierarchy. The fair value of the interest rate cap is estimated based on using interest rates that management believes reflect the risks associated with debt instruments of similar risk and duration. The fair value of the interest rate cap agreement was $0 at September 30, 2019. At September 30, 2019 the one-month LIBOR was 2.02%.

Related to this interest rate cap agreement, a 100 basis point increase above LIBOR of 4% will decrease our interest expense by approximately $798 per annum.

No assurance can be given that any future hedging activities by us will have the desired beneficial effect on our results of operations or financial condition.

## ITEM 4. CONTROLS AND PROCEDURES

***Evaluation of Disclosure Controls and Procedures***

Our management has evaluated, under supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of September 30, 2019. Based on the evaluation, our Chief Executive Officer and Chief Financial Officer concluded that for the period ending September 30, 2019, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and is accumulated and communicated to our management as appropriate to allow timely decisions regarding required disclosures.

***Changes in Internal Control over Financial Reporting***

There were no changes in our internal control over financial reporting or in other factors during the quarter ended September 30, 2019, that have materially affected, or were reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

The nature of our business exposes our properties, us and our Operating Partnership to the risk of claims and litigation in the normal course of business. Other than routine litigation arising out of the ordinary course of business, we are not presently subject to any material litigation nor, to our knowledge, is any material litigation threatened against us.

### Item 1A. Risk Factors

Not applicable.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

### Item 3. Defaults Upon Senior Securities

None.

### Item 4. Mine Safety Disclosures

None.

### Item 5. Other Information

None.

**Item 6. Exhibits**

| | |
|---|---|
| 10.1 | Amended and Restated Credit Agreement, dated as of August 7, 2019, by and among Plymouth Industrial OP, LP, the Guarantors from time to time party thereto, KeyBank National Association and the other lenders party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 333-38106) filed on August 7, 2019) |
| 31.1 | Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002 |
| 32.2 | Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002 |
| 101.INS | XBRL Instance |
| 101.XSD | XBRL Schema |
| 101.CAL | XBRL Calculation |
| 101.DEF | XBRL Definition |
| 101.LAB | XBRL Label |
| 101.PRE | XBRL Presentation |

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on our behalf by the undersigned, hereunto duly authorized.

PLYMOUTH INDUSTRIAL REIT, INC.

By: /s/ Jeffrey E. Witherell
Jeffrey E. Witherell,
Chief Executive Officer and Chairman of the Board of Directors

By: /s/ Daniel C. Wright
Daniel Wright,
Chief Financial Officer

Dated: November 6, 2019

**Exhibit 31.1**

**Certification of Chief Executive Officer pursuant to**
**Section 302 of the Sarbanes-Oxley Act of 2002**

I, Jeffrey E. Witherell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Plymouth Industrial REIT, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have :

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2019

/s/ JEFFREY E. WITHERELL
Jeffrey E. Witherell
Chief Executive Officer and
Chairman of the Board of Directors

**Exhibit 31.2**

**Certification of Chief Financial Officer pursuant to**
**Section 302 of the Sarbanes-Oxley Act of 2002**

I, Daniel C. Wright, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Plymouth Industrial REIT, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have :

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 6, 2019

/s/ DANIEL C. WRIGHT
Daniel C. Wright
Chief Financial Officer

Exhibit 32.1

**Certification pursuant to 18 U.S.C. Section 1350,**
**as Adopted pursuant to Section 906 of the**
**Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Plymouth Industrial REIT, Inc. (the "Registrant") for the quarter ended September 30, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Jeffrey E. Witherell, Chairman of the Board, Chief Executive Officer and Director of the Registrant, hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge and belief:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: November 6, 2019

/s/ JEFFREY E. WITHERELL
Jeffrey E. Witherell
*Chief Executive Officer and*
*Chairman of the Board of Directors*

**Exhibit 32.2**

**Certification pursuant to 18 U.S.C. Section 1350,
as Adopted pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Plymouth Industrial REIT, Inc. (the "Registrant") for the quarter ended September 30, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Daniel Wright, the Chief Financial Officer of the Registrant, hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge and belief:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: November 6, 2019

/s/ DANIEL C. WRIGHT
Daniel C. Wright
*Chief Financial Officer*