

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 June 30, 2022

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**

(State or other jurisdiction of incorporation or organization)

**20 Custom House Street, 11th Floor, Boston, MA 02110**

(Address of principal executive offices)

**27-5466153**

(I.R.S. Employer Identification No.)

**(617) 340-3814**

(Registrant's telephone number)

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

<b><u>Title of Each Class</u></b>	<b><u>Trading Symbol</u></b>	<b><u>Name of Each Exchange on Which Registered</u></b>
Common Stock, par value \$0.01 per share	PLYM	New York Stock Exchange
7.50% Series A Cumulative Redeemable Preferred Stock, par value \$0.01 per share	PLYM-PrA	NYSE American

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

As of August 1, 2022, the Registrant had outstanding 40,127,561 shares of common stock.

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**Plymouth Industrial REIT, Inc.**  
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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

PLYMOUTH INDUSTRIAL REIT, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
UNAUDITED

(In thousands, except share and per share amounts)

	June 30, 2022	December 31, 2021
<b>Assets</b>		
Real estate properties	\$ 1,501,917	\$ 1,254,007
Less accumulated depreciation	(172,678)	(142,192)
Real estate properties, net	1,329,239	1,111,815
Cash	16,566	26,232
Cash held in escrow	13,055	11,893
Restricted cash	6,445	5,249
Deferred lease intangibles, net	82,771	75,864
Investment in unconsolidated joint venture	—	5,833
Interest rate swaps	15,928	—
Other assets	35,485	33,919
<b>Total assets</b>	<b>\$ 1,499,489</b>	<b>\$ 1,270,805</b>
<b>Liabilities, Preferred Stock and Equity</b>		
Liabilities:		
Secured debt, net	\$ 392,315	\$ 352,075
Unsecured debt, net	447,126	297,840
Borrowings under line of credit	40,500	38,000
Accounts payable, accrued expenses and other liabilities	70,841	66,880
Deferred lease intangibles, net	10,337	10,273
Financing lease liability	2,237	2,227
<b>Total liabilities</b>	<b>963,356</b>	<b>767,295</b>
Commitments and contingencies (Note 13)		
Preferred stock, par value \$0.01 per share, 100,000,000 shares authorized,		
Series A: 2,007,170 and 2,023,551 shares issued and outstanding at June 30, 2022 and December 31, 2021, respectively (aggregate liquidation preference of \$50,179 and \$50,589 at June 30, 2022 and December 31, 2021, respectively)	48,081	48,473
Series B: 2,205,882 and 4,411,764 shares issued and outstanding at June 30, 2022 and December 31, 2021, respectively (aggregate liquidation preference of \$50,765 and \$97,277 at June 30, 2022 and December 31, 2021, respectively)	48,717	94,437
Equity:		
Common stock, \$0.01 par value: 900,000,000 shares authorized; 40,133,311 and 36,110,659 shares issued and outstanding at June 30, 2022 and December 31, 2021, respectively	401	361
Additional paid in capital	604,013	532,666
Accumulated deficit	(186,101)	(177,258)
Accumulated other comprehensive income	15,720	—
<b>Total stockholders' equity</b>	<b>434,033</b>	<b>355,769</b>
Non-controlling interest	5,302	4,831
<b>Total equity</b>	<b>439,335</b>	<b>360,600</b>
<b>Total liabilities, preferred stock and equity</b>	<b>\$ 1,499,489</b>	<b>\$ 1,270,805</b>

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 June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Rental revenue	\$ 45,612	\$ 32,758	\$ 88,332	\$ 64,591
Management fee revenue and other income	2	97	88	180
<b>Total revenues</b>	<b>45,614</b>	<b>32,855</b>	<b>88,420</b>	<b>64,771</b>
<b>Operating expenses:</b>				
Property	13,799	10,940	27,874	22,366
Depreciation and amortization	24,208	16,902	46,899	32,679
General and administrative	4,146	3,309	7,698	6,318
<b>Total operating expenses</b>	<b>42,153</b>	<b>31,151</b>	<b>82,471</b>	<b>61,363</b>

<b>Other income (expense):</b>				
Interest expense	(7,925)	(4,825)	(14,320)	(9,583)
Earnings (loss) in investment of unconsolidated joint venture	—	(224)	(147)	(497)
Loss on extinguishment of debt	—	—	(2,176)	—
Gain on sale of real estate	—	—	—	590
Unrealized (appreciation) depreciation of warrants	—	(636)	1,760	(883)
<b>Total other income (expense)</b>	<b>(7,925)</b>	<b>(5,685)</b>	<b>(14,883)</b>	<b>(10,373)</b>
<b>Net loss</b>	<b>(4,464)</b>	<b>(3,981)</b>	<b>(8,934)</b>	<b>(6,965)</b>
Less: Net loss attributable to non-controlling interest	(55)	(71)	(115)	(136)
<b>Net loss attributable to Plymouth Industrial REIT, Inc.</b>	<b>(4,409)</b>	<b>(3,910)</b>	<b>(8,819)</b>	<b>(6,829)</b>
Less: Preferred stock dividends	1,320	1,652	3,019	3,304
Less: Series B preferred stock accretion to redemption value	750	1,807	2,250	3,614
Less: Loss on extinguishment of Series A Preferred Stock	24	—	24	—
Less: Amount allocated to participating securities	65	48	132	105
<b>Net loss attributable to common stockholders</b>	<b>\$ (6,568)</b>	<b>\$ (7,417)</b>	<b>\$ (14,244)</b>	<b>\$ (13,852)</b>
Net loss basic and diluted per share attributable to common stockholders	<b>\$ (0.17)</b>	<b>\$ (0.25)</b>	<b>\$ (0.38)</b>	<b>\$ (0.49)</b>
Weighted-average common shares outstanding basic and diluted	<u>39,106,576</u>	<u>29,348,561</u>	<u>37,675,032</u>	<u>28,282,565</u>

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

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**PLYMOUTH INDUSTRIAL REIT, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**UNAUDITED**

(In thousands, except share and per share amounts)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
	<b>Net loss</b>	\$ (4,464)	\$ (3,981)	\$ (8,934)
<b>Other comprehensive income:</b>				
Unrealized gain (loss) on interest rate swaps	5,860	—	15,928	—
Other comprehensive income	5,860	—	15,928	—
<b>Comprehensive income (loss)</b>	1,396	(3,981)	6,994	(6,965)
Less: Net loss attributable to non-controlling interest	(55)	(71)	(115)	(136)
Less: Other comprehensive income (loss) attributable to non-controlling interest	73	—	208	—
<b>Comprehensive income (loss) attributable to Plymouth Industrial REIT, Inc.</b>	<b>\$ 1,378</b>	<b>\$ (3,910)</b>	<b>\$ 6,901</b>	<b>\$ (6,829)</b>

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

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**PLYMOUTH INDUSTRIAL REIT, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN PREFERRED STOCK AND EQUITY**  
**UNAUDITED**

(In thousands, except share and per share amounts)

	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 Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Stockholders' Equity	Non- controlling Interest	Total Equity
	Shares	Amount	Shares	Amount	Shares	Amount						
	<b>Balance, January 1, 2022</b>	2,023,551	\$ 48,473	4,411,764	\$ 94,437	36,110,659						
Series B Preferred stock accretion to redemption value	—	—	—	1,500	—	—	(1,500)	—	—	(1,500)	—	(1,500)
Net proceeds from common stock	—	—	—	—	614,800	7	17,116	—	—	17,123	—	17,123
Stock based compensation	—	—	—	—	—	—	442	—	—	442	—	442
Restricted shares issued	—	—	—	—	120,160	—	—	—	—	—	—	—
Dividends and distributions	—	—	—	—	—	—	(9,835)	—	—	(9,835)	(108)	(9,943)
Reallocation of non-controlling interest	—	—	—	—	—	—	(122)	—	—	(122)	122	—
Other comprehensive income	—	—	—	—	—	—	—	9,933	9,933	9,933	135	10,068
Conversion of common stock warrants	—	—	—	—	139,940	2	3,756	—	—	3,758	—	3,758
Net loss	—	—	—	—	—	—	—	(4,410)	—	(4,410)	(60)	(4,470)
<b>Balance, March 31, 2022</b>	<b>2,023,551</b>	<b>\$ 48,473</b>	<b>4,411,764</b>	<b>\$ 95,937</b>	<b>36,985,559</b>	<b>\$ 370</b>	<b>\$ 542,523</b>	<b>\$ (181,668)</b>	<b>\$ 9,933</b>	<b>\$ 371,158</b>	<b>\$ 4,920</b>	<b>\$ 376,078</b>
Repurchase and extinguishment of Series A Preferred stock	(16,381)	(392)	—	—	—	—	—	(24)	—	(24)	—	(24)
Conversion of Series B Preferred stock	—	—	(2,205,882)	(47,970)	2,205,882	22	47,948	—	—	47,970	—	47,970
Series B Preferred stock accretion to redemption value	—	—	—	750	—	—	(750)	—	—	(750)	—	(750)
Net proceeds from common stock	—	—	—	—	927,900	9	24,375	—	—	24,384	—	24,384
Stock based compensation	—	—	—	—	—	—	538	—	—	538	—	538

Restricted shares issued	—	—	—	—	13,970	—	—	—	—	—	—	—
Dividends and distributions	—	—	—	—	—	—	(10,149)	—	—	(10,149)	(108)	(10,257)
Reallocation of non-controlling interest	—	—	—	—	—	—	(472)	—	—	(472)	472	—
Other comprehensive income	—	—	—	—	—	—	—	—	5,787	5,787	73	5,860
Net loss	—	—	—	—	—	—	—	(4,409)	—	(4,409)	(55)	(4,464)
<b>Balance, June 30, 2022</b>	<b>2,007,170</b>	<b>\$ 48,081</b>	<b>2,205,882</b>	<b>\$ 48,717</b>	<b>40,133,311</b>	<b>\$ 401</b>	<b>\$ 604,013</b>	<b>\$ (186,101)</b>	<b>\$ 15,720</b>	<b>\$ 434,033</b>	<b>\$ 5,302</b>	<b>\$ 439,335</b>

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**PLYMOUTH INDUSTRIAL REIT, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN PREFERRED STOCK AND EQUITY**  
**UNAUDITED**

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

	Preferred Stock Series A		Preferred Stock Series B		Common Stock, \$0.01 Par Value		Additional Paid in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Stockholders' Equity	Non-controlling Interest	Total Equity
	Shares	Amount	Shares	Amount	Shares	Amount						
<b>Balance January 1, 2021</b>	<b>2,023,999</b>	<b>\$ 48,485</b>	<b>4,411,764</b>	<b>\$ 87,209</b>	<b>25,344,161</b>	<b>\$ 253</b>	<b>\$ 360,752</b>	<b>\$ (162,250)</b>	<b>\$ —</b>	<b>\$ 198,755</b>	<b>\$ 4,767</b>	<b>\$ 203,522</b>
Repurchase and extinguishment of Series A Preferred stock	(448)	(12)	—	—	—	—	—	—	—	—	—	—
Series B Preferred stock accretion to redemption value	—	—	—	1,807	—	—	(1,807)	—	—	(1,807)	—	(1,807)
Net proceeds from common stock	—	—	—	—	2,883,794	30	42,480	—	—	42,510	—	42,510
Stock based compensation	—	—	—	—	—	—	418	—	—	418	—	418
Restricted shares issued	—	—	—	—	110,000	—	—	—	—	—	—	—
Dividends and distributions	—	—	—	—	—	—	(7,320)	—	—	(7,320)	(121)	(7,441)
Net loss	—	—	—	—	—	—	—	(2,919)	—	(2,919)	(65)	(2,984)
<b>Balance, March 31, 2021</b>	<b>2,023,551</b>	<b>\$ 48,473</b>	<b>4,411,764</b>	<b>\$ 89,016</b>	<b>28,337,955</b>	<b>\$ 283</b>	<b>\$ 394,523</b>	<b>\$ (165,169)</b>	<b>\$ —</b>	<b>\$ 229,637</b>	<b>\$ 4,581</b>	<b>\$ 234,218</b>
Series B Preferred stock accretion to redemption value	—	—	—	1,807	—	—	(1,807)	—	—	(1,807)	—	(1,807)
Net proceeds from common stock	—	—	—	—	2,646,854	26	48,558	—	—	48,584	—	48,584
Stock based compensation	—	—	—	—	—	—	461	—	—	461	—	461
Restricted shares issued	—	—	—	—	5,000	—	—	—	—	—	—	—
Redemption of partnership units	—	—	—	—	99,118	1	1,684	—	—	1,685	(1,685)	—
Reallocation of non-controlling interest	—	—	—	—	—	—	(1,078)	—	—	(1,078)	1,078	—
Dividends and distributions	—	—	—	—	—	—	(8,180)	—	—	(8,180)	(106)	(8,286)
Net loss	—	—	—	—	—	—	—	(3,910)	—	(3,910)	(71)	(3,981)
<b>Balance, June 30, 2021</b>	<b>2,023,551</b>	<b>\$ 48,473</b>	<b>4,411,764</b>	<b>\$ 90,823</b>	<b>31,088,927</b>	<b>\$ 310</b>	<b>\$ 434,161</b>	<b>\$ (169,079)</b>	<b>\$ —</b>	<b>\$ 265,392</b>	<b>\$ 3,797</b>	<b>\$ 269,189</b>

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

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**PLYMOUTH INDUSTRIAL REIT, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**UNAUDITED**

*(In thousands)*

	For the Six Months Ended	
	2022	2021
<b>Operating activities</b>		
Net loss	\$ (8,934)	\$ (6,965)
<b>Adjustments to reconcile net loss to net cash provided by operating activities:</b>		
Depreciation and amortization	46,899	32,679
Straight line rent adjustment	(1,726)	(1,760)
Intangible amortization in rental revenue, net	(2,091)	(1,109)
Loss on extinguishment of debt	2,176	—
Amortization of debt related costs	1,032	739
Unrealized appreciation (depreciation) of warrants	(1,760)	883
Stock based compensation	980	879
(Earnings) loss in investment of unconsolidated joint venture	147	497
Gain on sale of real estate	—	(590)
Changes in operating assets and liabilities:		
Other assets	1,146	706
Deferred leasing costs	(2,107)	(2,103)
Accounts payable, accrued expenses and other liabilities	(103)	2,761
<b>Net cash provided by operating activities</b>	<b>35,659</b>	<b>26,617</b>
<b>Investing activities</b>		
Acquisition of real estate properties	(180,275)	(76,023)
Real estate improvements	(17,464)	(7,718)
Proceeds from sale of real estate, net	222	2,204
<b>Net cash used in investing activities</b>	<b>(197,517)</b>	<b>(81,537)</b>
<b>Financing activities</b>		
Proceeds from issuance of common stock, net	41,507	91,094
Repayment of secured debt	(18,073)	(2,667)
Proceeds from issuance of unsecured debt	150,000	—
Proceeds from line of credit facility	161,000	42,000

Repayment of line of credit facility	(158,500)	(64,000)
Repurchase of Series A Preferred Stock	(416)	(12)
Debt issuance costs	(1,690)	—
Dividends and distributions paid	(19,278)	(14,235)
<b>Net cash provided by financing activities</b>	<b>154,550</b>	<b>52,180</b>
Net (decrease) increase in cash, cash held in escrow, and restricted cash	(7,308)	(2,740)
Cash, cash held in escrow, and restricted cash at beginning of period	43,374	32,054
Cash, cash held in escrow, and restricted cash at end of period	<u>\$ 36,066</u>	<u>\$ 29,314</u>

**Supplemental Cash Flow Disclosures:**

Cash paid for interest	<u>\$ 12,588</u>	<u>\$ 8,916</u>
Assumption of cash, cash held in escrow, and restricted cash upon consolidation of investment in joint venture	<u>\$ 2,895</u>	<u>\$ —</u>

**Supplemental Non-cash Financing and Investing Activities:**

Dividends declared included in dividends payable	<u>\$ 9,204</u>	<u>\$ 7,232</u>
Distribution payable to non-controlling interest holder	<u>\$ 108</u>	<u>\$ 106</u>
Series B accretion to redemption value	<u>\$ 2,250</u>	<u>\$ 3,614</u>
Real estate improvements included in accounts payable, accrued expenses and other liabilities	<u>\$ 6,373</u>	<u>\$ 1,960</u>
Deferred leasing costs included in accounts payable, accrued expenses and other liabilities	<u>\$ 1,809</u>	<u>\$ 248</u>
Conversion of common stock warrants	<u>\$ 3,758</u>	<u>\$ —</u>
Conversion of Series B Preferred Stock	<u>\$ 47,970</u>	<u>\$ —</u>
Consolidation of net book value of investment in joint venture	<u>\$ 5,686</u>	<u>\$ —</u>
Assumption of other assets upon consolidation of investment in joint venture	<u>\$ 638</u>	<u>\$ —</u>
Assumption of accounts payable, accrued expenses and other liabilities upon consolidation of investment in joint venture	<u>\$ 1,955</u>	<u>\$ —</u>
Assumption of secured debt upon consolidation of investment in joint venture	<u>\$ 56,000</u>	<u>\$ —</u>

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

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**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 June 30, 2022 and December 31, 2021, the Company owned a 98.8% and 98.7%, respectively, equity interest in the Operating Partnership.

The Company is a real estate investment trust focused on the acquisition, ownership and management of single and multi-tenant industrial properties, including distribution centers, warehouses, light industrial and small bay industrial properties, located in primary and secondary markets within the main industrial, distribution and logistics corridors of the United States. As of June 30, 2022, the Company, through its subsidiaries, owned 156 industrial properties comprising 206 buildings with an aggregate of approximately 33.6 million square feet, and our regional property management office building located in Columbus, Ohio totaling approximately 17,260 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, 2021 and 2020. 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. 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, 2021 and 2020 included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021 as filed with the United States Securities and Exchange Commission on February 23, 2022.

**Consolidation**

We consolidate all entities that are wholly owned and those in which we own less than 100% but control, as well as any variable interest entities (“VIEs”) in which we are the primary beneficiary. We evaluate our ability to control an entity and whether the entity is a variable interest entity and we are the primary beneficiary through consideration of the substantive terms of the arrangement to identify which enterprise has the power to direct the activities of a variable interest entity that most significantly impacts the entity's economic performance and the obligation to absorb losses of the entity or the right to receive benefits from the entity. Investments in entities in which we do not control but over which we have the ability to exercise significant influence over operating and financial policies are presented under the equity method. Investments in entities that we do not control and over which we do not exercise significant influence are carried at the lower of cost or fair value, as appropriate. Our ability to correctly assess our influence and/or control over an entity affects the presentation of these investments in our condensed consolidated financial statements.

Consolidated VIEs are those for which the Company is considered to be the primary beneficiary of a VIE. The primary beneficiary is the entity that has a controlling financial interest in the VIE, which is defined by the entity having both of the following characteristics: (1) the power to direct the activities that, when taken together, most significantly impact the VIE's performance and (2) the obligation to absorb losses or the right to receive the returns from the VIE that could potentially be significant to the VIE. The Company has determined that the Operating Partnership is a VIE and the Company is the primary beneficiary. The Company's only significant asset is its investment in the Operating Partnership, therefore, substantially all of the Company's assets and liabilities are the assets and liabilities of the Operating Partnership.

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**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.

**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 of real estate 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.

**Segments**

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

**Revenue Recognition**

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. In accordance to ASC 842, we assess the collectability of lease receivables (including future minimum rental payments) both at commencement and throughout the lease term. If our assessment of collectability changes during the lease term, any difference between the revenue that would have been received under the straight-line method and the lease payments that have been collected will be recognized as a current period adjustment to rental revenue. Rental revenue associated with leases where collectability has been deemed less than probable is recognized on a cash basis in accordance with ASC 842. Management fee revenue represents management fees earned from the unconsolidated joint venture. For the six months ended June 30, 2022, we recognized fees of \$82 related to asset management services we provided to the unconsolidated joint venture.

**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 June 30, 2022 and December 31, 2021. The Company maintains cash and restricted cash, which includes tenant security deposits and cash collateral for its borrowings discussed in Note 6, and cash held in escrow for real estate tax, insurance, tenant capital improvements and leasing commissions, in bank deposit accounts, which at times may exceed federally insured limits. As of June 30, 2022, the Company has not realized any losses in such cash accounts and believes it mitigates its risk of loss by depositing its cash and restricted cash in highly rated financial institutions.

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

	June 30, 2022	December 31, 2021
Cash	\$ 16,566	\$ 26,232
Cash held in escrow	13,055	11,893
Restricted cash	6,445	5,249
Cash, cash held in escrow, and restricted cash	<u>\$ 36,066</u>	<u>\$ 43,374</u>

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**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 3 inputs are applied in determining the fair value of our debt, interest rate swaps and warrants to purchase common stock, discussed in Notes 6, 7 and 8, respectively.

Financial instruments, including cash, restricted cash, cash held in escrow, accounts receivable, accounts payable, accrued expenses and other current liabilities, are considered Level 1 in fair value hierarchy. The amounts reported on the condensed consolidated balance sheets for these financial instruments approximate their fair value due to their relatively short maturities and prevailing interest rates. Derivative financial instruments are considered Level 2 in the fair value hierarchy as discussed in Note 7.

**Derivative Instruments and Hedging Activities**

We record all derivatives on the accompanying consolidated balance sheets at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether we have elected to designate a derivative in a hedging relationship and apply hedge accounting, and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. Hedge accounting generally provides for the matching of the

timing of gain or loss recognition on the hedging instrument with the recognition of the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk in a fair value hedge or the earnings effect of the hedged forecasted transactions in a cash flow hedge. We may enter into derivative contracts that are intended to economically hedge certain of its risks, even though hedge accounting does not apply, or we elect not to apply hedge accounting.

In accordance with fair value measurement guidance, we made an accounting policy election to measure the credit risk of our derivative financial instruments that are subject to master netting arrangements on a net basis by the counterparty portfolio. Credit risk is the risk of failure of the counterparty to perform under the terms of the contract. We minimize the credit risk in our derivative financial instruments by entering into transactions with various high-quality counterparties. Our exposure to credit risk at any point is generally limited to amounts recorded as assets on the accompanying condensed consolidated balance sheets.

#### **Debt Issuance Costs**

Debt issuance costs other than those associated with the revolving line of credit facility 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.

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Debt issuance costs amounted to \$10,680 and \$9,710 at June 30, 2022 and December 31, 2021, respectively, and related accumulated amortization amounted to \$,395 and \$4,689 at June 30, 2022 and December 31, 2021, respectively. At June 30, 2022 and December 31, 2021, the Company has classified net unamortized debt issuance costs of \$2,752 and \$2,405, respectively, related to borrowings under the line of credit to other assets in the condensed consolidated balance sheets.

#### **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.

#### **Earnings (Loss) per Share**

The Company follows the two-class method when computing net earnings (loss) per common share as the Company has issued shares that meet the definition of participating securities. The two-class method determines net earnings (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 common stock warrants are not included in the computation of diluted net loss per share as they are anti-dilutive for the periods presented.

#### **Investment in Unconsolidated Joint Venture**

Investment in unconsolidated joint venture represents a non-controlling equity interest in a joint venture we entered into during October 2020. The Company determined that the venture is not a VIE in accordance with the accounting standard for the consolidation of VIEs. As a result, the Company used the voting interest model under the accounting standard for consolidation in order to determine whether to consolidate the investment in unconsolidated joint venture. We have concluded that we have the ability to exercise significant influence; however, we do not have control or kick out rights and therefore the investment in the unconsolidated joint venture is accounted for under the equity method of accounting. Accordingly, we initially recorded our investment at cost, and subsequently adjust for equity in earnings or losses and cash contributions and distributions. Any difference between the carrying amount of these investments on the condensed consolidated balance sheets and the underlying equity in net assets will be amortized as an adjustment to equity in earnings (loss) in investment of unconsolidated joint venture over the life of the related asset. Our net equity investment in the joint venture is reflected within the condensed consolidated balance sheets, and our share of net income or loss from the joint venture is included within the condensed consolidated statements of operations.

On March 11, 2022, the Company acquired full ownership of the unconsolidated joint venture as discussed in Note 4.

#### **Accounting Pronouncements**

In March 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2020-04 Reference Rate Reform (Topic 848). ASU 2020-04 contains practical expedients for reference rate reform-related activities that impact debt, leases, derivatives, and other contracts. The guidance in ASU 2020-04 was effective upon issuance on a prospective basis beginning January 1, 2020, and may be elected over time as reference rate activities occur. During the second quarter of 2022, we elected to apply the hedge accounting expedients related to probability and the assessments of effectiveness for future London Inter-bank Offered Rate ("LIBOR") indexed cash flows to assume that the index upon which future hedged transactions will be based matches the index on the corresponding instrument. To date, the adoption of ASU 2020-04 has not had a material impact on our condensed consolidated financial statements.

In March 2021, the Financial Conduct Authority formally announced that the publication of LIBOR was ending and confirmed that U.S. dollar LIBOR-indexed rates would cease to be published after June 30, 2023. For derivative financial instruments that are currently indexed to U.S. dollar London Inter-bank Offered ("LIBOR") as of June 30, 2022, we anticipate future modifications to these derivative financial instruments will not have a material impact on our condensed consolidated financial statements.

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### **3. Real Estate Properties**

Real estate properties consisted of the following at June 30, 2022 and December 31, 2021:

	June 30, 2022	December 31, 2021
Land	\$ 229,631	\$ 201,164
Buildings and improvements	1,112,522	930,678
Site improvements	129,510	108,756
Construction in progress	30,254	13,409
	<u>1,501,917</u>	<u>1,254,007</u>
Less: accumulated depreciation	(172,678)	(142,192)
Real estate properties, net	<u>\$ 1,329,239</u>	<u>\$ 1,111,815</u>

Depreciation expense was \$16,093 and \$10,760 for the three months ended June 30, 2022 and 2021, respectively, and \$30,486 and \$20,902 for the six months ended June

30, 2022 and 2021, respectively.

#### Acquisition of Properties

The Company made the following acquisitions of properties during the six months ended June 30, 2022:

Location	Date Acquired	Square Feet	Properties	Purchase Price (in thousands) <sup>(1)</sup>
Atlanta, GA	January 20, 2022	150,000	1	\$ 9,750
Jacksonville, FL	February 7, 2022	85,920	1	12,300
Cincinnati, OH; Columbus, OH; Indianapolis, IN	February 24, 2022	678,745	3	43,250
Memphis, TN	March 11, 2022	2,320,773	16	106,508 <sup>(2)</sup>
Memphis, TN	March 11, 2022	67,557	1	8,150
Atlanta, GA	March 15, 2022	200,000	1	12,500
St. Louis, MO	April 6, 2022	76,485	1	8,450
Chicago, IL	April 14, 2022	78,743	1	7,300
Cincinnati, OH; Cleveland, OH	May 18, 2022	153,903	2	12,700
Charlotte, NC	May 19, 2022	155,220	1	20,400
<b>Total</b>		<b>3,967,346</b>	<b>28</b>	<b>\$ 241,308</b>

(1) Purchase price does not include capitalized acquisition costs.

(2) The purchase price of \$ 106,508 included the assumption of \$ 56,000 of existing debt secured by the properties and the consolidation of the net book value of investment in joint venture of \$ 5,686. In addition, we consolidated financial assets of approximately \$ 3,533, comprised of cash, cash held in escrow and other assets, and, liabilities of approximately \$ 1,955 comprised of accounts payable, accrued expenses and other current liabilities.

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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:

	Six Months Ended June 30, 2022	
	Purchase Price	Weighted Average Amortization Period (years) of Intangibles at Acquisition
<b>Purchase price allocation</b>		
Total Purchase Price		
Purchase price	\$ 241,308	N/A
Acquisition costs	1,970	N/A
<b>Total</b>	<b>\$ 243,278</b>	
<b>Allocation of Purchase Price</b>		
Land	\$ 28,689	N/A
Building	176,230	N/A
Site improvements	20,753	N/A
<b>Total real estate properties</b>	<b>225,672</b>	
<b>Deferred Lease Intangibles</b>		
Tenant relationships	3,082	3.7
Leasing commissions	2,391	4.0
Above market lease value	732	4.3
Below market lease value	(2,520)	7.4
Lease in place value	13,654	3.6
<b>Net deferred lease intangibles</b>	<b>17,339</b>	
Assumed debt – market value		
(Above)/below assumed market debt value	267	5.8
<b>Totals</b>	<b>\$ 243,278</b>	

All acquisitions completed during the six months ended June 30, 2022 were considered asset acquisitions under ASC 805.

#### 4. Investment in Unconsolidated Joint Venture

On October 23, 2020, a wholly owned subsidiary of the Operating Partnership entered into a \$50,000 equity joint venture agreement (the "MIR JV") with an unrelated third-party partner (the "MIR JV Partner"). The purpose of the MIR JV agreement is to acquire value-add/opportunistic industrial properties that meet certain criteria as outlined within the MIR JV agreement. The Operating Partnership owns a 20% interest in the MIR JV. The Operating Partnership is responsible for the day-to-day oversight of the MIR JV, its subsidiaries and properties and is entitled to an annual asset management fee equal to 1% of total equity contributed to the MIR JV by the partners paid quarterly as well as a promote based on return thresholds as set forth in the MIR JV agreement. The MIR JV completed its initial investment of a 28-building portfolio of industrial buildings totaling approximately 2.3 million square feet in metropolitan Memphis, Tennessee on December 17, 2020 for \$86,000. The initial investment was funded by the MIR JV via \$30,000 cash equity contributions to the MIR JV on a 20%/80% pro-rata basis and a 7-year secured mortgage for \$56,000.

On March 11, 2022, the Company acquired the remaining 80% interest in the MIR JV from the MIR JV Partner for \$46,401, as well as the assumption of the \$56,000 secured mortgage. Upon the completion of the acquisition of the MIR JV Partner's interest, the Company fully consolidated the former MIR JV assets and liabilities into its condensed consolidated financial statements. Assets consolidated included the 28-building portfolio of industrial buildings and financial assets of approximately \$3,533, comprised of cash, cash held in escrow, other assets and the net book value of our 20% investment in the former MIR JV of \$5,686. Liabilities consolidated included the 7-year secured mortgage of \$56,000 and approximately \$1,955 accounts payable, accrued expenses and other current liabilities.



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**5. 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 is recognized in rental revenue in the condensed consolidated statements of operations. Some of our tenants' leases are subject to changes in the Consumer Price Index ("CPI").

The Company includes accounts receivable and straight-line rent receivables within other assets in the condensed consolidated balance sheets. For the six months ended June 30, 2022 and 2021, 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:

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	2022	2021	2022	2021
Income from leases	\$ 33,362	\$ 23,865	\$ 63,946	\$ 47,312
Straight-line rent adjustments	904	1,146	1,726	1,760
Tenant recoveries	10,801	7,131	20,569	14,410
Amortization of above market leases	(198)	(288)	(364)	(587)
Amortization of below market leases	743	904	2,455	1,696
Total	<u>\$ 45,612</u>	<u>\$ 32,758</u>	<u>\$ 88,332</u>	<u>\$ 64,591</u>

Tenant recoveries included within rental revenue for the six months ended June 30, 2022 and 2021 are variable in nature.

*As a Lessee*

Operating Leases

As of June 30, 2022, we have five office space operating leases and a single ground operating sublease. The office lease agreements do not contain residual value guarantees or an option to renew. The ground sublease agreement does not contain residual value guarantees and includes multiple options to extend the sublease between nineteen and twenty years for each respective option. The operating leases have remaining lease terms ranging from 1.9 years to 33.5 years, which includes the exercise of a single twenty-year renewal option pertaining to the ground sublease. As of June 30, 2022, total operating right of use assets and lease liabilities were approximately \$6,130 and \$7,345, respectively. The operating lease liability as of June 30, 2022 represents a weighted-average incremental borrowing rate of 4.1% over the weighted-average remaining lease term of 8.9 years. The incremental borrowing rate is our estimated borrowing rate on a fully-collateralized basis for the term of the respective leases.

The following table summarizes the operating lease expense recognized during the three and six months ended June 30, 2022 and 2021 included in the Company's condensed consolidated statements of operations.

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	2022	2021	2022	2021
Operating lease expense included in general and administrative expense attributable to office leases	\$ 207	\$ 188	\$ 422	\$ 370
Operating lease expense included in property expense attributable to ground sublease	9	9	18	29
Non-cash adjustment due to straight-line rent adjustments	25	17	50	104
Cash paid for amounts included in the measurement of lease liabilities (operating cash flows)	<u>\$ 241</u>	<u>\$ 214</u>	<u>\$ 490</u>	<u>\$ 503</u>

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The following table summarizes the maturity analysis of our operating leases, which is discounted by our incremental borrowing rate to calculate the lease liability as included in accounts payable, accrued expenses and other liabilities in the Company's condensed consolidated balance sheets for the operating leases in which we are the lessee (in thousands):

July 1, 2022 – December 31, 2022	\$ 646
2023	1,311
2024	1,280
2025	894
2026	801
Thereafter	4,311
Total minimum operating lease payments	\$ 9,243
Less imputed interest	(1,898)
Total operating lease liability	<u>\$ 7,345</u>

Financing Leases

As of June 30, 2022, we have a single finance lease in which we are the sublessee for a ground lease. The Company includes the financing lease right of use asset within real estate properties and the corresponding liability within financing lease liability in the condensed consolidated balance sheets. The ground sublease agreement does not contain a residual value guarantee and includes multiple options to extend the sublease between nineteen and twenty years for each respective option. The lease has a remaining lease term of approximately 33.5 years, which includes the exercise of a single twenty-year renewal option. The financing lease liability as of June 30, 2022 represents a weighted-average incremental borrowing rate of 7.8% over the weighted-average remaining lease term of 33.5 years. The incremental borrowing rate is our estimated borrowing rate on a fully-collateralized basis for the term of the respective lease.

The following table summarizes the financing lease expense recognized during the three and six months ended June 30, 2022 and 2021 included in the Company's

condensed consolidated statements of operations.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Depreciation/amortization of financing lease right-of-use assets	\$ 7	\$ 6	\$ 14	\$ 13
Interest expense for financing lease liability	44	43	88	87
Total financing lease cost	\$ 51	\$ 49	\$ 102	\$ 100

The following table summarizes the maturity analysis of our financing lease (in thousands):

July 1, 2022 – December 31, 2022	\$ 77
2023	155
2024	155
2025	170
2026	170
Thereafter	6,537
Total minimum financing lease payments	\$ 7,264
Less imputed interest	(5,027)
Total financing lease liability	\$ 2,237

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**6. Indebtedness**

The following table sets forth a summary of the Company's borrowings outstanding under its respective secured debt, unsecured line of credit and unsecured debt as of June 30, 2022 and December 31, 2021.

Debt	Outstanding Balance at		Interest rate at June 30, 2022	Final Maturity Date
	June 30, 2022	December 31, 2021		
<b>Secured debt:</b>				
AIG Loan	\$ 113,131	\$ 114,477	4.08%	November 1, 2023
Transamerica Loan	68,061	68,709	4.35%	August 1, 2028
Allianz Loan	62,935	63,115	4.07%	April 10, 2026
Minnesota Life Loan	20,238	20,453	3.78%	May 1, 2028
Minnesota Life Memphis Industrial Loan <sup>(1)</sup>	56,000	—	3.15%	January 1, 2028
JPMorgan Chase Loan <sup>(2)</sup>	—	13,205	5.23%	January 1, 2027
Ohio National Life Mortgage	19,356	19,660	4.14%	August 1, 2024
Nationwide Loan	15,000	15,000	2.97%	October 1, 2027
Lincoln Life Gateway Mortgage	28,800	28,800	3.43%	January 1, 2028
Midland National Life Insurance Mortgage	10,820	10,820	3.50%	March 10, 2028
Total secured debt	\$ 394,341	\$ 354,239		
Unamortized debt issuance costs, net	(2,410)	(2,861)		
Unamortized premium/(discount), net	384	697		
<b>Total secured debt, net</b>	<b>\$ 392,315</b>	<b>\$ 352,075</b>		
<b>Unsecured debt:</b>				
\$100m KeyBank Term Loan <sup>(3)</sup>	100,000	100,000	2.80% <sup>(4)</sup>	August 11, 2026
\$200m KeyBank Term Loan <sup>(3)</sup>	200,000	200,000	2.80% <sup>(4)</sup>	February 11, 2027
\$150m KeyBank Term Loan <sup>(3)</sup>	150,000	—	2.80% <sup>(4)</sup>	May 2, 2027
Total unsecured debt	\$ 450,000	\$ 300,000		
Unamortized debt issuance costs, net	(2,874)	(2,160)		
<b>Total unsecured debt, net</b>	<b>\$ 447,126</b>	<b>\$ 297,840</b>		
<b>Borrowings under line of credit:</b>				
KeyBank unsecured line of credit <sup>(3)</sup>	40,500	38,000	3.01% <sup>(4)</sup>	August 11, 2025
<b>Total borrowings under line of credit</b>	<b>\$ 40,500</b>	<b>\$ 38,000</b>		

(1) On March 11, 2022, a wholly-owned subsidiary of the Operating Partnership assumed a mortgage (the "Minnesota Life Memphis Industrial Loan") with a balance of \$56,000 in conjunction with our acquisition of all outstanding interests in the entity owning the portfolio in Memphis, Tennessee. The Minnesota Life Memphis Industrial Loan, held by Minnesota Life Insurance Company, matures on January 1, 2028, bears interest at 3.15% and is secured by the property. The Minnesota Life Memphis Industrial Loan requires monthly installments of interest only through January 1, 2023, and afterwards, monthly installments of principal plus accrued interest through January 1, 2028, at which time a balloon payment is required. The Company has the right to prepay the borrowings outstanding, subject to a prepayment penalty in effect until the loan approaches maturity.

(2) On February 1, 2022, the Company repaid in full, the outstanding principal and interest balance of approximately \$13,245 on the JPMorgan Chase Loan. The Company recognized a \$2,176 loss on extinguishment of debt resulting from prepayment penalty and fees incurred as a result of the repayment.

(3) On May 2, 2022, the Company entered into an amendment to the KeyBank unsecured facility. The credit facility agreement, as amended, expanded the availability on the KeyBank unsecured line of credit up to \$350 million and entered into a new \$150 million unsecured term loan (the "\$150m KeyBank Term Loan"), with an accordion feature that allows the total borrowing capacity under the credit facility to be increased to \$1 billion, subject to certain conditions. The \$150m KeyBank Term Loan matures in May 2027. The maturity date for the KeyBank unsecured line of credit remains unchanged. The amendment also provided for the transition of the reference rate for the KeyBank unsecured line of credit and the \$100m, \$200m, and \$150m KeyBank Term Loans from 1-month LIBOR to the Secured Overnight Financing Rate ("SOFR"). Borrowings under the credit agreement, as amended, bear interest at either (1) the base rate (determined as the highest of (a) KeyBank's prime rate, (b) the Federal Funds rate plus 0.50% and (c) the Adjusted Term SOFR for a one month tenor plus 1.0% or (2) SOFR, plus, in either case, a spread (A) between 35 and 90 basis points for revolver base rate loans or between 135 and 190 basis points for revolver SOFR rate loans and (B) between 30 and 85 basis points for term base rate loans or between 130 and 185 basis points for term SOFR rate loans, with the amount of the spread depending on the Borrower's total leverage ratio.

(4) As of June 30, 2022, the one-month term SOFR for our unsecured debt and borrowings under line of credit was 1.15% and 1.31%, respectively. The spread over the applicable rate for the \$100m, \$150m, and \$200m KeyBank Term Loans and KeyBank unsecured line of credit is based on the Company's total leverage ratio plus the 0.1% SOFR index adjustment.

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**Financial Covenant Considerations**

The Company is in compliance with all respective financial covenants for our secured and unsecured debt and unsecured line of credit as of June 30, 2022.

**Fair Value of Debt**

The fair value of our debt and borrowings under line of credit was estimated using Level 3 inputs by calculating the present value of principal and interest payments, using discount rates that best reflect current market interest rates for financings with similar characteristics and credit quality, and assuming each loan is outstanding through its maturity.

The following table summarizes the aggregate principal outstanding under the Company's indebtedness and the corresponding estimate of fair value as of June 30, 2022 and December 31, 2021:

Indebtedness (in thousands)	June 30, 2022		December 31, 2021	
	Principal Outstanding	Fair Value	Principal Outstanding	Fair Value
Secured debt	\$ 394,341	\$ 390,324	\$ 354,239	\$ 369,459
Unsecured debt	450,000	450,000	300,000	300,000
Borrowings under line of credit, net	40,500	40,500	38,000	38,000
<b>Total</b>	<b>884,841</b>	<b>\$ 880,824</b>	<b>692,239</b>	<b>\$ 707,459</b>
Unamortized debt issuance cost, net	(5,284)		(5,021)	
Unamortized premium/(discount), net	384		697	
<b>Total carrying value</b>	<b>\$ 879,941</b>		<b>\$ 687,915</b>	

**7. Derivative Financial Instruments**

**Risk Management Objective of Using Derivatives**

The Company is exposed to certain risk arising from both its business operations and economic conditions. The Company principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. The Company manages economic risks, including interest rate, liquidity, and credit risk primarily by managing the amount, sources, and duration of its assets and liabilities and the use of derivative financial instruments. Specifically, the Company enters into derivative financial instruments to manage exposures that arise from business activities that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates. The Company's derivative financial instruments are used to manage differences in the amount, timing, and duration of the Company's known or expected cash receipts and its known or expected cash payments principally related to the Company's borrowings.

**Cash Flow Hedges of Interest Rate Risk**

The Company's objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish this objective, the Company primarily uses interest rate swaps as part of its interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. During 2022, such derivatives were used to hedge the variable cash flows associated with existing variable-rate debt. There were no such derivatives during 2021.

The following table sets forth a summary of our interest rate swaps as of June 30, 2022 and December 31, 2021.

Interest Rate Swap Counterparty	Trade Date	Effective Date	Maturity Date	LIBOR Interest Strike Rate <sup>(3)</sup>	Notional Value <sup>(1)</sup>		Fair Value <sup>(2)</sup>	
					June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Capital One, N.A.	January 28, 2022	February 1, 2022	February 11, 2027	1.609%	\$ 200,000	\$ —	\$ 10,900	\$ —
JPMorgan Chase Bank, N.A.	January 28, 2022	February 1, 2022	August 8, 2026	1.591%	\$ 100,000	\$ —	\$ 5,028	\$ —

(1) Represents the notional value of interest rate swaps effective as of June 30, 2022.

(2) As of June 30, 2022, all our interest rate swaps were in an asset position.

(3) Both interest rate swaps were transitioned to SOFR on July 13, 2022. See note 14 for additional disclosure.

**Plymouth Industrial REIT, Inc.**  
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*(all dollar amounts in thousands, except share and per share data)*

For derivatives designated and that qualify as cash flow hedges of interest rate risk, the gain or loss on the derivative is recorded in accumulated other comprehensive income ("AOCI") and subsequently reclassified into interest expense in the same period during which the hedged transaction affects earnings. Amounts reported in AOCI related to derivatives will be reclassified to interest expense as interest payments are made on the Company's variable-rate debt.

The following table sets forth the impact of our interest rate swaps on our condensed consolidated financial statements for the three and six months ended June 30, 2022 and 2021.

Interest Rate Swaps in Cash Flow Hedging Relationships:	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Amount of unrealized gain recognized in AOCI on derivatives	\$ 5,860	\$ —	\$ 15,928	\$ —
Total interest expense presented in the condensed consolidated statements of operations in which the effects of cash flow hedges are recorded	\$ 635	\$ —	\$ 1,339	\$ —

**Fair Value of Interest Rate Swaps**

The Company's valuation of the interest rate swaps is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs including interest rate curves.

The Company incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. In adjusting the fair value of its derivative contracts for the effect of nonperformance risk, the Company has considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts, and guarantees.

Although the Company has determined that the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with its derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by itself and its counterparties. However, as of June 30, 2022, the Company has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that the credit valuation adjustments are not significant to the overall valuation of its derivatives. As a result, the Company has determined that its derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy.

The following table summarizes the Company's interest rate swaps that are accounted for at fair value on a recurring basis as of June 30, 2022.

Balance Sheet Line Item	Fair Value as of June 30, 2022	Fair Value Measurements as of June 30, 2022 Using		
		Level 1	Level 2	Level 3
Interest rate swaps - Asset	\$ 15,928	\$ —	\$ 15,928	\$ —

There were no interest rate swaps outstanding as of December 31, 2021.

#### Non-designated Hedges

The Company does not use derivatives for trading or speculative purposes and currently does not have any derivatives that are not designated as hedges. Changes in the fair value of derivatives not designated in hedging relationships would be recorded directly in earnings.

#### Credit-risk-related Contingent Features

The Company has agreements with each of its derivative counterparties that contain a provision where if the Company either defaults or is capable of being declared in default on any of its indebtedness, then the Company could also be declared in default on its derivative obligations. Specifically, the Company could be declared in default on its derivative obligations if repayment of the underlying indebtedness is accelerated by the lender due to the Company's default on the indebtedness.

As of June 30, 2022, the Company does not have any derivatives in a net liability position. As of June 30, 2022, the Company has not posted any collateral related to these agreements. If the Company had breached any of these provisions at June 30, 2022, it could have been required to settle its obligations under the agreements at their termination value.

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

## 8. Common Stock

### ATM Program

On November 9, 2021, the Company entered into a distribution agreement with KeyBanc Capital Markets Inc., Robert W. Baird & Co. Incorporated, Barclays Capital Inc., Berenberg Capital Markets LLC, BMO Capital Markets Corp., Capital One Securities Inc., JMP Securities LLC, J.P. Morgan Securities, LLC, National Securities Corporation, Wedbush Securities Inc and Wells Fargo Securities, LLC pursuant to which the Company may issue and sell, from time to time, shares of its common stock, with aggregate gross sales proceeds of up to \$200,000 through an "at-the-market" equity offering program (the "2021 \$200 Million ATM Program").

For the six months ended June 30, 2022, the Company has issued 1,542,700 shares of its common stock under the 2021 \$200 Million ATM Program for aggregate net proceeds of approximately \$41,507. The Company has approximately \$112,313 available for issuance under the 2021 \$200 Million ATM Program.

### Common Stock Warrants

On March 23, 2022, the common stock warrants were exercised in full and converted on a cashless basis, resulting in 39,940 shares of common stock transferred to the holder of the warrants at a fair value of \$3,757. Prior to the full exercise of the common stock warrants, the Company had warrants outstanding to acquire 354,230 shares of the Company's common stock at an exercise price of \$16.24 per share. The warrants were accounted for as a liability within accounts payable, accrued expenses and other liabilities on the accompanying condensed consolidated balance sheet as they contained 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 was re-measured at each financial reporting period with any changes in fair value recognized as an unrealized appreciation/depreciation of warrants in the accompanying condensed consolidated statements of operations. The warrants were not included in the computation of diluted net loss per share during the six months ended June 30, 2022 and 2021.

A roll-forward of the warrants is as follows:

<b>Balance at January 1, 2022</b>	<b>\$ 5,517</b>
Unrealized appreciation (depreciation)	(1,760)
<b>Balance at March 23, 2022 (exercise date)</b>	<b>3,757</b>
Conversion of common stock warrants	(3,757)
<b>Balance at June 30, 2022</b>	<b>\$ —</b>

The warrants in the amount of \$5,517 at December 31, 2021 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 \$16.24, volatility of 17.5%, an expected annual dividend of \$0.84, a term of 0.45 years and an annual risk-free interest rate of 0.19%.

### Common Stock Dividends

The following table sets forth the common stock distributions that were declared during the six months ended June 30, 2022 and the year ended December 31, 2021.

	Cash Dividends	
	Declared per Share	Aggregate Amount
<b>2022</b>		
First quarter	\$ 0.2200	\$ 8,137
Second quarter	\$ 0.2200	\$ 8,829
<b>2021</b>		
First quarter	\$ 0.2000	\$ 5,668

Second quarter	\$	0.2100	\$	6,528
Third quarter	\$	0.2100	\$	7,197
Fourth quarter	\$	0.2100	\$	7,583

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**Plymouth Industrial REIT, Inc.**  
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**9. Preferred Stock**

**Series A Preferred Stock**

During the six months ended June 30, 2022, the Company repurchased and retired 16,381 shares of Series A Preferred Stock. The table below sets forth the Company's outstanding Series A Preferred Stock as of June 30, 2022.

Preferred Stock Issuance	Issuance Date	Number of Shares	Liquidation Value per Share	Dividend Rate
7.5% Series A Preferred Stock	10/25/2017	2,007,170	\$ 25.00	7.5%

The following table sets forth the 7.5% Series A preferred stock distributions that were declared during the six months ended June 30, 2022 and the year ended December 31, 2021.

	Cash Dividends Declared per Share	Aggregate Amount
<u>2022</u>		
First quarter	\$ 0.4688	\$ 949
Second quarter	\$ 0.4688	\$ 945
<u>2021</u>		
First quarter	\$ 0.4688	\$ 949
Second quarter	\$ 0.4688	\$ 949
Third quarter	\$ 0.4688	\$ 949
Fourth quarter	\$ 0.4688	\$ 949

**Series B Preferred Stock**

On April 29, 2022, 2,205,882 shares of the Company's Series B Convertible Redeemable Preferred Stock were converted to our common stock on a one-to-one basis. The table below sets forth the Company's outstanding Series B Convertible Redeemable Preferred Stock as of June 30, 2022.

Preferred Stock Issuance	Issuance Date	Number of Shares	Liquidation Value per Share	Current Dividend Rate
Series B Convertible Redeemable Preferred Stock	12/14/2018	2,205,882	\$ 23.01	4.00%

The following table sets forth the Series B preferred stock dividends for the six months ended June 30, 2022 and the year ended December 31, 2021.

	Cash Dividends Declared per Share	Aggregate Amount
<u>2022</u>		
First quarter	\$ 0.170000	\$ 750
Second quarter	\$ 0.170000	\$ 375
<u>2021</u>		
First quarter	\$ 0.159375	\$ 703
Second quarter	\$ 0.159375	\$ 703
Third quarter	\$ 0.159375	\$ 703
Fourth quarter	\$ 0.159375	\$ 703

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**Plymouth Industrial REIT, Inc.**  
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**10. Non-Controlling Interests**

**Operating Partnership Units**

In connection with prior acquisitions of real estate property, the Company, through its Operating Partnership, had issued Operating Partnership Units ("OP Units") to the former owners as part of the acquisition price. The holders of the OP Units are entitled to receive distributions concurrent with the dividends paid on our common stock. The holders of the OP Units can also convert their respective OP Units for the Company's common stock on a 1-to-1 basis. Upon conversion, the Company adjusts the carrying value of non-controlling interest to reflect its modified share of the book value of the Operating Partnership. Such adjustments are recorded to additional paid-in capital as a reallocation of non-controlling interest on the accompanying condensed consolidated statements of changes in preferred stock and equity. OP Units outstanding as of June 30, 2022 and December 31, 2021, were 490,299 and 490,299, respectively.

The following table sets forth the OP Unit distributions that were declared during the six months ended June 30, 2022 and the year ended December 31, 2021.

	Cash Distributions Declared per OP Unit	Aggregate Amount
<u>2022</u>		

First quarter	\$	0.2200	\$	108
Second quarter	\$	0.2200	\$	108
<b>2021</b>				
First quarter	\$	0.2000	\$	121
Second quarter	\$	0.2100	\$	106
Third quarter	\$	0.2100	\$	106
Fourth quarter	\$	0.2100	\$	103

The proportionate share of the loss attributed to the OP Units was \$55 and \$71 for the three months ended June 30, 2022 and 2021, respectively, and \$115 and \$136 for the six months ended June 30, 2022 and 2021, respectively.

#### 11. Incentive Award Plan

The following table is a summary of the total restricted shares granted, forfeited and vested for the six months ended June 30, 2022:

	<u>Shares</u>
<b>Unvested restricted stock at January 1, 2022</b>	227,356
Granted	137,130
Forfeited	(3,000)
Vested	(67,532)
<b>Unvested restricted stock at June 30, 2022</b>	<u>293,954</u>

The Company recorded equity-based compensation expense in the amount of \$980 and \$879 for the six months ended June 30, 2022 and 2021, 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 June 30, 2022 was approximately \$5,422 and is expected to be recognized over a weighted average period of approximately 3.1 years. The fair value of the 137,130 restricted shares granted during the six months ended June 30, 2022 was approximately \$3,636 with a weighted average fair value of \$26.52 per share.

**Plymouth Industrial REIT, Inc.**  
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*(all dollar amounts in thousands, except share and per share data)*

#### 12. Earnings per Share

##### *Net loss per Common Share*

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

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Numerator</b>				
Net loss	\$ (4,464)	\$ (3,981)	\$ (8,934)	\$ (6,965)
Less: Net loss attributable to non-controlling interest	(55)	(71)	(115)	(136)
Net loss attributable to Plymouth Industrial REIT, Inc.	(4,409)	(3,910)	(8,819)	(6,829)
Less: Preferred stock dividends	1,320	1,652	3,019	3,304
Less: Series B Preferred stock accretion to redemption value	750	1,807	2,250	3,614
Less: Loss on extinguishment of Series A Preferred stock	24	—	24	—
Less: Amount allocated to participating securities	65	48	132	105
Net loss attributable to common stockholders	<u>\$ (6,568)</u>	<u>\$ (7,417)</u>	<u>\$ (14,244)</u>	<u>\$ (13,852)</u>
<b>Denominator</b>				
Weighted-average common shares outstanding basic and diluted	39,106,576	29,348,561	37,675,032	28,282,565
Net loss per share attributable to common stockholders – basic and diluted	<u>\$ (0.17)</u>	<u>\$ (0.25)</u>	<u>\$ (0.38)</u>	<u>\$ (0.49)</u>

The Company uses the two-class method of computing earnings per common share in which participating securities are included within the basic earnings per share ("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 nonforfeitable 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 June 30, 2022 include the 293,954 shares of restricted common stock. The restricted common shares 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.

#### 13. Commitments and Contingencies

##### *Employment Agreements*

The Company has entered into employment agreements with the Company's Chief Executive Officer, President and Chief Investment Officer, Chief Financial Officer, and Executive Vice President Asset Management. As approved by the compensation committee of the Board of Directors the agreements provide for base salaries ranging from \$300 to \$550 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.

##### *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, the 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.

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#### 14. Subsequent Events

On July 7, 2022, the Company acquired a single-building, single-tenant industrial property, consisting of approximately 197,518 square feet, located in Cleveland, Ohio for an aggregate purchase price of \$16,500.

On July 13, 2022, the Company entered into an amendment to the \$100,000 notional interest rate swap agreement with JPMorgan Chase Bank, N.A. The amendment transitions the previous USD-LIBOR floating rate to USD-SOFR CME Term, adjusting the fixed rate to 1.504%. The amendment is effective July 1, 2022, and terminates August 8, 2026.

On July 13, 2022, the Company entered into an amendment to the \$200,000 notional interest rate swap agreement with Capital One, N.A. The amendment transitions the previous USD-LIBOR floating rate to USD-SOFR CME Term, adjusting the fixed rate to 1.5273%. The amendment is effective July 1, 2022, and terminates February 11, 2027.

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

### Cautionary Note Regarding Forward-Looking Statements

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. Additionally, unforeseen factors emerge from time to time, and we cannot predict which factors will arise or their ultimate impact on our business or the extent to which any such factor, or combination of factors, may cause actual results to differ materially from those contained in any 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 uncertainty and economic impact of pandemics, epidemics or other public health emergencies or fear of such events, such as the outbreak of COVID-19, including, without limited, its impact on the Company's ability to pay common stock dividends and/or the amount and frequency of the dividends;
- 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 for the periods ended June 30, 2022 and 2021 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, 2021 (the "2021 10-K") filed with the United States Securities and Exchange Commission (the "SEC") on February 23, 2022, including the audited historical financial statements and related notes thereto as of and for the years ended December 31, 2021 and 2020 contained therein, which is accessible on the SEC's website at [www.sec.gov](http://www.sec.gov).

### Overview

The Company is a real estate investment trust strategically focused on the acquisition, ownership and management of single and multi-tenant industrial properties, including distribution centers, warehouses, light industrial and small bay industrial properties, located in primary and secondary markets within the main industrial, distribution and logistics corridors of the United States. As of June 30, 2022, the Company, through its subsidiaries, owned 156 industrial properties comprising 206 buildings with an aggregate of approximately 33.6 million square feet, and our property management office building located in Columbus, Ohio, totaling approximately 17,260 square feet.

We are also evaluating diversifying our portfolio of real estate assets to include the origination or acquisition of mortgage, bridge or mezzanine loans, all of which would be collateralized by properties that meet investment criteria that are substantially the same as our real estate portfolio or that are complementary to our existing assets. The Company believes expanding its investment strategy to include these types of real estate-related assets will enable it to deploy its capital efficiently to continue to grow at times when acquisitions of industrial properties are limited due either to availability or cost.

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 industrial properties located in primary and secondary markets across the U.S, as well as select sub-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.

Our target markets are located in primary and secondary markets, as well as select sub-markets, because we believe these markets tend to have less occupancy and rental rate volatility and less buyer competition relative to gateway 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 continue pursuing 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 redevelopment 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 and Tenant Recoveries

We receive income primarily from rental revenue from our properties. The amount of rental revenue generated by the Company's 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 June 30, 2022, the Company's portfolio was approximately 97.3% 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 July 1, 2022 through to December 31, 2024, an aggregate of 36.0% of the annualized base rent leases in the Company's portfolio are scheduled to expire, which we believe will provide us an opportunity to adjust below market rates to reflect current market conditions.

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The table below reflects certain data about our new and renewed leases with terms of greater than six months executed in the six months ended June 30, 2022.

Period	Type	Square Footage	% of Total Square Footage	Expiring Rent	New Rent	% Change	Tenant Improvements \$/SF/YR	Lease Commissions \$/SF/YR
<b>Six Months Ended June 30, 2022</b>								
	Renewals	1,419,046	50.8%	\$ 4.70	\$ 5.17	10.0%	\$ 0.22	\$ 0.16
	New Leases	1,373,890	49.2%	\$ 3.70	\$ 4.88	31.9%	\$ 0.42	\$ 0.26
	Total/weighted average	2,792,936	100%	\$ 4.21	\$ 5.03	19.5%	\$ 0.32	\$ 0.21

### Conditions in Our Markets

The Company's portfolio is located in various primary and secondary markets within the main industrial distribution and logistics corridors of the United States. 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 repair and maintenance costs. For the majority of the Company's 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 June 30, 2022 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 GAAP. 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 six months ended June 30, 2022, we added an additional critical accounting policy to account for our interest rate swaps as follows:

### Derivative Instruments and Hedging Activities

We record all derivatives on the accompanying consolidated balance sheets at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether we have elected to designate a derivative in a hedging relationship and apply hedge accounting, and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the recognition of the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk in a fair value hedge or the earnings effect of the hedged forecasted transactions in a cash flow hedge. We may enter into derivative contracts that are intended to economically hedge certain of its risks, even though hedge accounting does not apply, or we elect not to apply hedge accounting.

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In accordance with fair value measurement guidance, we made an accounting policy election to measure the credit risk of our derivative financial instruments that are subject to master netting arrangements on a net basis by counterparty portfolio. Credit risk is the risk of failure of the counterparty to perform under the terms of the contract. We minimize the credit risk in our derivative financial instruments by entering into transactions with various high-quality counterparties. Our exposure to credit risk at any point is generally limited to amounts recorded as assets on the accompanying condensed consolidated balance sheets.



Our other 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 February 23, 2022 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:

- Investments in Real Estate
- Impairment of Long-lived assets
- Consolidation

Accordingly, we believe the policies set forth in our 2021 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, dispositions and other, and to highlight the operating results of our on-going business, we have separately presented the results of our Same Store Properties Portfolio and Acquisitions, Dispositions and Other.

For the three and six months ended June 30, 2022 and 2021, 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 and Other as any properties that were acquired, sold or held for development or repurposing during the period from January 1, 2021 through June 30, 2022.

#### Three Months Ended June 30, 2022 Compared to June 30, 2021

The following table summarizes the results of operations for our Same Store Portfolio, our acquisitions, dispositions and other and total portfolio for the three months ended June 30, 2022 and 2021 (dollars in thousands):

	Same Store Portfolio				Acquisitions, Dispositions and Other				Total Portfolio			
	Three Months Ended		Change		Three Months Ended		Change		Three Months Ended		Change	
	June 30,				June 30,				June 30,			
	2022	2021	\$	%	2022	2021	\$	%	2022	2021	\$	%
Revenue:												
Rental revenue	\$ 31,412	\$ 29,314	\$ 2,098	7.2%	\$ 14,200	\$ 3,444	\$ 10,756	312.3%	\$ 45,612	\$ 32,758	\$ 12,854	39.2%
Management fee revenue and other income	—	—	—	—	2	97	(95)	(97.9%)	2	97	(95)	(97.9%)
<i>Total revenues</i>	<u>31,412</u>	<u>29,314</u>	<u>2,098</u>	<u>7.2%</u>	<u>14,202</u>	<u>3,541</u>	<u>10,661</u>	<u>301.1%</u>	<u>45,614</u>	<u>32,855</u>	<u>12,759</u>	<u>38.8%</u>
Property expenses	9,777	9,690	87	0.9%	4,022	1,250	2,772	221.7%	13,799	10,940	2,859	26.1%
Depreciation and amortization									24,208	16,902	7,306	43.2%
General and administrative									4,146	3,309	837	25.2%
<i>Total operating expenses</i>									<u>42,153</u>	<u>31,151</u>	<u>11,002</u>	<u>35.3%</u>
Other income (expense):												
Interest expense									(7,925)	(4,825)	(3,100)	64.2%
Earnings (loss) in investment of unconsolidated joint venture									—	(224)	224	(100%)
Unrealized (appreciation) depreciation of warrants									—	(636)	636	(100%)
<i>Total other income (expense)</i>									<u>(7,925)</u>	<u>(5,685)</u>	<u>(2,240)</u>	<u>39.4%</u>
Net loss									<u>\$ (4,464)</u>	<u>\$ (3,981)</u>	<u>\$ (483)</u>	<u>12.1%</u>

*Rental revenue:* Rental revenue increased by \$12,854 to \$45,612 for the three months ended June 30, 2022 as compared to \$32,758 for the three months ended June 30, 2021. This was primarily related to a net increase of \$10,756 within acquisitions, dispositions and other primarily due to an increase in rental revenue from acquisitions, an increase of \$2,098 from same store properties primarily from an increase in rent income of \$1,410 due to scheduled rent steps, leasing activities, an increase of \$1,676 in tenant reimbursements, partially offset by a decrease in non-cash rent adjustments of \$1,014 for the three months ended June 30, 2022.

*Management fee revenue and other income:* Management fee revenue and other income represents management fee income earned from the unconsolidated joint venture and other miscellaneous income. As a result of the acquisition and consolidation of the remaining 80% interest of the former MIR JV from the MIR JV Partner on March 11, 2022, the Company will no longer earn management fee revenue related to the former MIR JV.

*Property expenses:* Property expenses increased \$2,859 for the three months ended June 30, 2022 to \$13,799 as compared to \$10,940 for the three months ended June 30, 2021. This was primarily due to a net increase of \$2,772 within acquisitions, dispositions and other due to property expenses related to acquisitions. Property expenses for the same store properties increased approximately \$87 driven by an increase in real estate taxes and operating expenses.

*Depreciation and amortization:* Depreciation and amortization expense increased by \$7,306 to \$24,208 for the three months ended June 30, 2022 as compared to \$16,902 for the three months ended June 30, 2021, primarily due to a net increase of \$8,808 within acquisitions, dispositions and other, partially offset by a decrease of \$1,502 for the same store properties.

*General and administrative:* General and administrative expenses increased approximately \$837 to \$4,146 for the three months ended June 30, 2022 as compared to \$3,309 for the three months ended June 30, 2021. The increase is attributable primarily to increased compensation expense of \$181 due to increased head count, an increase in non-cash stock compensation of \$77 and an increase in professional fees of \$325.

*Interest expense:* Interest expense increased by approximately \$3,100 to \$7,925 for the three months ended June 30, 2022, as compared to \$4,825 for the three months ended June 30, 2021. The increase is primarily due to additional borrowings associated with our acquisition activity during the three months ended June 30, 2022 compared to the three months ended June 30, 2021. The schedule below is a comparative analysis of the components of interest expense for the three months June 30, 2022 and 2021.

	Three Months Ended June 30,	
	2022	2021
Changes in accrued interest	\$ 262	\$ (29)
Amortization of debt related costs	527	370
Total change in accrued interest and amortization of debt related costs	789	341
Cash interest paid	7,278	4,484
Capitalized interest	(142)	—
Total interest expense	<u>\$ 7,925</u>	<u>\$ 4,825</u>

*Earnings (loss) in investment of unconsolidated joint venture:* Earnings (loss) in investment of unconsolidated joint venture represents the Company’s pro-rata share of the

net loss recognized by the former MIR JV, which was consolidated into the Company's condensed consolidated financial statements following the Company's acquisition of the remaining 80% interest in the MIR JV from the MIR JV Partner on March 11, 2022.

*Unrealized (appreciation) depreciation of warrants:* Unrealized (appreciation) depreciation of warrants represents the change in the fair market value of our common stock warrants. For the three months ended June 30, 2021, the Company recorded an unrealized appreciation of warrants of \$636. During Q1 2022, all common stock warrants were fully exercised on a cash-less basis and no warrants remained outstanding as of June 30, 2022.

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### Six Months Ended June 30, 2022 Compared to June 30, 2021

The following table summarizes the results of operations for our Same Store Portfolio, our acquisitions, dispositions and other and total portfolio for the six months ended June 30, 2022 and 2021 (dollars in thousands):

	Same Store Portfolio				Acquisitions, Dispositions and Other				Total Portfolio			
	Six Months Ended June 30,		Change		Six Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2022	2021	\$	%	2022	2021	\$	%	2022	2021	\$	%
<b>Revenue:</b>												
Rental revenue	\$ 62,544	\$ 58,784	\$ 3,760	6.4%	\$ 25,788	\$ 5,807	\$ 19,981	344.1%	\$ 88,332	\$ 64,591	\$ 23,741	36.8%
Management fee revenue and other income	—	—	—	—	88	180	(92)	(51.1%)	88	180	(92)	(51.1%)
<i>Total revenues</i>	<u>62,544</u>	<u>58,784</u>	<u>3,760</u>	<u>6.4%</u>	<u>25,876</u>	<u>5,987</u>	<u>19,889</u>	<u>332.2%</u>	<u>88,420</u>	<u>64,771</u>	<u>23,649</u>	<u>36.5%</u>
<b>Property expenses</b>												
Property expenses	20,598	19,867	731	3.7%	7,276	2,499	4,777	191.2%	27,874	22,366	5,508	24.6%
Depreciation and amortization									46,899	32,679	14,220	43.5%
General and administrative									7,698	6,318	1,380	21.8%
<i>Total operating expenses</i>									<u>82,471</u>	<u>61,363</u>	<u>21,108</u>	<u>34.4%</u>
<b>Other income (expense):</b>												
Interest expense									(14,320)	(9,583)	(4,737)	49.4%
Earnings (loss) in investment of unconsolidated joint venture									(147)	(497)	350	(70.4%)
Loss on extinguishment of debt									(2,176)	—	(2,176)	—
Gain on sale of real estate									—	590	(590)	(100%)
Unrealized (appreciation) depreciation of warrants									1,760	(883)	2,643	(299.3%)
<i>Total other income (expense)</i>									<u>(14,883)</u>	<u>(10,373)</u>	<u>(4,510)</u>	<u>43.5%</u>
<b>Net loss</b>									<u>\$ (8,934)</u>	<u>\$ (6,965)</u>	<u>\$ (1,969)</u>	<u>28.3%</u>

*Rental revenue:* Rental revenue increased by \$23,741 to \$88,332 for the six months ended June 30, 2022 as compared to \$64,591 for the six months ended June 30, 2021. This was primarily related to a net increase of \$19,981 within acquisitions, dispositions and other primarily due to an increase in rental revenue from acquisitions, an increase of \$3,760 from same store properties primarily from an increase in rent income of \$1,812 due to scheduled rent steps, leasing activities, an increase of \$2,856 in tenant reimbursements, partially offset by a decrease in non-cash rent adjustments of \$919 for the six months ended June 30, 2022.

*Management fee revenue and other income:* Management fee revenue and other income represents management fee income earned from the unconsolidated joint venture and other miscellaneous income. As a result of the acquisition and consolidation of the remaining 80% interest of the former MIR JV from the MIR JV Partner on March 11, 2022, the Company will no longer earn management fee revenue related to the former MIR JV.

*Property expenses:* Property expenses increased \$5,508 for the six months ended June 30, 2022 to \$27,874 as compared to \$22,366 for the six months ended June 30, 2021. This was primarily due to a net increase of \$4,777 within acquisitions, dispositions and other due to property expenses related to acquisitions. Property expenses for the same store properties increased approximately \$731 driven by an increase in real estate taxes and operating expenses.

*Depreciation and amortization:* Depreciation and amortization expense increased by \$14,220 to \$46,899 for the six months ended June 30, 2022 as compared to \$32,679 for the six months ended June 30, 2021, primarily due to a net increase of \$16,979 within acquisitions, dispositions and other, partially offset by a decrease of \$2,759 for the same store properties.

*General and administrative:* General and administrative expenses increased approximately \$1,380 to \$7,698 for the six months ended June 30, 2022 as compared to \$6,318 for the six months ended June 30, 2021. The increase is attributable primarily to increased compensation expense of \$551 due to increased head count, an increase in non-cash stock compensation of \$102 and an increase in professional fees of \$367.

*Interest expense:* Interest expense increased by approximately \$4,737 to \$14,320 for the six months ended June 30, 2022, as compared to \$9,583 for the six months ended June 30, 2021. The increase is primarily due to additional borrowings associated with our acquisition activity during the six months ended June 30, 2022 compared to the six months ended June 30, 2021. The schedule below is a comparative analysis of the components of interest expense for the six months June 30, 2022 and 2021.

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	Six Months Ended June 30,	
	2022	2021
Changes in accrued interest	\$ 906	\$ (72)
Amortization of debt related costs	1,032	739
Total change in accrued interest and amortization of debt related costs	1,938	667
Cash interest paid	12,588	8,916
Capitalized interest	(206)	—
<b>Total interest expense</b>	<u>\$ 14,320</u>	<u>\$ 9,583</u>

*Earnings (loss) in investment of unconsolidated joint venture:* Earnings (loss) in investment of unconsolidated joint venture represents the Company's pro-rata share of the net loss recognized by the former MIR JV, which was consolidated into the Company's condensed consolidated financial statements following the Company's acquisition of the remaining 80% interest in the MIR JV from the MIR JV Partner on March 11, 2022.

*Loss on extinguishment of debt:* Loss on extinguishment of debt of \$2,176 for the six months ended June 30, 2022, was due to the repayment of the JPMorgan Chase Loan.

*Gain on sale of real estate:* Gain on sale of real estate of \$590 represents the gain realized on the sale of real estate for the six months ended June 30, 2021. There was no gain/loss on sales of real estate during the six months ended June 30, 2022.

*Unrealized (appreciation) depreciation of warrants:* Unrealized (appreciation) depreciation of warrants represents the change in the fair market value of our common stock warrants. For the six months ended June 30, 2022 and 2021, the Company recorded an unrealized depreciation of warrants of \$1,760 and an unrealized appreciation of warrants

of \$833, respectively. During Q1 2022, all common stock warrants were fully exercised on a cash-less basis and no warrants remained outstanding as of June 30, 2022.

**Supplemental Earnings Measures (dollars in thousands)**

Investors in and industry analysts following the real estate industry utilize supplemental earnings measures such as net operating income (“NOI”), earnings before interest, taxes, depreciation and amortization for real estate (“EBITDA<sub>re</sub>”), funds from operations (“FFO”), core funds from operations (“Core FFO”) and adjusted funds from operations (“AFFO”) as supplemental operating performance measures of an equity REIT. Historical cost accounting for real estate assets in accordance with accounting principles generally accepted in the United States of America (“GAAP”) implicitly assumes that the value of real estate assets diminishes predictably over time through depreciation. Since real estate values instead have historically risen or fallen with market conditions, many industry analysts and investors prefer to supplement operating results that use historical cost accounting with measures such as NOI, EBITDA<sub>re</sub>, FFO, Core FFO and AFFO, among others. We provide information related to NOI, EBITDA<sub>re</sub>, FFO, Core FFO and AFFO both because such industry analysts are interested in such information, and because our management believes NOI, EBITDA<sub>re</sub>, FFO, Core FFO and AFFO are important performance measures. NOI, EBITDA<sub>re</sub>, FFO, Core FFO and AFFO are factors used by management in measuring our performance. Neither NOI, EBITDA<sub>re</sub>, FFO, Core FFO or AFFO should be considered as a substitute for net income, or any other measures derived in accordance with GAAP. Neither NOI, EBITDA<sub>re</sub>, FFO, Core FFO or AFFO represents cash generated from operating activities in accordance with GAAP and neither should be considered as an alternative to cash flow from operating activities as a measure of our liquidity, nor is either indicative of funds available for our cash needs, including our ability to make cash distributions.

**NOI**

We consider net operating income, or NOI, to be an appropriate supplemental measure to net income in that it helps both investors and management understand the core operations of our properties. We define NOI as total revenue (including rental revenue and tenant reimbursements) less property-level operating expenses. 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 June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
<b>NOI:</b>				
Net loss	\$ (4,464)	\$ (3,981)	\$ (8,934)	\$ (6,965)
General and administrative	4,146	3,309	7,698	6,318
Depreciation and amortization	24,208	16,902	46,899	32,679
Interest expense	7,925	4,825	14,320	9,583
(Earnings) loss in investment of unconsolidated joint venture	—	224	147	497
Loss on extinguishment of debt	—	—	2,176	—
Gain on sale of real estate	—	—	—	(590)
Unrealized appreciation (depreciation) of warrants	—	636	(1,760)	883
Management fee revenue and other income	(2)	(97)	(88)	(180)
<b>NOI</b>	<b>\$ 31,813</b>	<b>\$ 21,818</b>	<b>\$ 60,458</b>	<b>\$ 42,225</b>

**EBITDA<sub>re</sub>**

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<sub>re</sub> 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, unrealized appreciation/(depreciation) of warrants, loss on impairments, and loss on extinguishment of debt. We believe that EBITDA<sub>re</sub> is helpful to investors as a supplemental measure of our operating performance as a real estate company as 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<sub>re</sub> for the periods presented:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
<b>EBITDA<sub>re</sub>:</b>				
Net loss	\$ (4,464)	\$ (3,981)	\$ (8,934)	\$ (6,965)
Depreciation and amortization	24,208	16,902	46,899	32,679
Interest expense	7,925	4,825	14,320	9,583
Loss on extinguishment of debt	—	—	2,176	—
Gain on sale of real estate	—	—	—	(590)
Unrealized appreciation (depreciation) of warrants	—	636	(1,760)	883
<b>EBITDA<sub>re</sub></b>	<b>\$ 27,669</b>	<b>\$ 18,382</b>	<b>\$ 52,701</b>	<b>\$ 35,590</b>

**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 as 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.

We define FFO consistent with the NAREIT definition. 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. Core FFO represents FFO reduced by dividends paid (or declared) to holders of our preferred stock, acquisition and transaction related expenses for transactions not completed, and excludes certain non-cash operating expenses such as impairment on real estate lease, unrealized appreciation/(depreciation) of warrants and loss on extinguishment of debt. As with FFO, our reported Core FFO may not be comparable to other REITs’ Core FFO, 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 our historical net loss to FFO and Core FFO for the periods presented:

	For the Three Months Ended June 30,	For the Six Months Ended June 30,
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FFO:	2022		2021	
	2022	2021	2022	2021
Net loss	\$ (4,464)	\$ (3,981)	\$ (8,934)	\$ (6,965)
Gain on sale of real estate	—	—	—	(590)
Depreciation and amortization	24,208	16,902	46,899	32,679
Depreciation and amortization from unconsolidated joint venture	—	408	268	801
<b>FFO:</b>	<b>\$ 19,744</b>	<b>\$ 13,329</b>	<b>\$ 38,233</b>	<b>\$ 25,925</b>
Preferred stock dividends	(1,320)	(1,652)	(3,019)	(3,304)
Acquisition expenses	150	—	150	—
Unrealized appreciation (depreciation) of warrants	—	636	(1,760)	883
Loss on extinguishment of debt	—	—	2,176	—
<b>Core FFO</b>	<b>\$ 18,574</b>	<b>\$ 12,313</b>	<b>\$ 35,780</b>	<b>\$ 23,504</b>

#### AFFO

Adjusted funds from operations, or AFFO, is presented in addition to Core FFO. AFFO is defined as Core FFO, excluding certain non-cash operating revenues and expenses, capitalized interest and recurring capitalized expenditures. Recurring capitalized expenditures include expenditures required to maintain and re-tenant our properties, tenant improvements and leasing commissions. AFFO further adjusts Core 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, 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 Core 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.

AFFO:	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Core FFO	\$ 18,574	\$ 12,313	\$ 35,780	\$ 23,504
Amortization of debt related costs	527	370	1,032	739
Non-cash interest expense	262	(29)	906	(72)
Stock compensation	538	461	980	879
Capitalized interest	(142)	—	(206)	—
Straight line rent	(904)	(1,146)	(1,726)	(1,760)
Above/below market lease rents	(545)	(616)	(2,091)	(1,109)
Recurring capital expenditures <sup>(1)</sup>	(1,782)	(1,555)	(3,455)	(3,415)
<b>AFFO:</b>	<b>\$ 16,528</b>	<b>\$ 9,798</b>	<b>\$ 31,220</b>	<b>\$ 18,766</b>

(1) Excludes non-recurring capital expenditures of \$14,515 and \$6,350 for the three months ended June 30, 2022 and 2021, respectively, and \$22,804 and \$7,584 for the six months ended June 30, 2022 and 2021 respectively.

#### Cash Flow (dollars in thousands)

A summary of our cash flows for the six months ended June 30, 2022 and 2021 are as follows:

	Six Months Ended June 30,	
	2022	2021
Net cash provided by operating activities	\$ 35,659	\$ 26,617
Net cash used in investing activities	\$ (197,517)	\$ (81,537)
Net cash provided by financing activities	\$ 154,550	\$ 52,180

*Operating activities:* Net cash provided by operating activities for the six months ended June 30, 2022 increased approximately \$9,042 compared to the six months ended June 30, 2021. The increase was primarily attributable to incremental operating cash flows from acquisitions completed between Q3 2021 and Q2 2022 and same store properties, offset by the unrealized depreciation of warrants.

*Investing activities:* Net cash used in investing activities for the six months ended June 30, 2022 increased approximately \$115,980 compared to the six months ended June 30, 2021 primarily due to property acquisitions completed during the first six months in 2022 totaling \$180,275 as opposed to \$76,023 during the first six months of 2021, an increase in capital expenditures of \$9,746, offset by a decrease in proceeds from the sale of real estate property and land parcel of \$1,982 during the first six months of 2021.

*Financing activities:* Net cash provided by financing activities for the six months ended June 30, 2022 increased \$102,370 compared to the six months ended June 30, 2021. The change was predominantly driven by an increase of \$159,094 in net proceeds from secured and unsecured debt and the line of credit, an increase of \$404 in repurchase and extinguishment of Series A Preferred Stock, an increase in debt offering costs of \$1,690, an increase of \$5,043 in dividends paid, and a decrease of \$49,587 in net proceeds from the issuance of common stock.

#### Liquidity and Capital Resources

We intend to make reserve contributions as necessary to aid our objective of preserving capital for our investors by supporting the maintenance and viability of properties we acquire in the future. 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;
- principal and 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 OP units.

As of June 30, 2022, we had available liquidity of approximately \$339.3 million, comprised of \$29.8 million in cash and cash equivalents and \$309.5 million of borrowing capacity on our KeyBank unsecured line of credit. The Company anticipates it will have sufficient liquidity and access to capital resources to meet its current obligations and to meet any scheduled debt maturities.

## Existing Indebtedness as of June 30, 2022

The following is a schedule of our indebtedness as of June 30, 2022:

	Outstanding Balance	Interest rate at June 30, 2022	Final Maturity Date
<b>Secured debt:</b>			
AIG Loan	\$ 113,131	4.08%	November 1, 2023
Transamerica Loan	68,061	4.35%	August 1, 2028
Allianz Loan	62,935	4.07%	April 10, 2026
Minnesota Life Loan	20,238	3.78%	May 1, 2028
Minnesota Life Memphis Industrial Loan <sup>(1)</sup>	56,000	3.15%	January 1, 2028
Lincoln Life Gateway Mortgage	28,800	3.43%	January 1, 2028
Ohio National Life Mortgage	19,356	4.14%	August 1, 2024
Nationwide Loan	15,000	2.97%	October 1, 2027
Midland National Life Insurance Mortgage	10,820	3.50%	March 10, 2028
<b>Total secured debt</b>	<b>394,341</b>		
Unamortized debt issuance costs, net	(2,410)		
Unamortized premium/(discount), net	384		
<b>Secured debt, net</b>	<b>392,315</b>		
<b>Unsecured debt:</b>			
\$100m KeyBank Term Loan <sup>(2)</sup>	100,000	2.80% <sup>(3)</sup>	August 11, 2026
\$200m KeyBank Term Loan <sup>(2)</sup>	200,000	2.80% <sup>(3)</sup>	February 11, 2027
\$150m KeyBank Term Loan <sup>(2)</sup>	150,000	2.80% <sup>(3)</sup>	May 2, 2027
<b>Total unsecured debt</b>	<b>\$ 450,000</b>		
Unamortized debt issuance costs, net	(2,874)		
<b>Unsecured debt, net</b>	<b>\$ 447,126</b>		
<b>Borrowings under line of credit:</b>			
KeyBank unsecured line of credit <sup>(2)</sup>	40,500	3.01% <sup>(3)</sup>	August 11, 2025
<b>Total borrowings under line of credit</b>	<b>\$ 40,500</b>		

(1) On March 11, 2022, a wholly-owned subsidiary of the Operating Partnership assumed a mortgage (the "Minnesota Life Memphis Industrial Loan") with a balance of \$56,000 in conjunction with our acquisition of all outstanding interests in the entity owning the portfolio in Memphis, Tennessee. The Minnesota Life Memphis Industrial Loan, held by Minnesota Life Insurance Company, matures on January 1, 2028, bears interest at 3.15% and is secured by the property. The Minnesota Life Memphis Industrial Loan requires monthly installments of interest only through January 1, 2023, and afterwards, monthly installments of principal plus accrued interest through January 1, 2028, at which time a balloon payment is required. The Company has the right to prepay the borrowings outstanding, subject to a prepayment penalty in effect until the loan approaches maturity.

(2) On May 2, 2022, the Company entered into an amendment to the KeyBank unsecured facility. The credit facility agreement, as amended, expanded the availability on the KeyBank unsecured line of credit up to \$350 million and entered into a new \$150 million unsecured term loan (the "\$150m KeyBank Term Loan"), with an accordion feature that allows the total borrowing capacity under the credit facility to be increased to \$1 billion, subject to certain conditions. The \$150m KeyBank Term Loan matures in May 2027. The maturity date for the KeyBank unsecured line of credit remains unchanged. The amendment also provided for the transition of the reference rate for the KeyBank unsecured line of credit and the \$100m, \$200m, and \$150m KeyBank Term Loans from 1-month LIBOR to the Secured Overnight Financing Rate ("SOFR"). Borrowings under the credit agreement, as amended, bear interest at either (1) the base rate (determined as the highest of (a) KeyBank's prime rate, (b) the Federal Funds rate plus 0.50% and (c) the Adjusted Term SOFR for a one month tenor plus 1.0% or (2) SOFR, plus, in either case, a spread (A) between 35 and 90 basis points for revolver base rate loans or between 135 and 190 basis points for revolver SOFR rate loans and (B) between 30 and 85 basis points for term base rate loans or between 130 and 185 basis points for term SOFR rate loans, with the amount of the spread depending on the Borrower's total leverage ratio plus 0.1% SOFR index adjustment<sup>0000</sup>.

(3) As of June 30, 2022, the one-month term SOFR for our unsecured debt and borrowings under line of credit is 1.15% and 1.31%, respectively. The spread over the applicable rate for the \$100m, \$150m, and \$200m KeyBank Term Loans and KeyBank unsecured line of credit is based on the Company's total leverage ratio plus the 0.1% SOFR index adjustment.

The KeyBank unsecured line of credit contains certain financial covenants including limitations on total leverage, unsecured interest coverage and fixed charge coverage charges ratios. Our access to borrowings may be limited if we fail to meet any of these covenants. We are in compliance with our financial covenants as of June 30, 2022, and we anticipate that we will be able to operate in compliance with our financial covenants for the next twelve months.

## Stock Issuances

### Universal Shelf S-3 Registration Statement

On June 11, 2021, the Company and Operating Partnership filed a shelf registration statement on Form S-3 ("2021 \$750 Million S-3 Filing") with the U.S. Securities and Exchange Commission ("SEC") registering an aggregate of \$750,000 of securities, consisting of an indeterminate amount of common stock, preferred stock, depository shares, warrants, rights to purchase our common stock and debt securities. As of June 30, 2022, the Company has \$600,536 available for issuance under the 2021 \$750 Million S-3 Filing.

### ATM Program

On May 26, 2021, the Company entered into a distribution agreement with KeyBanc Capital Markets Inc., Robert W. Baird & Co. Incorporated, Barclays Capital Inc., Berenberg Capital Markets LLC, BMO Capital Markets Corp., Capital One Securities Inc., JMP Securities LLC, J.P. Morgan Securities, LLC, National Securities Corporation and Wedbush Securities Inc pursuant to which the Company may issue and sell, from time to time, shares of its common stock, with aggregate gross sales proceeds of up to \$125,000 through an "at-the-market" equity offering program (the "2021 \$125 Million ATM Program").

On August 10, 2021, the Company entered into an amendment to the 2021 \$125 Million ATM Program (the "2021 Amended ATM Program") to reference the Company's shelf registration statement on Form S-3 that was filed with the Securities and Exchange Commission on June 11, 2021. The Company, under the 2021 Amended ATM Program may issue and sell, from time to time, shares of its common stock, with aggregate gross sales proceeds of up to \$82,288 through an "at-the-market" equity offering program.

On November 9, 2021, the Company entered into a distribution agreement with KeyBanc Capital Markets Inc., Robert W. Baird & Co. Incorporated, Barclays Capital Inc., Berenberg Capital Markets LLC, BMO Capital Markets Corp., Capital One Securities Inc., JMP Securities LLC, J.P. Morgan Securities, LLC, National Securities Corporation, Wedbush Securities Inc and Wells Fargo Securities pursuant to which the Company may issue and sell, from time to time, shares of its common stock, with aggregate gross sales proceeds of up to \$200,000 through an "at-the-market" equity offering program (the "2021 \$200 Million ATM Program").

For the six months ended June 30, 2022, the Company has issued 1,542,700 shares of its common stock under the 2021 \$200 Million ATM Program for aggregate net proceeds of approximately \$41,507. The Company has approximately \$112,313 available for issuance under the 2021 \$200 Million ATM Program.

#### Off-Balance Sheet Arrangements

As of June 30, 2022, we have no off-balance sheet arrangements.

#### Inflation

Most 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.

#### Interest Rate Risk

The Company uses interest rate swap agreements as a derivative instrument to manage interest rate risk and is recognized on the condensed consolidated balance sheets at fair value. As of June 30, 2022, all our outstanding variable rate debt, with the exception of the KeyBank unsecured line of credit, was fixed with interest rate swaps through maturity. We recognize all derivatives within the condensed consolidated balance sheets at fair value. 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. As of June 30, 2022, the Company has entered into two interest rate swap agreements.

The following table details our outstanding interest rate swaps as of June 30, 2022.

Interest Rate Swap Counterparty	Trade Date	Effective Date	Maturity Date	LIBOR Interest Strike Rate	Notional Value <sup>(1)</sup>	Fair Value <sup>(2)</sup>
					June 30, 2022	
Capital One, N.A.	January 28, 2022	February 1, 2022	February 11, 2027	1.609%	\$ 200,000	\$ 10,900
JPMorgan Chase Bank, N.A.	January 28, 2022	February 1, 2022	August 8, 2026	1.591%	\$ 100,000	\$ 5,028

(1) Represents the notional value of interest rate swaps effective as of June 30, 2022.

(2) As of June 30, 2022, all our interest rate swaps were in an asset position.

Although the Company has determined that the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with its derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by itself and its counterparties. However, as of June 30, 2022, the Company has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that the credit valuation adjustments are not significant to the overall valuation of its derivatives. As a result, the Company has determined that its derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy.

During the next twelve months, the Company estimates that an additional \$4,528 will be reclassified as a decrease to interest expense. 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.

At June 30, 2022, we had \$490,500 of outstanding variable rate debt. As of June 30, 2022, all our outstanding variable debt, with the exception of the \$150m KeyBank Term Loan and the KeyBank unsecured line of credit which have a balance of \$150,000 and \$40,500 respectively, was fixed with interest rate swaps through maturity. The \$150m KeyBank Term Loan and KeyBank unsecured line of credit were subject to a weighted average interest rate of 2.85% during the six months ended June 30, 2022. Based on the variable rate borrowings for our \$150 KeyBank Term Loan and KeyBank unsecured line of credit outstanding during the six months ended June 30, 2022, we estimate that had the average interest rate on our weighted average borrowings increased by 25 basis points for the six months ended June 30, 2022, our interest expense for the quarter would have increased by approximately \$109. This estimate assumes the interest rate of each borrowing is raised by 25 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.

The Financial Conduct Authority announced it intended to stop compelling banks to submit rates for the calculation of LIBOR after June 30, 2023. As a result, in the U.S., the Federal Reserve Board and the Federal Reserve Bank of New York identified the Secured Overnight Financing Rate ("SOFR") as its preferred alternative rate for USD LIBOR in debt and derivative financial instruments. As of June 30, 2022, our interest rate swaps are indexed to LIBOR. While we currently expect LIBOR-indexed rates to be available until June 30, 2023, it is possible that they will become unavailable prior to that time.

For fixed rate debt, changes in interest rates generally affect the fair value of the debt, but not our earnings or cash flows. The interest rate risk and changes in fair market value of fixed rate debt generally do not have a significant impact on us until we are required to refinance such debt. See Note 6 to the Condensed Consolidated Financial Statements for a discussion of the maturity dates of our various fixed rate debt.

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

Our future income, cash flows and fair values relevant to financial instruments are dependent upon prevailing market interest rates. Market risk refers to the risk of loss from adverse changes in market prices and interest rates. The primary market risk we are exposed to is interest rate risk. We have used derivative financial instruments to manage, or hedge, interest rate risks related to some of our borrowings, primarily through interest rate swaps. For additional detail, refer to Interest Rate Risk section within Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" above.

#### 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 June 30, 2022. Based on the evaluation, our Chief Executive Officer and Chief Financial Officer concluded that as of June 30, 2022, our disclosure controls and procedures were effective to ensure 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, including the Chief Executive Officer and Chief Financial Officer, 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 during the quarter ended June 30, 2022 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

There have been no material changes to the risk factors disclosed in our annual report on Form 10-K for the year ended December 31, 2021 filed with the SEC on February 23, 2022. For a full description of these risk factors, please refer to "Item 1A. Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2021.

#### 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 [Second Amended and Restated Credit Agreement, dated as of August 11, 2021, by and among Plymouth Industrial OP, LP, the Guarantors named therein, KeyBank National Association and the other lenders party thereto, as amended by the Second Amendment, Increase and Joinder Agreement](#) (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-38106) filed on May 4, 2022
- 10.2 [Term Loan Credit Agreement, dated as of August 11, 2021, by and among Plymouth Industrial OP, LP, the Guarantors named therein, KeyBank National Association and the other lenders party thereto, as amended by the First Amendment and Joinder Agreement](#) (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K (File No. 001-38106) filed on May 4, 2022
- 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 The financial information from the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2022 formatted in Inline XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Comprehensive Income (Loss), (iv) Condensed Consolidated Statements of Changes in Preferred Stock and Equity, (v) Condensed Consolidated Statements of Cash Flows, and (vi) Notes to Condensed Consolidated Financial Statements.
- 104 Cover Page Interactive Data File formatted in Inline XBRL and contained in Exhibit 101.

\* Management contract or compensation plan or arrangement.

#### 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/ Anthony Saladino  
Anthony Saladino  
Chief Financial Officer

Dated: August 3, 2022

**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: August 3, 2022

/s/ JEFFREY E. WITHERELL

Jeffrey E. Witherell

*Chief Executive Officer and Chairman of the Board of Directors*



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

I, Anthony Saladino, 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: August 3, 2022

/s/ Anthony Saladino  
Anthony Saladino  
Chief Financial Officer

**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 June 30, 2022, 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: August 3, 2022

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

**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 June 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Anthony Saladino, 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: August 3, 2022

/s/ Anthony Saladino  
Anthony Saladino  
*Chief Financial Officer*