

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, 2023

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)

**27-5466153**

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

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

(Address of principal executive offices)

**(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 July 31, 2023, the Registrant had outstanding 44,254,684 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, 2023	December 31, 2022
<b>Assets</b>		
Real estate properties	\$ 1,571,334	\$ 1,555,846
Less accumulated depreciation	(239,306)	(205,629)
Real estate properties, net	1,332,028	1,350,217
Cash	19,010	11,003
Cash held in escrow	12,498	13,376
Restricted cash	7,009	6,834
Deferred lease intangibles, net	60,304	70,718
Interest rate swaps	31,180	30,115
Other assets	38,631	39,055
Total assets	<u>\$ 1,500,660</u>	<u>\$ 1,521,318</u>
<b>Liabilities, Preferred Stock and Equity</b>		
Liabilities:		
Secured debt, net	\$ 386,191	\$ 389,531
Unsecured debt, net	447,655	447,345
Borrowings under line of credit	87,500	77,500
Accounts payable, accrued expenses and other liabilities	70,492	72,551
Deferred lease intangibles, net	7,179	8,918
Financing lease liability	2,260	2,248
Total liabilities	<u>1,001,277</u>	<u>998,093</u>
Commitments and contingencies (Note 12)		
Preferred stock, par value \$0.01 per share, 100,000,000 shares authorized, Series A: 1,953,783 and 1,955,513 shares issued and outstanding at June 30, 2023 and December 31, 2022, respectively (aggregate liquidation preference of \$48,845 and \$48,888 at June 30, 2023 and December 31, 2022, respectively)		
	46,803	46,844
Equity:		
Common stock, \$0.01 par value: 900,000,000 shares authorized; 43,100,864 and 42,849,489 shares issued and outstanding at June 30, 2023 and December 31, 2022, respectively	431	428
Additional paid in capital	616,414	635,068
Accumulated deficit	(200,147)	(194,243)
Accumulated other comprehensive income	30,792	29,739
Total stockholders' equity	<u>447,490</u>	<u>470,992</u>
Non-controlling interest	5,090	5,389
Total equity	<u>452,580</u>	<u>476,381</u>
Total liabilities, preferred stock and equity	<u>\$ 1,500,660</u>	<u>\$ 1,521,318</u>

*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,	
	2023	2022	2023	2022
Rental revenue	\$ 49,899	\$ 45,612	\$ 99,270	\$ 88,332
Management fee revenue and other income	—	2	29	88
<b>Total revenues</b>	<u>49,899</u>	<u>45,614</u>	<u>99,299</u>	<u>88,420</u>
<b>Operating expenses:</b>				
Property	15,690	13,799	31,644	27,874
Depreciation and amortization	23,417	24,208	47,217	46,899
General and administrative	3,842	4,146	7,289	7,698
<b>Total operating expenses</b>	<u>42,949</u>	<u>42,153</u>	<u>86,150</u>	<u>82,471</u>
<b>Other income (expense):</b>				
Interest expense	(9,584)	(7,925)	(19,119)	(14,320)
Earnings (loss) in investment of unconsolidated joint venture	—	—	—	(147)
Loss on extinguishment of debt	—	—	—	(2,176)
(Appreciation) depreciation of warrants	—	—	—	1,760
<b>Total other income (expense)</b>	<u>(9,584)</u>	<u>(7,925)</u>	<u>(19,119)</u>	<u>(14,883)</u>
Net loss	(2,634)	(4,464)	(5,970)	(8,934)
Less: Net loss attributable to non-controlling interest	(30)	(55)	(68)	(115)
<b>Net loss attributable to Plymouth Industrial REIT, Inc.</b>	<u>(2,604)</u>	<u>(4,409)</u>	<u>(5,902)</u>	<u>(8,819)</u>
Less: Preferred Stock dividends	916	1,320	1,832	3,019
Less: Series B Preferred Stock accretion to redemption value	—	750	—	2,250
Less: Loss on extinguishment of Series A Preferred Stock	—	24	2	24
Less: Amount allocated to participating securities	82	65	170	132
<b>Net loss attributable to common stockholders</b>	<u>\$ (3,602)</u>	<u>\$ (6,568)</u>	<u>\$ (7,906)</u>	<u>\$ (14,244)</u>
Net loss basic and diluted per share attributable to common stockholders	<u>\$ (0.08)</u>	<u>\$ (0.17)</u>	<u>\$ (0.19)</u>	<u>\$ (0.38)</u>
Weighted-average common shares outstanding basic and diluted	<u>42,646,535</u>	<u>39,106,576</u>	<u>42,625,768</u>	<u>37,675,032</u>

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

**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,	
	2023	2022	2023	2022
<b>Net loss</b>	\$ (2,634)	\$ (4,464)	\$ (5,970)	\$ (8,934)
Other comprehensive income:				
Unrealized gain (loss) on interest rate swaps	8,135	5,860	1,065	15,928
Other comprehensive income	8,135	5,860	1,065	15,928
<b>Comprehensive income (loss)</b>	5,501	1,396	(4,905)	6,994
Less: Net loss attributable to non-controlling interest	(30)	(55)	(68)	(115)
Less: Other comprehensive income (loss) attributable to non-controlling interest	93	73	12	208
<b>Comprehensive income (loss) attributable to Plymouth Industrial REIT, Inc.</b>	<u>\$ 5,438</u>	<u>\$ 1,378</u>	<u>\$ (4,849)</u>	<u>\$ 6,901</u>

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

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

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

	Preferred Stock Series A \$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						
<b>Balance, January 1, 2023</b>	<b>1,955,513</b>	<b>\$ 46,844</b>	<b>42,849,489</b>	<b>\$ 428</b>	<b>\$ 635,068</b>	<b>\$ (194,243)</b>	<b>\$ 29,739</b>	<b>\$ 470,992</b>	<b>\$ 5,389</b>	<b>\$ 476,381</b>
Repurchase and extinguishment of Series A Preferred Stock	(1,730)	(41)	—	—	—	(2)	—	(2)	—	(2)
Net proceeds from common stock	—	—	—	—	(137)	—	—	(137)	—	(137)
Stock based compensation	—	—	—	—	585	—	—	585	—	585
Restricted shares issued (forfeited)	—	—	181,375	2	(2)	—	—	—	—	—
Dividends and distributions	—	—	—	—	(10,598)	—	—	(10,598)	(110)	(10,708)
Other comprehensive income	—	—	—	—	—	—	(6,989)	(6,989)	(81)	(7,070)
Reallocation of non-controlling interest	—	—	—	—	26	—	—	26	(26)	—
Net loss	—	—	—	—	—	(3,298)	—	(3,298)	(38)	(3,336)
<b>Balance, March 31, 2023</b>	<b>1,953,783</b>	<b>\$ 46,803</b>	<b>43,030,864</b>	<b>\$ 430</b>	<b>\$ 624,942</b>	<b>\$ (197,543)</b>	<b>\$ 22,750</b>	<b>\$ 450,579</b>	<b>\$ 5,134</b>	<b>\$ 455,713</b>
Net proceeds from common stock	—	—	70,000	1	1,384	—	—	1,385	—	1,385
Stock based compensation	—	—	—	—	716	—	—	716	—	716
Dividends and distributions	—	—	—	—	(10,625)	—	—	(10,625)	(110)	(10,735)
Other comprehensive income	—	—	—	—	—	—	8,042	8,042	93	8,135
Reallocation of non-controlling interest	—	—	—	—	(3)	—	—	(3)	3	—
Net loss	—	—	—	—	—	(2,604)	—	(2,604)	(30)	(2,634)
<b>Balance, June 30, 2023</b>	<b>1,953,783</b>	<b>\$ 46,803</b>	<b>43,100,864</b>	<b>\$ 431</b>	<b>\$ 616,414</b>	<b>\$ (200,147)</b>	<b>\$ 30,792</b>	<b>\$ 447,490</b>	<b>\$ 5,090</b>	<b>\$ 452,580</b>

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

**PLYMOUTH INDUSTRIAL REIT, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN PREFERRED STOCK AND EQUITY**  
**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>	<b>2,023,551</b>	<b>\$ 48,473</b>	<b>4,411,764</b>	<b>\$ 94,437</b>	<b>36,110,659</b>	<b>\$ 361</b>	<b>\$ 532,666</b>	<b>\$ (177,258)</b>	<b>\$ —</b>	<b>\$ 355,769</b>	<b>\$ 4,831</b>	<b>\$ 360,600</b>
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 (forfeited)	—	—	—	—	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	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 (forfeited)	—	—	—	—	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>

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

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

	For the Six Months Ended June 30,	
	2023	2022
<b>Operating activities</b>		
Net loss	\$ (5,970)	\$ (8,934)
<b>Adjustments to reconcile net loss to net cash provided by operating activities:</b>		
Depreciation and amortization	47,217	46,899
Straight line rent adjustment	(1,617)	(1,726)
Intangible amortization in rental revenue, net	(1,403)	(2,091)
Loss on extinguishment of debt	—	2,176
Amortization of debt related costs	1,138	1,032
Appreciation (depreciation) of warrants	—	(1,760)
Stock based compensation	1,301	980
(Earnings) loss in investment of unconsolidated joint venture	—	147
Changes in operating assets and liabilities:		
Other assets	1,595	1,146
Deferred leasing costs	(2,812)	(2,107)
Accounts payable, accrued expenses and other liabilities	50	(103)
<b>Net cash provided by operating activities</b>	<b>39,499</b>	<b>35,659</b>
<b>Investing activities</b>		
Acquisition of real estate properties	—	(180,275)
Real estate improvements	(18,520)	(17,464)
Proceeds from sale of real estate, net	—	222
<b>Net cash used in investing activities</b>	<b>(18,520)</b>	<b>(197,517)</b>
<b>Financing activities</b>		
(Payment) Proceeds from issuance of common stock, net	1,248	41,507
Repayment of secured debt	(3,695)	(18,073)
Proceeds from issuance of unsecured debt	—	150,000
Proceeds from line of credit facility	10,000	161,000
Repayment of line of credit facility	—	(158,500)
Repurchase of Series A Preferred Stock	(43)	(416)
Debt issuance costs	(27)	(1,690)
Dividends and distributions paid	(21,158)	(19,278)
<b>Net cash (used in) provided by financing activities</b>	<b>(13,675)</b>	<b>154,550</b>
Net increase (decrease) in cash, cash held in escrow, and restricted cash	7,304	(7,308)
Cash, cash held in escrow, and restricted cash at beginning of period	31,213	43,374
Cash, cash held in escrow, and restricted cash at end of period	<u>\$ 38,517</u>	<u>\$ 36,066</u>
<b>Supplemental Cash Flow Disclosures:</b>		
Cash paid for interest	\$ 18,215	\$ 12,588
Assumption of cash, cash held in escrow, and restricted cash upon consolidation of investment in joint venture	\$ —	\$ 2,895
<b>Supplemental Non-cash Financing and Investing Activities:</b>		
Dividends declared included in dividends payable	\$ 9,709	\$ 9,204
Distribution payable to non-controlling interest holder	\$ 110	\$ 108
Series B accretion to redemption value	\$ —	\$ 2,250
Real estate improvements included in accounts payable, accrued expenses and other liabilities	\$ 4,050	\$ 6,373
Deferred leasing costs included in accounts payable, accrued expenses and other liabilities	\$ 1,048	\$ 1,809
Conversion of common stock warrants	\$ —	\$ 3,758
Conversion of Series B Preferred Stock	\$ —	\$ 47,970
Consolidation of net book value of investment in joint venture	\$ —	\$ 5,686
Assumption of other assets upon consolidation of investment in joint venture	\$ —	\$ 638
Assumption of accounts payable, accrued expenses and other liabilities upon consolidation of investment in joint venture	\$ —	\$ 1,955
Assumption of secured debt upon consolidation of investment in joint venture	\$ —	\$ 56,000

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



**Plymouth Industrial REIT, Inc.**  
**Notes to Condensed Consolidated Financial Statements**  
**Unaudited**

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

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

***Business***

Plymouth Industrial REIT, Inc., (the “Company”, “we” or the “REIT”) is a Maryland corporation formed on March 7, 2011. The Company is structured as an umbrella partnership REIT, commonly called an UPREIT, and owns substantially all of its assets and conducts substantially all of its business through its operating partnership, Plymouth Industrial Operating Partnership, L.P., a Delaware limited partnership (the “Operating Partnership”). The Company, as general partner of the Operating Partnership, controls the Operating Partnership and consolidates the assets, liabilities, and results of operations of the Operating Partnership. As of June 30, 2023 and December 31, 2022, the Company owned a 98.9% and 98.9%, 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, 2023, the Company, through its subsidiaries, owned 157 industrial properties comprising 210 buildings with an aggregate of approximately 34.2 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, 2022 and 2021. 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, 2022 and 2021 included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 as filed with the United States Securities and Exchange Commission on February 23, 2023.

***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 VIE 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 VIE 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.

***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.

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

**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 and liabilities for real estate acquisitions, impairments of long-lived assets and stock-based compensation. 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.

**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. The Company maintains cash and restricted cash, which includes tenant security deposits and cash collateral for its borrowings discussed in Note 5, 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, 2023, 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 or within accounts that are below the federally insured limits.

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, 2023	December 31, 2022
Cash	\$ 19,010	\$ 11,003
Cash held in escrow	12,498	13,376
Restricted cash	7,009	6,834
Cash, cash held in escrow, and restricted cash	<u>\$ 38,517</u>	<u>\$ 31,213</u>

**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.

Debt issuance costs amounted to \$10,842 and \$10,815 at June 30, 2023 and December 31, 2022, respectively, and related accumulated amortization amounted to \$6,962 and \$6,175 at June 30, 2023 and December 31, 2022, respectively. At June 30, 2023 and December 31, 2022, the Company has classified net unamortized debt issuance costs of \$1,860 and \$2,306, respectively, related to borrowings under the line of credit to other assets in the condensed consolidated balance sheets.

**Derivative Instruments and Hedging Activities**

We record all derivatives on the accompanying condensed 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.

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***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. See Note 11 for details.

***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 performance stock units discussed in Notes 5, 6 and 10 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 6.

***Leases***

For leases in which we are the lessee, a right of use asset and lease liability is recorded on the condensed consolidated balance sheets equal to the present value of the fixed lease payments of the corresponding lease. To determine our operating right of use asset and lease liability, we estimate an appropriate incremental borrowing rate on a fully-collateralized basis for the terms of the leases by utilizing a market-based approach. Since the terms under our ground leases are significantly longer than the terms of borrowings available to us on a fully collateralized basis, the estimate of this rate requires significant judgment, and considers factors such as market-based pricing on longer duration financing instruments.

***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.

***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.

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**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 and performance stock units for certain executive officers and key employees. 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.

**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. The adoption of ASU 2020-04 did not have a material impact on our condensed consolidated financial statements.

**3. Real Estate Properties, Net**

Real estate properties, net consisted of the following at June 30, 2023 and December 31, 2022:

	June 30, 2023	December 31, 2022
Land	\$ 231,829	\$ 231,829
Buildings and improvements	1,178,128	1,141,832
Site improvements	132,295	132,295
Construction in progress	29,082	49,890
	<u>1,571,334</u>	<u>1,555,846</u>
Less: accumulated depreciation	(239,306)	(205,629)
Real estate properties, net	<u>\$ 1,332,028</u>	<u>\$ 1,350,217</u>

Depreciation expense was \$16,891 and \$16,093 for the three months ended June 30, 2023 and 2022, respectively, and \$33,762 and \$30,486 for the six months ended June 30, 2023 and 2022, respectively.

**Acquisition of Properties**

There were no acquisitions of properties during the six months ended June 30, 2023.

**4. Leases**

**As a Lessor**

We lease our properties to tenants under agreements that are classified as operating leases. We recognize the total minimum lease payments provided for under the leases on a straight-line basis over the lease term. Many of our leases include the recovery of certain operating expenses such as common area maintenance, insurance, real estate taxes and utilities from our tenants. The recovery of such operating expenses 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, 2023 and 2022, 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:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Income from leases	\$ 36,440	\$ 33,362	\$ 72,380	\$ 63,946
Straight-line rent adjustments	705	904	1,617	1,726
Tenant recoveries	12,085	10,801	23,870	20,569
Amortization of above market leases	(166)	(198)	(336)	(364)
Amortization of below market leases	835	743	1,739	2,455
Total	<u>\$ 49,899</u>	<u>\$ 45,612</u>	<u>\$ 99,270</u>	<u>\$ 88,332</u>

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Tenant recoveries included within rental revenue for the six months ended June 30, 2023 and 2022 are variable in nature.

**As a Lessee**

Operating Leases

As of June 30, 2023, 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 0.9 years to 32.5 years, which includes the exercise of a single twenty-year renewal option pertaining to the ground sublease. As of June 30, 2023, total operating right of use assets and lease liabilities were approximately \$5,269 and \$6,325, respectively. The operating lease liability as of June 30, 2023 represents a weighted-average incremental borrowing rate of 4.0% over the weighted-average remaining lease term of 8.4 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, 2023 and 2022 included in the Company's condensed consolidated statements of operations.

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Operating lease expense included in general and administrative expense attributable to office leases	\$ 190	\$ 207	\$ 382	\$ 422
Operating lease expense included in property expense attributable to ground sublease	9	9	18	18
Non-cash adjustment due to straight-line rent adjustments	35	25	69	50
Cash paid for amounts included in the measurement of lease liabilities (operating cash flows)	<u>\$ 234</u>	<u>\$ 241</u>	<u>\$ 469</u>	<u>\$ 490</u>

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, 2023 - December 31, 2023	\$ 658
2024	1,280
2025	894
2026	803
2027	818
Thereafter	3,491
Total minimum operating lease payments	<u>\$ 7,944</u>
Less imputed interest	(1,619)
Total operating lease liability	<u>\$ 6,325</u>

Financing Leases

As of June 30, 2023, 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 32.5 years, which includes the exercise of a single twenty-year renewal option. The financing lease liability as of June 30, 2023 represents a weighted-average incremental borrowing rate of 7.8% over the weighted-average remaining lease term of 32.5 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, 2023 and 2022 included in the Company's condensed consolidated statements of operations.

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Depreciation/amortization of financing lease right-of-use assets	\$ 6	\$ 7	\$ 13	\$ 14
Interest expense for financing lease liability	45	44	89	88
Total financing lease cost	<u>\$ 51</u>	<u>\$ 51</u>	<u>\$ 102</u>	<u>\$ 102</u>

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

July 1, 2023 - December 31, 2023	\$	77
2024		155
2025		170
2026		170
2027		170
Thereafter		6,367
Total minimum financing lease payments	\$	7,109
Less imputed interest		(4,849)
Total financing lease liability	\$	<u>2,260</u>

**5. 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, 2023 and December 31, 2022.

Debt	Outstanding Balance at		Interest rate at June 30, 2023	Final Maturity Date
	June 30, 2023	December 31, 2022		
<b>Secured debt:</b>				
AIG Loan	\$ 110,357	\$ 111,758	4.08%	November 1, 2023
Transamerica Loan	66,720	67,398	4.35%	August 1, 2028
Allianz Loan	61,830	62,388	4.07%	April 10, 2026
Minnesota Life Loan	19,796	20,019	3.78%	May 1, 2028
Minnesota Life Memphis Industrial Loan <sup>(1)</sup>	55,529	56,000	3.15%	January 1, 2028
Ohio National Life Mortgage	18,732	19,045	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	10,769	10,820	3.50%	March 10, 2028
Total secured debt	\$ 387,533	\$ 391,228		
Unamortized debt issuance costs, net	(1,535)	(1,985)		
Unamortized premium/(discount), net	193	288		
<b>Total secured debt, net</b>	<b>\$ 386,191</b>	<b>\$ 389,531</b>		
<b>Unsecured debt:</b>				
\$100m KeyBank Term Loan <sup>(2)</sup>	100,000	100,000	3.10% <sup>(3)(4)</sup>	August 11, 2026
\$200m KeyBank Term Loan <sup>(2)</sup>	200,000	200,000	3.13% <sup>(3)(4)</sup>	February 11, 2027
\$150m KeyBank Term Loan <sup>(2)</sup>	150,000	150,000	4.50% <sup>(3)(4)</sup>	May 2, 2027
Total unsecured debt	\$ 450,000	\$ 450,000		
Unamortized debt issuance costs, net	(2,345)	(2,655)		
<b>Total unsecured debt, net</b>	<b>\$ 447,655</b>	<b>\$ 447,345</b>		
<b>Borrowings under line of credit:</b>				
KeyBank unsecured line of credit <sup>(2)</sup>	87,500	77,500	6.82% <sup>(3)</sup>	August 11, 2025
<b>Total borrowings under line of credit</b>	<b>\$ 87,500</b>	<b>\$ 77,500</b>		

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- (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 properties. 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 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 Company's total leverage ratio.
- (3) For the month of June 2023, the one-month term SOFR for our unsecured debt and borrowings under line of credit was 5.172%. 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.
- (4) As of June 30, 2023, the one-month term SOFR for the \$100m, \$150m and \$200m KeyBank Term Loans was swapped to a fixed rate of 1.504%, 2.904%, and 1.527%, respectively.

**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, 2023.

**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, 2023 and December 31, 2022:

Indebtedness (in thousands)	June 30, 2023		December 31, 2022	
	Principal Outstanding	Fair Value	Principal Outstanding	Fair Value
Secured debt	\$ 387,533	\$ 368,645	\$ 391,228	\$ 372,682
Unsecured debt	450,000	450,000	450,000	450,000
Borrowings under line of credit, net	87,500	87,500	77,500	77,500
<b>Total</b>	<b>925,033</b>	<b>\$ 906,145</b>	<b>918,728</b>	<b>\$ 900,182</b>
Unamortized debt issuance cost, net	(3,880)		(4,640)	
Unamortized premium/(discount), net	193		288	
<b>Total carrying value</b>	<b>\$ 921,346</b>		<b>\$ 914,376</b>	

**6. 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.

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**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 2023 and 2022, such derivatives were used to hedge the variable cash flows associated with existing variable-rate debt.

The following table sets forth a summary of our interest rate swaps as of June 30, 2023 and December 31, 2022.

Interest Rate Swap Counterparty	Trade Date	Effective Date	Maturity Date	SOFR Interest Strike Rate	Notional Value <sup>(1)</sup>		Fair Value <sup>(2)</sup>	
					June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Capital One, N.A.	July 13, 2022	July 1, 2022	February 11, 2027	1.527% <sup>(3)</sup>	\$ 200,000	\$ 200,000	\$ 17,078	\$ 17,062
JPMorgan Chase Bank, N.A.	July 13, 2022	July 1, 2022	August 8, 2026	1.504% <sup>(3)</sup>	\$ 100,000	\$ 100,000	\$ 8,002	\$ 7,932
JPMorgan Chase Bank, N.A.	August 19, 2022	September 1, 2022	May 2, 2027	2.904%	\$ 75,000	\$ 75,000	\$ 3,063	\$ 2,565
Wells Fargo Bank, N.A.	August 19, 2022	September 1, 2022	May 2, 2027	2.904%	\$ 37,500	\$ 37,500	\$ 1,528	\$ 1,283
Capital One, N.A.	August 19, 2022	September 1, 2022	May 2, 2027	2.904%	\$ 37,500	\$ 37,500	\$ 1,509	\$ 1,273

(1) Represents the notional value of interest rate swaps effective as of June 30, 2023.

(2) As of June 30, 2023, all our interest rate swaps were in an asset position.

(3) On July 13, 2022, the Company entered into amendments to the \$200,000 and \$100,000 notional interest rate swap agreements with Capital One, N.A. and JPMorgan Chase Bank, N.A., respectively. The amendments transitioned the previous USD-LIBOR floating rates to USD-SOFR CME Term floating rates and were effective as of July 1, 2022.

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. During the next twelve months, the Company estimates that an additional \$17,967 will be reclassified as a decrease to interest expense.

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, 2023 and 2022.

Interest Rate Swaps in Cash Flow Hedging Relationships:	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2023	2022	2023	2022
Amount of unrealized gain recognized in AOCI on derivatives	\$ 8,135	\$ 5,860	\$ 1,065	\$ 15,928
Total interest expense presented in the condensed consolidated statements of operations in which the effects of cash flow hedges are recorded	\$ 3,414	\$ 635	\$ 6,266	\$ 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, 2023, 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.



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The following tables summarize the Company's interest rate swaps that are accounted for at fair value on a recurring basis as of June 30, 2023 and December 31, 2022.

<b>Balance Sheet Line Item</b>	<b>Fair Value as of June 30, 2023</b>	<b>Fair Value Measurements as of June 30, 2023</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Interest rate swaps - Asset	\$ 31,180	\$ —	\$ 31,180	\$ —

  

<b>Balance Sheet Line Item</b>	<b>Fair Value as of December 31, 2022</b>	<b>Fair Value Measurements as of December 31, 2022</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Interest rate swaps - Asset	\$ 30,115	\$ —	\$ 30,115	\$ —

***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, 2023, the Company does not have any derivatives in a net liability position. As of June 30, 2023, the Company has not posted any collateral related to these agreements. If the Company had breached any of these provisions at June 30, 2023, it could have been required to settle its obligations under the agreements at their termination value.

**7. Common Stock**

***ATM Program***

On February 28, 2023, the Company entered into a distribution agreement with certain sales agents pursuant to which the Company may issue and sell, from time to time, shares of its common stock, with aggregate gross proceeds of \$200,000 through an "at-the-market" equity offering program (the "2023 \$200 Million ATM Program"). The 2023 \$200 Million ATM Program replaced the previous \$200 million ATM program, which was entered on November 9, 2021 ("2021 \$200 Million ATM Program").

For the six months ended June 30, 2023, the Company issued 70,000 shares of its common stock under the 2023 \$200 Million ATM Program for aggregate net proceeds of approximately \$1,248. The Company has approximately \$198,379 available for issuance under the 2023 \$200 Million ATM Program. No shares were issued under the 2021 \$200 Million ATM Program for the six months ended June 30, 2023.

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

**Common Stock Dividends**

The following table sets forth the common stock dividends that were declared during the six months ended June 30, 2023 and the year ended December 31, 2022.

	Cash Dividends Declared per Share	Aggregate Amount
<b>2023</b>		
First quarter	\$ 0.2250	\$ 9,682
Second quarter	\$ 0.2250	\$ 9,709
<b>Total</b>	<b>\$ 0.4500</b>	<b>\$ 19,391</b>
<b>2022</b>		
First quarter	\$ 0.2200	\$ 8,137
Second quarter	\$ 0.2200	\$ 8,829
Third quarter	\$ 0.2200	\$ 9,426
Fourth quarter	\$ 0.2200	\$ 9,426
<b>Total</b>	<b>\$ 0.8800</b>	<b>\$ 35,818</b>

**8. Preferred Stock**

**Series A Preferred Stock**

During the six months ended June 30, 2023, the Company repurchased and retired 1,730 shares of Series A Preferred Stock. The table below sets forth the Company's outstanding Series A Preferred Stock as of June 30, 2023.

Preferred Stock Issuance	Issuance Date	Number of Shares	Liquidation Value per Share	Dividend Rate
7.5% Series A Preferred Stock	10/25/2017	1,953,783	\$ 25.00	7.5%

The following table sets forth the 7.5% Series A Preferred Stock dividends that were declared during the six months ended June 30, 2023 and the year ended December 31, 2022.

	Cash Dividends Declared per Share	Aggregate Amount
<b>2023</b>		
First quarter	\$ 0.468750	\$ 916
Second quarter	\$ 0.468750	\$ 916
<b>Total</b>	<b>\$ 0.937500</b>	<b>\$ 1,832</b>
<b>2022</b>		
First quarter	\$ 0.468750	\$ 949
Second quarter	\$ 0.468750	\$ 945
Third quarter	\$ 0.468750	\$ 930
Fourth quarter	\$ 0.468750	\$ 917
<b>Total</b>	<b>\$ 1.875000</b>	<b>\$ 3,741</b>

**9. 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, 2023 and December 31, 2022 was 490,299.

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The following table sets forth the OP Unit distributions that were declared during the six months ended June 30, 2023 and the year ended December 31, 2022.

	Cash Distributions Declared per OP Unit	Aggregate Amount
<b>2023</b>		
First quarter	\$ 0.2250	\$ 110
Second quarter	\$ 0.2250	\$ 110
<b>Total</b>	<b>\$ 0.4500</b>	<b>\$ 220</b>
<b>2022</b>		
First quarter	\$ 0.2200	\$ 108
Second quarter	\$ 0.2200	\$ 108
Third quarter	\$ 0.2200	\$ 108
Fourth quarter	\$ 0.2200	\$ 108
<b>Total</b>	<b>\$ 0.8800</b>	<b>\$ 432</b>

The proportionate share of the loss attributed to the OP Units was \$30 and \$55 for the three months ended June 30, 2023 and 2022, respectively, and \$68 and \$115 for the six months ended June 30, 2023 and 2022, respectively.

**10. Incentive Award Plan**

***Restricted Stock***

The following table is a summary of the total restricted shares granted, forfeited and vested for the six months ended June 30, 2023:

	Shares
<b>Unvested restricted stock at January 1, 2023</b>	280,074
Granted	181,375
Forfeited	—
Vested	(97,109)
<b>Unvested restricted stock at June 30, 2023</b>	<b>364,340</b>

The Company recorded equity-based compensation expense related to restricted stock in the amount of \$1,276 and \$980 for the six months ended June 30, 2023 and 2022, 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, 2023 was approximately \$6,378 and is expected to be recognized over a weighted average period of approximately 3.1 years. The fair value of the 181,375 restricted shares granted during the six months ended June 30, 2023 was approximately \$3,896 with a weighted average fair value of \$21.48 per share.

***Performance Stock Units***

On June 15, 2023, the compensation committee of the board of directors approved, and the Company granted, 51,410 Performance Stock Units ("PSUs") under the 2014 Incentive Award Plan to certain executive officers and key employees of the Company. The PSUs are subject to performance-based criteria including the Company's total shareholder return (65%) and total shareholder return compared to the MSCI US REIT Index (35%) over a three-year performance period. Upon conclusion of the performance period, the final number of PSUs vested will range between zero to a maximum of 102,820 PSUs. All vested performance stock units will convert into shares of common stock on a 1-to-1 basis. Compensation expense is charged to earnings ratably from the grant date through to the end of the performance period.

The fair value of the PSUs of \$1,550 was determined using a lattice-binomial option-pricing model based on a Monte Carlo simulation applying Level 3 inputs as described in Note 2. The significant inputs into the model were: grant date of June 15, 2023, volatility of 29.0%, an expected annual dividend of 4.2%, and an annual risk-free interest rate of 4.2%.

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The following table summarizes activity related to the Company's unvested PSUs during the six months ended June 30, 2023. No PSUs were granted for the year ended December 31, 2022.

<b>Unvested Performance Stock Units</b>	<b>Performance Stock Units</b>	<b>Weighted Average Grant Date Fair Value per Unit</b>
Balance at December 31, 2022	—	\$ —
Granted	51,410	\$ 30.15
Vested	—	\$ —
Forfeited	—	\$ —
Balance at June 30, 2023	51,410	\$ 30.15

The Company recorded equity-based compensation expense related to the PSUs in the amount of \$25 and \$0 for the six months ended June 30, 2023 and 2022, respectively, which is included in general and administrative expenses in the accompanying condensed consolidated statements of operations. The unrecognized compensation expense associated with the Company's PSUs at June 30, 2023 was approximately \$1,525 and is expected to be recognized over a weighted average period of approximately 2.5 years.

**11. Earnings per Share**

***Net Loss per Common Share***

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

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Numerator</b>				
Net loss	\$ (2,634)	\$ (4,464)	\$ (5,970)	\$ (8,934)
Less: Net loss attributable to non-controlling interest	(30)	(55)	(68)	(115)
Net loss attributable to Plymouth Industrial REIT, Inc.	(2,604)	(4,409)	(5,902)	(8,819)
Less: Preferred Stock dividends	916	1,320	1,832	3,019
Less: Series B Preferred Stock accretion to redemption value	—	750	—	2,250
Less: Loss on extinguishment of Series A Preferred Stock	—	24	2	24
Less: Amount allocated to participating securities	82	65	170	132
Net loss attributable to common stockholders	<u>\$ (3,602)</u>	<u>\$ (6,568)</u>	<u>\$ (7,906)</u>	<u>\$ (14,244)</u>
<b>Denominator</b>				
Weighted-average common shares outstanding basic and diluted	42,646,535	39,106,576	42,625,768	37,675,032
Net loss per share attributable to common stockholders – basic and diluted	<u>\$ (0.08)</u>	<u>\$ (0.17)</u>	<u>\$ (0.19)</u>	<u>\$ (0.38)</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. PSUs, which are subject to vesting based on the Company achieving certain total shareholder return thresholds over a three-year performance period, are included as contingently issuable shares in the calculation of diluted EPS when the total shareholder return thresholds are achieved at or above the threshold levels specific in the award agreements, assuming the reporting period is the end of the performance period, and the effect is dilutive.

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, 2023 include the 364,340 shares of restricted common stock and the 51,410 PSUs. The restricted common shares and PSUs 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.

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

**12. 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 \$600 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.

**13. Subsequent Events**

On August 2, 2023, the Company issued a notice of redemption for all outstanding shares of its 7.50% Series A Preferred Stock ("Series A Preferred Stock"). The Series A Preferred Stock will be redeemed in cash at a redemption price equal to \$25.00 per share plus any accrued and unpaid dividends from the last dividend payment date, if any, up to but not including the Redemption Date (the "Redemption Price"). The Redemption Price is expected to be paid on September 6, 2023. From and after the Redemption Date, dividends shall cease to accrue on the Series A Preferred Stock and the Series A Preferred Stock will no longer be deemed outstanding and all rights of the holders of the Series A Preferred Stock, other than the right to receive the Redemption Price upon Redemption, will cease and terminate. Upon Redemption, the shares of Series A Preferred Stock will be delisted from trading on the NYSE American.

## 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 limitation, 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, 2023 and 2022 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, 2022 (the “2022 10-K”) filed with the United States Securities and Exchange Commission (the “SEC”) on February 23, 2023, including the audited historical financial statements and related notes thereto as of and for the years ended December 31, 2022 and 2021 contained therein, which is accessible on the SEC's website at [www.sec.gov](http://www.sec.gov).

### Overview

We are a full service, vertically integrated real estate investment company 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. Our mission is to provide tenants with cost effective space that is functional, flexible and safe.

As of June 30, 2023, the Company, through its subsidiaries, owned 157 industrial properties comprising 210 buildings with an aggregate of approximately 34.2 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 attractive 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, 2023, the Company's portfolio was approximately 98.0% 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, 2023 through to December 31, 2025, an aggregate of 42.7% 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 leases to reflect current market conditions.

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, 2023.

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, 2023</b>								
	Renewals	2,086,050	72.6%	\$ 3.83	\$ 4.27	11.5%	\$ 0.10	\$ 0.11
	New Leases	786,011	27.4%	\$ 3.76	\$ 5.13	36.4%	\$ 0.27	\$ 0.35
	Total/weighted average	2,872,061	100%	\$ 3.81	\$ 4.50	18.1%	\$ 0.16	\$ 0.17

### 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.

### 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 and stock-based compensation. 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.

Our critical accounting policies are described under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Significant Judgments and Estimates" in our Annual Report on Form 10-K filed with the SEC on February 23, 2023, and the notes to the financial statements appearing elsewhere in this Quarterly Report on Form 10-Q. Accordingly, we believe the policies set forth in our 2022 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. During the six months ended June 30, 2023, there were no material changes to our critical accounting policies.

### Results of Operations (dollars 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, 2023 and 2022, 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, placed into service or held for development or repurposing during the period from January 1, 2022 through June 30, 2023.

### Three Months Ended June 30, 2023, Compared to Three Months Ended June 30, 2022

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, 2023 and 2022 (dollars in thousands):

	Same Store Portfolio				Acquisitions, Dispositions and Other				Total Portfolio			
	Three Months Ended June 30,		Change		Three Months Ended June 30,		Change		Three Months Ended June 30,		Change	
	2023	2022	\$	%	2023	2022	\$	%	2023	2022	\$	%
Revenue:												
Rental revenue	\$ 41,695	\$ 40,104	\$ 1,591	4.0%	\$ 8,204	\$ 5,508	\$ 2,696	48.9%	\$ 49,899	\$ 45,612	\$ 4,287	9.4%
Management fee revenue and other income	—	—	—	—	—	2	(2)	(100.0%)	—	2	(2)	(100.0%)
<i>Total revenues</i>	<u>41,695</u>	<u>40,104</u>	<u>1,591</u>	<u>4.0%</u>	<u>8,204</u>	<u>5,510</u>	<u>2,694</u>	<u>48.9%</u>	<u>49,899</u>	<u>45,614</u>	<u>4,285</u>	<u>9.4%</u>
Property expenses	12,887	11,660	1,227	10.5%	2,803	2,139	664	31.0%	15,690	13,799	1,891	13.7%
Depreciation and amortization									23,417	24,208	(791)	(3.3%)
General and administrative									3,842	4,146	(304)	(7.3%)
<i>Total operating expenses</i>									<u>42,949</u>	<u>42,153</u>	<u>796</u>	<u>1.9%</u>
Other income (expense):												
Interest expense									(9,584)	(7,925)	(1,659)	20.9%
<i>Total other income (expense)</i>									<u>(9,584)</u>	<u>(7,925)</u>	<u>(1,659)</u>	<u>20.9%</u>
Net loss									<u>\$ (2,634)</u>	<u>\$ (4,464)</u>	<u>\$ 1,830</u>	<u>(41.0%)</u>

*Rental revenue:* Rental revenue increased by \$4,287 to \$49,899 for the three months ended June 30 2023 as compared to \$45,612 for the three months ended June 30, 2022. This was primarily related to a net increase of \$2,696 within Acquisitions, Dispositions and Other primarily due to an increase in rental revenue from acquisitions, an increase of \$1,591 from Same Store Portfolio primarily from an increase in rent income of \$1,523 due to scheduled rent steps and leasing activities, an increase of \$665 in tenant reimbursements, and an increase in early termination revenue of \$30, partially offset by a decrease in non-cash rent adjustments of \$627 for the three months ended June 30, 2023.



*Property expenses:* Property expenses increased \$1,891 for the three months ended June 30, 2023 to \$15,690 as compared to \$13,799 for the three months ended June 30, 2022. This was primarily due to a net increase of \$664 within Acquisitions, Dispositions and Other due to property expenses related to acquisitions. Property expenses for the Same Store Portfolio increased approximately \$1,227 driven primarily by an increase in real estate taxes and operating expenses.

*Depreciation and amortization:* Depreciation and amortization expense decreased by \$791 to \$23,417 for the three months ended June 30, 2023 as compared to \$24,208 for the three months ended June 30 2022, primarily due to a net decrease of \$1,371 for the Same Store Portfolio due to full depreciation and amortization of certain assets during the three months ended June 30, 2023 partially offset by an increase in \$580 within Acquisitions, Dispositions and Other.

*General and administrative:* General and administrative expenses decreased approximately \$304 to \$3,842 for the three months ended June 30, 2023 as compared to \$4,146 for the three months ended June 30, 2022. The decrease is attributable primarily to decreased compensation expense of \$230 and acquisition expenses of \$145, partially offset by an increase in non-cash stock compensation of \$178.

*Interest expense:* Interest expense increased by approximately \$1,659 to \$9,584 for the three months ended June 30, 2023, as compared to \$7,925 for the three months ended June 30, 2022. The increase is primarily due to increased interest rates on the borrowings under the line of credit during the three months ended June 30, 2023 compared to the three months ended June 30, 2022. The schedule below is a comparative analysis of the components of interest expense for the three months June 30, 2023 and 2022.

	Three Months Ended June 30,	
	2023	2022
Changes in accrued interest	\$ 158	\$ 262
Amortization of debt related costs	570	527
Total change in accrued interest and amortization of debt related costs	728	789
Cash interest paid	9,207	7,278
Capitalized interest	(351)	(142)
Total interest expense	\$ 9,584	\$ 7,925

#### Six Months Ended June 30, 2023 Compared to Six Months Ended June 30, 2022

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, 2023 and 2022 (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	
	2023	2022	\$	%	2023	2022	\$	%	2023	2022	\$	%
<b>Revenue:</b>												
Rental revenue	\$ 83,487	\$ 80,853	\$ 2,634	3.3%	\$ 15,783	\$ 7,479	\$ 8,304	111.0%	\$ 99,270	\$ 88,332	\$ 10,938	12.4%
Management fee revenue and other income	—	—	—	—	29	88	(59)	(67.0%)	29	88	(59)	(67.0%)
<i>Total revenues</i>	<u>83,487</u>	<u>80,853</u>	<u>2,634</u>	<u>3.3%</u>	<u>15,812</u>	<u>7,567</u>	<u>8,245</u>	<u>109.0%</u>	<u>99,299</u>	<u>88,420</u>	<u>10,879</u>	<u>12.3%</u>
Property expenses	26,176	24,650	1,526	6.2%	5,468	3,224	2,244	69.6%	31,644	27,874	3,770	13.5%
Depreciation and amortization									47,217	46,899	318	0.7%
General and administrative									7,289	7,698	(409)	(5.3%)
<i>Total operating expenses</i>									<u>86,150</u>	<u>82,471</u>	<u>3,679</u>	<u>4.5%</u>
<b>Other income (expense):</b>												
Interest expense									(19,119)	(14,320)	(4,799)	33.5%
Earnings (loss) in investment of unconsolidated joint venture									—	(147)	147	(100%)
Loss on extinguishment of debt									—	(2,176)	2,176	(100%)
(Appreciation) depreciation of warrants									—	1,760	(1,760)	(100%)
<i>Total other income (expense)</i>									<u>(19,119)</u>	<u>(14,883)</u>	<u>(4,236)</u>	<u>28.5%</u>
Net loss									<u>\$ (5,970)</u>	<u>\$ (8,934)</u>	<u>\$ 2,964</u>	<u>(33.2%)</u>

*Rental revenue:* Rental revenue increased by \$10,938 to \$99,270 for the six months ended June 30, 2023 as compared to \$88,332 for the six months ended June 30, 2022. This was primarily related to a net increase of \$8,304 within Acquisitions, Dispositions and Other primarily due to an increase in rental revenue from acquisitions, an increase of \$2,634 from Same Store Portfolio primarily from an increase in rent income of \$3,244 due to scheduled rent steps and leasing activities, an increase of \$1,353 in tenant reimbursements, and an increase in early termination revenue of \$133, partially offset by a decrease in non-cash rent adjustments of \$2,096 for the six months ended June 30, 2023.

*Property expenses:* Property expenses increased \$3,770 for the six months ended June 30, 2023 to \$31,644 as compared to \$27,874 for the six months ended June 30, 2022. This was primarily due to a net increase of \$2,244 within Acquisitions, Dispositions and Other due to property expenses related to acquisitions. Property expenses for the Same Store Portfolio increased approximately \$1,526 driven by an increase in real estate taxes and operating expenses, partially offset by a decrease in utilities.

*Depreciation and amortization:* Depreciation and amortization expense increased by \$318 to \$47,217 for the six months ended June 30, 2023 as compared to \$46,899 for the six months ended June 30, 2022, primarily due to a net increase of \$4,206 within Acquisitions, Dispositions and Other, partially offset by a decrease of \$3,888 for the Same Store Portfolio due to full depreciation and amortization of certain assets during the six months ended June 30, 2023.

*General and administrative:* General and administrative expenses decreased approximately \$409 to \$7,289 for the six months ended June 30, 2023 as compared to \$7,698 for the six months ended June 30, 2022. The decrease is attributable primarily to decreased compensation expense of \$441, professional fees of \$111 and acquisition expenses of \$70, partially offset by an increase in non-cash stock compensation of \$320.

*Interest expense:* Interest expense increased by approximately \$4,799 to \$19,119 for the six months ended June 30, 2023, as compared to \$14,320 for the six months ended June 30, 2022. The increase is primarily due to increased interest rates on the borrowings under the line of credit during the six months ended June 30, 2023 compared to the six months ended June 30, 2022. The schedule below is a comparative analysis of the components of interest expense for the six months June 30, 2023 and 2022.

	Six Months Ended June 30,	
	2023	2022
Changes in accrued interest	\$ 452	\$ 906
Amortization of debt related costs	1,138	1,032
Total change in accrued interest and amortization of debt related costs	1,590	1,938
Cash interest paid	18,215	12,588
Capitalized interest	(686)	(206)
Total interest expense	<u>\$ 19,119</u>	<u>\$ 14,320</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.

*(Appreciation) depreciation of warrants:* (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, the Company recorded depreciation of warrants of \$1,760. During Q1 2022, all common stock warrants were fully exercised on a cash-less basis and no warrants remained outstanding as of June 30, 2023.

#### **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:

(In thousands)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2023	2022	2023	2022
<b>NOI:</b>				
Net loss	\$ (2,634)	\$ (4,464)	\$ (5,970)	\$ (8,934)
General and administrative	3,842	4,146	7,289	7,698
Depreciation and amortization	23,417	24,208	47,217	46,899
Interest expense	9,584	7,925	19,119	14,320
(Earnings) loss in investment of unconsolidated joint venture	—	—	—	147
Loss on extinguishment of debt	—	—	—	2,176
Appreciation (depreciation) of warrants	—	—	—	(1,760)
Management fee revenue and other income	—	(2)	(29)	(88)
<b>NOI</b>	<b>\$ 34,209</b>	<b>\$ 31,813</b>	<b>\$ 67,626</b>	<b>\$ 60,458</b>

#### **EBITDAre**

We define earnings before interest, taxes, depreciation and amortization for real estate in accordance with the standards established by the National Association of Real Estate Investment Trusts (“NAREIT”). EBITDAre represents net income (loss), computed in accordance with GAAP, before interest expense, tax, depreciation and amortization, gains or losses on the sale of rental property, appreciation (depreciation) of warrants, loss on impairments, and loss on extinguishment of debt. We believe that EBITDAre 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 EBITDAre for the periods presented:

(In thousands)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2023	2022	2023	2022
<b>EBITDAre:</b>				
Net loss	\$ (2,634)	\$ (4,464)	\$ (5,970)	\$ (8,934)
Depreciation and amortization	23,417	24,208	47,217	46,899
Interest expense	9,584	7,925	19,119	14,320
Loss on extinguishment of debt	—	—	—	2,176
Appreciation (depreciation) of warrants	—	—	—	(1,760)
<b>EBITDAre</b>	<b>\$ 30,367</b>	<b>\$ 27,669</b>	<b>\$ 60,366</b>	<b>\$ 52,701</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 certain non-cash operating expenses such as impairment on real estate lease, 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:

(In thousands)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2023	2022	2023	2022
<b>FFO:</b>				
Net loss	\$ (2,634)	\$ (4,464)	\$ (5,970)	\$ (8,934)
Depreciation and amortization	23,417	24,208	47,217	46,899
Depreciation and amortization from unconsolidated joint venture	—	—	—	268
<b>FFO:</b>	<u>\$ 20,783</u>	<u>\$ 19,744</u>	<u>\$ 41,247</u>	<u>\$ 38,233</u>
Preferred stock dividends	(916)	(1,320)	(1,832)	(3,019)
Acquisition expenses	4	150	85	150
Appreciation (depreciation) of warrants	—	—	—	(1,760)
Loss on extinguishment of debt	—	—	—	2,176
<b>Core FFO</b>	<u>\$ 19,871</u>	<u>\$ 18,574</u>	<u>\$ 39,500</u>	<u>\$ 35,780</u>

#### 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.

(In thousands)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2023	2022	2023	2022
<b>AFFO:</b>				
Core FFO	\$ 19,871	\$ 18,574	39,500	\$ 35,780
Amortization of debt related costs	570	527	1,138	1,032
Non-cash interest expense	158	262	452	906
Stock compensation	716	538	1,301	980
Capitalized interest	(351)	(142)	(686)	(206)
Straight line rent	(705)	(904)	(1,617)	(1,726)
Above/below market lease rents	(669)	(545)	(1,403)	(2,091)
Recurring capital expenditures <sup>(1)</sup>	(1,092)	(1,782)	(2,898)	(3,455)
<b>AFFO:</b>	<u>\$ 18,498</u>	<u>\$ 16,528</u>	<u>\$ 35,787</u>	<u>\$ 31,220</u>

(1) Excludes non-recurring capital expenditures of \$7,640 and \$14,515 for the three months ended June 30, 2023 and 2022, respectively, and \$16,053 and \$22,804 for the six months ended June 30, 2023 and 2022 respectively.

#### Cash Flow (dollars in thousands)

A summary of our cash flows for the six months ended June 30, 2023 and 2022 are as follows:

	Six Months Ended June 30,	
	2023	2022
Net cash provided by operating activities	\$ 39,499	\$ 35,659
Net cash used in investing activities	\$ (18,520)	\$ (197,517)
Net cash (used in) provided by financing activities	\$ (13,675)	\$ 154,550

*Operating activities:* Net cash provided by operating activities for the six months ended June 30, 2023 increased approximately \$3,840 compared to the six months ended June 30, 2022. The increase was primarily attributable to incremental operating cash flows from developments placed in service and acquisitions completed between Q3 2022 and Q2 2023 and same store properties.

*Investing activities:* Net cash used in investing activities for the six months ended June 30, 2023 decreased approximately \$178,997 compared to the six months ended June 30, 2022 primarily due to property acquisitions completed during the first six months in 2023 totaling \$0 as opposed to \$180,275 during the first six months of 2022, partially offset by an increase in capital expenditures of \$1,056.

*Financing activities:* Net cash (used in) provided by financing activities for the six months ended June 30, 2023 decreased \$168,225 compared to the six months ended June 30, 2022. The change was predominantly driven by a decrease of \$40,259 in net proceeds from the issuance of common stock, a decrease in debt offering costs of \$1,663, a decrease of \$373 in repurchase and extinguishment of Series A Preferred Stock, a decrease of \$128,122 in net proceeds from secured and unsecured debt and the line of credit, offset by an increase of \$1,880 in dividends paid.

### **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 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, 2023, we had available liquidity of approximately \$294.0 million, comprised of \$31.5 million in cash and cash equivalents and \$262.5 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, 2023

The following is a schedule of our indebtedness as of June 30, 2023 (\$ in thousands):

Debt	Outstanding Balance	Interest rate at June 30, 2023	Final Maturity Date
<b>Secured debt:</b>			
AIG Loan	\$ 110,357	4.08%	November 1, 2023
Transamerica Loan	66,720	4.35%	August 1, 2028
Allianz Loan	61,830	4.07%	April 10, 2026
Minnesota Life Loan	19,796	3.78%	May 1, 2028
Minnesota Life Memphis Industrial Loan	55,529	3.15%	January 1, 2028
Lincoln Life Gateway Mortgage	28,800	3.43%	January 1, 2028
Ohio National Life Mortgage	18,732	4.14%	August 1, 2024
Nationwide Loan	15,000	2.97%	October 1, 2027
Midland National Life Insurance Mortgage	10,769	3.50%	March 10, 2028
<b>Total secured debt</b>	<b>\$ 387,533</b>		
Unamortized debt issuance costs, net	(1,535)		
Unamortized premium/(discount), net	193		
<b>Secured debt, net</b>	<b>\$ 386,191</b>		
<b>Unsecured debt:</b>			
\$100m KeyBank Term Loan	100,000	3.10% <sup>(1)(2)</sup>	August 11, 2026
\$200m KeyBank Term Loan	200,000	3.13% <sup>(1)(2)</sup>	February 11, 2027
\$150m KeyBank Term Loan	150,000	4.50% <sup>(1)(2)</sup>	May 2, 2027
Total unsecured debt	\$ 450,000		
Unamortized debt issuance costs, net	(2,345)		
<b>Unsecured debt, net</b>	<b>\$ 447,655</b>		
<b>Borrowings under line of credit:</b>			
KeyBank unsecured line of credit	87,500	6.82% <sup>(1)</sup>	August 11, 2025
<b>Total borrowings under line of credit</b>	<b>\$ 87,500</b>		

(1) For the month of June 2023, the one-month term SOFR for our unsecured debt and borrowings under line of credit was 5.172%. 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.

(2) As of June 30, 2023, the one-month term SOFR for the \$100m, \$150m and \$200m KeyBank Term Loans was swapped to a fixed rate of 1.504%, 2.904%, and 1.527%, respectively.

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, 2023, and we anticipate that we will be able to operate in compliance with our financial covenants for the next twelve months.

## Stock Issuances (dollars in thousands)

### 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, 2023, the Company has \$581,401 available for issuance under the 2021 \$750 Million S-3 Filing.

### ATM Program

On February 28, 2023, the Company entered into a distribution agreement with certain sales agents pursuant to which the Company may issue and sell, from time to time, shares of its common stock, with aggregate gross proceeds of \$200,000 through an "at-the-market" equity offering program (the "2023 \$200 Million ATM Program"). The 2023 \$200 Million ATM Program replaced the previous \$200 Million ATM program, which was entered on November 9, 2021 ("2021 \$200 Million ATM Program").

For the six months ended June 30, 2023, the Company has issued 70,000 shares of its common stock under the 2023 \$200 Million ATM Program for aggregate net proceeds of approximately \$1,248. The Company has approximately \$198,379 available for issuance under the 2023 \$200 Million ATM Program. No shares were issued under the 2021 \$200 Million ATM Program for the six months ended June 30, 2023.

#### Off-Balance Sheet Arrangements

As of June 30, 2023, we have no off-balance sheet arrangements.

#### Inflation

Prior to 2021, the rate of inflation was low and had minimal impact on the performance of our industrial properties in the markets in which we operate, however, recently inflation has increased and may remain at an elevated level or increase further. The majority of our leases are either triple net or provide for tenant reimbursement for costs related to real estate taxes and operating expenses. In addition, most of the leases provide for fixed rent increases. We believe that inflationary increases may be at least partially offset by the contractual rent increases and tenant payment of taxes and expenses described above. We do not believe that inflation has had a material impact on our historical financial position or results of operations.

#### Interest Rate Risk (dollars in thousands)

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, 2023, 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, 2023, the Company had entered into five interest rate swap agreements.

The following table details our outstanding interest rate swaps as of June 30, 2023 (\$ in thousands):

Interest Rate					SOFR Interest	Notional Value <sup>(1)</sup>	Fair Value <sup>(2)</sup>
Swap Counterparty	Trade Date	Effective Date	Maturity Date	Strike Rate	June 30, 2023		
Capital One, N.A.	July 13, 2022	July 1, 2022	February 11, 2027	1.527% <sup>(3)</sup>	\$	200,000	\$ 17,078
JPMorgan Chase Bank, N.A.	July 13, 2022	July 1, 2022	August 8, 2026	1.504% <sup>(3)</sup>	\$	100,000	\$ 8,002
JPMorgan Chase Bank, N.A.	August 19, 2022	September 1, 2022	May 2, 2027	2.904%	\$	75,000	\$ 3,063
Wells Fargo Bank, N.A.	August 19, 2022	September 1, 2022	May 2, 2027	2.904%	\$	37,500	\$ 1,528
Capital One, N.A.	August 19, 2022	September 1, 2022	May 2, 2027	2.904%	\$	37,500	\$ 1,509

(1) Represents the notional value of interest rate swaps effective as of June 30, 2023.

(2) As of June 30, 2023, all our interest rate swaps were in an asset position.

(3) On July 13, 2022, the Company entered into amendments to the \$200,000 and \$100,000 notional interest rate swap agreements with Capital One, N.A. and JPMorgan Chase Bank, N.A., respectively. The amendments transitioned the previous USD-LIBOR floating rates to USD-SOFR CME Term floating rates and are effective as of July 1, 2022.

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, 2023, 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 \$17,967 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, 2023, we had \$537,500 of outstanding variable rate debt. As of June 30, 2023, all our outstanding variable debt, with the exception of the KeyBank unsecured line of credit which had balance of \$87,500, was fixed with interest rate swaps through maturity. The KeyBank unsecured line of credit was subject to a weighted average interest rate of 6.65% during the six months ended June 30, 2023. Based on the variable rate borrowings for our KeyBank unsecured line of credit outstanding during the six months ended June 30, 2023, 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, 2023, our interest expense for the quarter would have increased by approximately \$39. 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, 2023, our interest rate swaps are indexed to SOFR.

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 5 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, 2023. Based on the evaluation, our Chief Executive Officer and Chief Financial Officer concluded that as of June 30, 2023, 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 have been no changes in our internal control over financial reporting during the quarter ended June 30, 2023 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, 2022 filed with the SEC on February 23, 2023. 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, 2022.

### 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* | <a href="#">Third Amended and Restated 2014 Incentive Award Plan</a>  |
| 31.1  | <a href="#">Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>  |
| 31.2  | <a href="#">Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>  |
| 32.1  | <a href="#">Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002</a>  |
| 32.2  | <a href="#">Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002</a>  |
| 101   | The financial information from the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2023 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.   |

\* Indicates management compensation plan.

**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, 2023

**PLYMOUTH INDUSTRIAL REIT, INC. AND  
PLYMOUTH INDUSTRIAL OP, LP  
THIRD AMENDED AND RESTATED 2014 INCENTIVE AWARD PLAN**

**ARTICLE 1**

**PURPOSE**

The purpose of the Plymouth Industrial REIT, Inc. and Plymouth Industrial OP, LP Third Amended and Restated 2014 Incentive Award Plan (the "Plan") is to promote the success and enhance the value of Plymouth Industrial REIT, Inc., a Maryland corporation (the "Company"), and Plymouth Industrial OP, LP, a Delaware limited partnership (the "Partnership"), by linking the individual interests of Employees, Consultants, members of the Board to those of the Company's stockholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to the Company's stockholders. The Plan is further intended to provide flexibility to the Company, the Partnership and their subsidiaries in their ability to motivate, attract, and retain the services of those individuals upon whose judgment, interest, and special effort the successful conduct of the Company's and the Partnership's operations is largely dependent.

**ARTICLE 2**

**DEFINITIONS AND CONSTRUCTION**

Wherever the following terms are used in the Plan they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates.

2.1 "Administrator" shall mean the entity that conducts the general administration of the Plan as provided in Article 11 hereof. With reference to the duties of the Committee under the Plan which have been delegated to one or more persons pursuant to Section 11.6 hereof, or which the Board has assumed, the term "Administrator" shall refer to such person(s) unless the Committee or the Board has revoked such delegation or the Board has terminated the assumption of such duties.

2.2 "Affiliate" shall mean the Partnership, any Parent or any Subsidiary.

2.3 "Applicable Accounting Standards" shall mean Generally Accepted Accounting Principles in the United States, International Financial Reporting Standards or such other accounting principles or standards as may apply to the Company's financial statements under United States federal securities laws from time to time.

2.4 "Applicable Law" shall mean any applicable law, including without limitation, (a) provisions of the Code, the Securities Act, the Exchange Act and any rules or regulations thereunder; (b) corporate, securities, tax or other laws, statutes, rules, requirements or regulations, whether federal, state, local or foreign; and (c) rules of any securities exchange or automated quotation system on which the Shares are listed, quoted or traded.

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2.5 "Award" shall mean an Option, a Restricted Stock award, a Performance Award, a Dividend Equivalent award, a Stock Payment award, a Restricted Stock Unit award, a Performance Share award, an Other Incentive Award, an LTIP Unit award or a Stock Appreciation Right, which may be awarded or granted under the Plan.

2.6 "Award Agreement" shall mean any written notice, agreement, contract or other instrument or document evidencing an Award, including through electronic medium, which shall contain such terms and conditions with respect to an Award as the Administrator shall determine, consistent with the Plan.

2.7 "Board" shall mean the Board of Directors of the Company.

2.8 "Change in Control" shall mean the occurrence of any of the following events:

(a) A transaction or series of transactions (other than an offering of Shares to the general public through a registration statement filed with the Securities and Exchange Commission) whereby any "person" or related "group" of "persons" (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act) (other than the Company, the Partnership or any Subsidiary, an employee benefit plan maintained by any of the foregoing entities or a "person" that, prior to such transaction, directly or indirectly controls, is controlled by, or is under common control with, the Company) directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more than thirty percent (30%) of the total combined voting power of the Company's securities outstanding immediately after such acquisition; or

(b) During any period of two (2) consecutive years, individuals who, at the beginning of such period, constitute the Board together with any new director(s) (other than a director designated by a person who shall have entered into an agreement with the Company to effect a transaction described in Section 2.8(a) or Section 2.8(c) hereof) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the two (2)-year period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof; or

(c) The consummation by the Company (whether directly involving the Company or indirectly involving the Company through one or more intermediaries) of (x) a merger, consolidation, reorganization, or business combination, (y) a sale or other disposition of all or substantially all of the Company's assets in any single transaction or series of related transactions or (z) the acquisition of assets or stock of another entity, in each case, other than a transaction:

(i) Which results in the Company's voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the Company or the person that, as a result of the transaction, controls, directly or indirectly, the Company or owns, directly or indirectly, all or substantially all of, the Company's assets or otherwise succeeds to the business of the Company (the Company or such person, the "Successor Entity")) directly or indirectly, at least a majority of the combined voting power of the Successor Entity's outstanding voting securities immediately after the transaction, and

(ii) After which no person or group beneficially owns voting securities representing thirty percent (30%) or more of the combined voting power of the Successor Entity; provided, however, that no person or group shall be treated for purposes of this Section 2.8(c)(ii) as beneficially owning thirty percent (30%) or more of the combined voting power of the Successor Entity solely as a result of the voting power held in the Company prior to the consummation of the transaction; or

(d) Approval by the Company's stockholders of a liquidation or dissolution of the Company.

Notwithstanding the foregoing, if a Change in Control constitutes a payment event with respect to any Award (or any portion of an Award) that provides for the deferral of compensation that is subject to Section 409A of the Code, to the extent required to avoid the imposition of additional taxes under Section 409A of the Code, the transaction or event described in subsection (a), (b), (c) or (d) with respect to such Award (or portion thereof) shall only constitute a Change in Control for purposes of the payment timing of such Award if such transaction also constitutes a "change in control event" (within the meaning of Code Section 409A). Consistent with the terms of this Section 2.8, the Administrator shall have full and final authority to determine conclusively whether a Change in Control of the Company has occurred pursuant to the above definition, the date of the occurrence of such Change in Control and any incidental matters relating thereto.

2.9 "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, together with the regulations and official guidance promulgated thereunder, whether issued prior or subsequent to the grant of any Award.

2.10 "Committee" shall mean the Compensation Committee of the Board, or another committee or subcommittee of the Board described in Article 11 hereof.

2.11 "Common Stock" shall mean the common stock of the Company, par value \$0.01 per share.

2.12 "Company" shall mean Plymouth Industrial REIT, Inc., a Maryland corporation.

2.13 "Consultant" shall mean any consultant or advisor of the Company, the Partnership or any Subsidiary who qualifies as a consultant or advisor under the applicable rules of Form S-8 Registration Statement.

2.14 "Director" shall mean a member of the Board, as constituted from time to time.

2.15 "Dividend Equivalent" shall mean a right to receive the equivalent value (in cash or Shares) of dividends paid on Shares, awarded under Section 8.2 hereof.

2.16 "DRO" shall mean a "domestic relations order" as defined by the Code or Title I of the Employee Retirement Income Security Act of 1974, as amended from time to time, or the rules thereunder.

2.17 "Effective Date" shall mean the date the Plan is adopted by the Board, subject to approval of the Plan by the Company's stockholders.

2.18 "Eligible Individual" shall mean any person who is an Employee, a Consultant or a Non-Employee Director, as determined by the Administrator.

2.19 "Employee" shall mean any officer or other employee (within the meaning of Section 3401 (c) of the Code) of the Company, the Partnership or any Subsidiary.

2.20 "Equity Restructuring" shall mean a nonreciprocal transaction between the Company and its stockholders, such as a stock dividend, stock split, spin-off, rights offering or recapitalization through a large, nonrecurring cash dividend, that affects the number or kind of Shares (or other securities of the Company) or the share price of Common Stock (or other securities) and causes a change in the per share value of the Common Stock underlying outstanding stock-based Awards.

2.21 "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

2.22 "Expiration Date" shall have the meaning provided in Section 12.1 hereof.

2.23 "Fair Market Value" shall mean, as of any given date, the value of a Share determined as follows:

(a) If the Common Stock is (i) listed on any established securities exchange (such as the New York Stock Exchange, the NASDAQ Capital Market, the NASDAQ Global Market and the NASDAQ Global Select Market), (ii) listed on any national market system or (iii) listed, quoted or traded on any automated quotation system, its Fair Market Value shall be the closing sales price for a Share as quoted on such exchange or system for such date or, if there is no closing sales price for a Share on the date in question, the closing sales price for a Share on the last preceding date for which such quotation exists, as reported in The Wall Street Journal or such other source as the Administrator deems reliable;

(b) If the Common Stock is not listed on an established securities exchange, national market system or automated quotation system, but the Common Stock is regularly quoted by a recognized securities dealer, its Fair Market Value shall be the mean of the high bid and low asked prices for such date or, if there are no high bid and low asked prices for a Share on such date, the high bid and low asked prices for a Share on the last preceding date for which such information exists, as reported in The Wall Street Journal or such other source as the Administrator deems reliable; or

(c) If the Common Stock is neither listed on an established securities exchange, national market system or automated quotation system nor regularly quoted by a recognized securities dealer, its Fair Market Value shall be established by the Administrator in good faith.

2.24 "Greater Than 10% Stockholder" shall mean an individual then-owning (within the meaning of Section 424(d) of the Code) more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any "parent corporation" or "subsidiary corporation" (as defined in Sections 424(e) and 424(f) of the Code, respectively).

2.25 "Incentive Stock Option" shall mean an Option that is intended to qualify as an incentive stock option and conforms to the applicable provisions of Section 422 of the Code.

2.26 "Individual Award Limit" shall mean the cash and share limits applicable to Awards granted under the Plan, as set forth in Section 3.3 hereof.

2.27 "LTIP Unit" shall mean, to the extent authorized by the Partnership Agreement, a unit of the Partnership that is granted pursuant to Section 8.7 hereof and is intended to constitute a "profits interest" within the meaning of the Code.

2.28 "Non-Employee Director" shall mean a Director of the Company, who is not an Employee.

2.29 "Non-Qualified Stock Option" shall mean an Option that is not an Incentive Stock Option or which is designated as an Incentive Stock Option but does not meet the applicable requirements of Section 422 of the Code.

2.30 "Option" shall mean a right to purchase Shares at a specified exercise price, granted under Article 5 hereof. An Option shall be either a Non-Qualified Stock Option or an Incentive Stock Option; provided, however, that Options granted to Non-Employee Directors and Consultants shall only be Non-Qualified Stock Options.

2.31 "Other Incentive Award" shall mean an Award denominated in, linked to or derived from Shares or value metrics related to Shares, granted pursuant to Section 8.6 hereof.

2.32 "Parent" shall mean any entity (other than the Company), whether domestic or foreign, in an unbroken chain of entities ending with the Company if each of the entities other than the Company beneficially owns, at the time of the determination, securities or interests representing more than fifty percent (50%) of the total combined voting power of all classes of securities or interests in one of the other entities in such chain.

2.33 "Participant" shall mean an Eligible Individual who has been granted an Award pursuant to the Plan.

2.34 "Partnership" shall mean Plymouth Industrial OP, LP., a Delaware limited partnership.

2.35 "Partnership Agreement" shall mean the Amended and Restated Agreement of Limited Partnership of Plymouth Industrial OP LP, as the same may be amended, modified or restated from time to time.

2.36 "Performance Award" shall mean an Award that is granted under Section 8.1 hereof.

2.37 "Performance Criteria" shall mean the criteria (and adjustments) that the Committee selects for an Award for purposes of establishing the Performance Goal or Performance Goals for a Performance Period, determined as follows:

(a) The Performance Criteria that shall be used to establish Performance Goals are limited to the following: (i) net earnings (either before or after one or more of the following: (A) interest, (B) taxes, (C) depreciation, (D) amortization, and (E) non-cash equity-based compensation expense); (ii) gross or net sales or revenue; (iii) net income (either before or after taxes); (iv) adjusted net income; (v) operating earnings or profit; (vi) cash flow (including, but not limited to, operating cash flow and free cash flow); (vii) return on assets; (viii) return on capital; (ix) return on stockholders' equity; (x) total stockholder return; (xi) return on sales; (xii) gross or net profit or operating margin; (xiii) costs; (xiv) funds from operations; (xv) expenses; (xvi) working capital; (xvii) earnings per share; (xviii) adjusted earnings per share; (xix) price per Share; (xx) leasing activity; (xxi) implementation or completion of critical projects; (xxii) market share; (xxiii) economic value; (xxiv) debt levels or reduction; (xxv) sales-related goals; (xxvi) comparisons with other stock market indices; (xxvii) operating efficiency; (xxviii) financing and other capital raising transactions; (xxix) recruiting and maintaining personnel; (xxx) year-end cash; (xxxi) acquisition activity; (xxxii) investment sourcing activity; (xxxiii) customer service; and (xxxiv) marketing initiatives, any of which may be measured either in absolute terms for the Company or any operating unit of the Company or as compared to any incremental increase or decrease or as compared to results of a peer group or to market performance indicators or indices.

(b) The Administrator may, in its sole discretion, provide that one or more objectively determinable adjustments shall be made to one or more of the Performance Goals. Such adjustments may include, but are not limited to, one or more of the following: (i) items related to a change in accounting principle; (ii) items relating to financing activities; (iii) expenses for restructuring or productivity initiatives; (iv) other non-operating items; (v) items related to acquisitions; (vi) items attributable to the business operations of any entity acquired by the Company during the Performance Period; (vii) items related to the sale or disposition of a business or segment of a business; (viii) items related to discontinued operations that do not qualify as a segment of a business under Applicable Accounting Standards; (ix) items attributable to any stock dividend, stock split, combination or exchange of stock occurring during the Performance Period; (x) any other items of significant income or expense which are determined to be appropriate adjustments; (xi) items relating to unusual or extraordinary corporate transactions, events or developments; (xii) items related to amortization of acquired intangible assets; (xiii) items that are outside the scope of the Company's core, on-going business activities; (xiv) items related to acquire in-process research and development; (xv) items relating to changes in tax laws; (xvi) items relating to major licensing or partnership arrangements; (xvii) items relating to asset impairment charges; (xviii) items relating to gains or losses for litigation, arbitration and contractual settlements; or (xix) items relating to any other unusual or nonrecurring events or changes in Applicable Law, accounting principles or business conditions.



2.38 "Performance Goals" shall mean, for a Performance Period, one or more goals established in writing by the Administrator for the Performance Period based upon one or more Performance Criteria. Depending on the Performance Criteria used to establish such Performance Goals, the Performance Goals may be expressed in terms of overall performance of the Company, the Partnership, any Subsidiary, any division or business unit thereof or an individual. The achievement of each Performance Goal shall be determined in accordance with Applicable Accounting Standards.

2.39 "Performance Period" shall mean one or more periods of time, which may be of varying and overlapping durations, as the Administrator may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to, and the payment of, a Performance Award.

2.40 "Performance Share" shall mean a contractual right awarded under Section 8.5 hereof to receive a number of Shares or the cash value of such number of Shares based on the attainment of specified Performance Goals or other criteria determined by the Administrator.

2.41 "Permitted Transferee" shall mean, with respect to a Participant, any "family member" of the Participant, as defined under the General Instructions to Form S-8 Registration Statement under the Securities Act or any successor Form thereto, or any other transferee specifically approved by the Administrator, after taking into account Applicable Law.

2.42 "Plan" shall mean this Plymouth Industrial REIT, Inc. and Plymouth Industrial REIT OP, LP Third Amended and Restated 2014 Incentive Award Plan, as it may be amended from time to time.

2.43 "Program" shall mean any program adopted by the Administrator pursuant to the Plan containing the terms and conditions intended to govern a specified type of Award granted under the Plan and pursuant to which such type of Award may be granted under the Plan.

2.44 "REIT" shall mean a real estate investment trust within the meaning of Sections 856 through 860 of the Code.

2.45 "Restricted Stock" shall mean an award of Shares made under Article 7 hereof that is subject to certain restrictions and may be subject to risk of forfeiture.

2.46 "Restricted Stock Unit" shall mean a contractual right awarded under Section 8.4 hereof to receive in the future a Share or the cash value of a Share.

2.47 "Securities Act" shall mean the Securities Act of 1933, as amended.

2.48 "Share Limit" shall have the meaning provided in Section 3.1(a) hereof.

2.49 "Shares" shall mean shares of Common Stock.

2.50 "Stock Appreciation Right" shall mean a stock appreciation right granted under Article 10 hereof.

2.51 "Stock Payment" shall mean a payment in the form of Shares awarded under Section 8.3 hereof.

2.52 "Subsidiary" shall mean (a) a corporation, association or other business entity of which fifty percent (50%) or more of the total combined voting power of all classes of capital stock is owned, directly or indirectly, by the Company, the Partnership and/or by one or more Subsidiaries, (b) any partnership or limited liability company of which fifty percent (50%) or more of the equity interests are owned, directly or indirectly, by the Company, the Partnership and/or by one or more Subsidiaries, and (c) any other entity not described in clauses (a) or (b) above of which fifty percent (50%) or more of the ownership and the power (whether voting interests or otherwise), pursuant to a written contract or agreement, to direct the policies and management or the financial and the other affairs thereof, are owned or controlled by the Company, the Partnership and/or by one or more Subsidiaries.

2.53 "Substitute Award" shall mean an Award granted under the Plan in connection with a corporate transaction, such as a merger, combination, consolidation or acquisition of property or stock, in any case, upon the assumption of, or in substitution for, an outstanding equity award previously granted by a company or other entity that is a party to such transaction; provided, however, that in no event shall the term "Substitute Award" be construed to refer to an award made in connection with the cancellation and repricing of an Option or Stock Appreciation Right.

2.54 "Successor Entity." shall have the meaning provided in Section 2.8(c)(i) hereof.

2.55 "Termination of Service" shall mean:

(a) As to a Consultant, the time when the engagement of a Participant as a Consultant to the Company and its Affiliates is terminated for any reason, with or without cause, including, without limitation, by resignation, discharge, death or retirement, but excluding terminations where the Consultant simultaneously commences or remains in employment and/or service as an Employee and/or Director with the Company or any Affiliate.

(b) As to a Non-Employee Director, the time when a Participant who is a Non-Employee Director ceases to be a Director for any reason, including, without limitation, a termination by resignation, failure to be elected, death or retirement, but excluding terminations where the Participant simultaneously commences or remains in employment and/or service as an Employee and/or Consultant with the Company or any Affiliate.

(c) As to an Employee, the time when the employee-employer relationship between a Participant and the Company and its Affiliates is terminated for any reason, including, without limitation, a termination by resignation, discharge, death, disability or retirement, but excluding terminations where the Participant simultaneously commences or remains in service as a Consultant and/or Director with the Company or any Affiliate.

The Administrator, in its sole discretion, shall determine the effect of all matters and questions relating to any Termination of Service, including, without limitation, whether a Termination of Service has occurred, whether any Termination of Service resulted from a discharge for cause and whether any particular leave of absence constitutes a Termination of Service; provided, however, that, with respect to Incentive Stock Options, unless the Administrator otherwise provides in the terms of any Program, Award Agreement or otherwise, or as otherwise required by Applicable Law, a leave of absence, change in status from an employee to an independent contractor or other change in the employee- employer relationship shall constitute a Termination of Service only if, and to the extent that, such leave of absence, change in status or other change interrupts employment for the purposes of Section 422(a)(2) of the Code. For purposes of the Plan, a Participant's employee-employer relationship or consultancy relationship shall be deemed to be terminated in the event that the Affiliate employing or contracting with such Participant ceases to remain an Affiliate following any merger, sale of stock or other corporate transaction or event (including, without limitation, a spin-off).

### ARTICLE 3

#### SHARES SUBJECT TO THE PLAN

##### 3.1 Number of Shares.

(a) Subject to Section 3.1(b) and Section 12.2 hereof, the aggregate number of Shares which may be issued or transferred pursuant to Awards under the Plan is One Million Three Hundred Seventy-Five Thousand (1,375,000) Shares (the "Share Limit"). In order that the applicable regulations under the Code relating to Incentive Stock Options be satisfied, the maximum number of Shares that may be issued under the Plan upon the exercise of Incentive Stock Options shall be One Million Three Hundred Seventy-Five Thousand (1,375,000) Shares. Subject to Section 12.2 hereof, each LTIP Unit issued pursuant to an Award shall count as one Share for purposes of calculating the aggregate number of Shares available for issuance under the Plan as set forth in this Section 3.1(a) and for purposes of calculating the Individual Award Limit set forth in Section 3.3 hereof.

(b) If any Shares subject to an Award are forfeited or expire or such Award is settled for cash (in whole or in part), the Shares subject to such Award shall, to the extent of such forfeiture, expiration or cash settlement, again be available for future grants of Awards under the Plan and shall be added back to the Share Limit in the same number of Shares as were debited from the Share Limit in respect of the grant of such Award (as may be adjusted in accordance with Section 12.2 hereof). Notwithstanding anything to the contrary contained herein, the following Shares shall not be added back to the Share Limit and will not be available for future grants of Awards: (i) Shares tendered by a Participant or withheld by the Company in payment of the exercise price of an Option; (ii) Shares tendered by the Participant or withheld by the Company to satisfy any tax withholding obligation with respect to an Award; (iii) Shares subject to a Stock Appreciation Right that are not issued in connection with the stock settlement of the Stock Appreciation Right on exercise thereof; and (iv) Shares purchased on the open market with the cash proceeds from the exercise of Options. Any Shares repurchased by the Company under Section 8.4 hereof at the same price paid by the Participant so that such Shares are returned to the Company will again be available for Awards. The payment of Dividend Equivalents in cash in conjunction with any outstanding Awards shall not be counted against the Shares available for issuance under the Plan. Notwithstanding the provisions of this Section 3.1(b), no Shares may again be optioned, granted or awarded if such action would cause an Incentive Stock Option to fail to qualify as an incentive stock option under Section 422 of the Code.

(c) Substitute Awards shall not reduce the Shares authorized for grant under the Plan. Additionally, in the event that a company acquired by the Company or any Affiliate, or with which the Company or any Affiliate combines, has shares available under a pre-existing plan approved by its stockholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall not reduce the Shares authorized for grant under the Plan; provided, however, that Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not employed by or providing services to the Company or its Affiliates immediately prior to such acquisition or combination.

3.2 Stock Distributed. Any Shares distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Common Stock or, if authorized by the Board, Common Stock purchased on the open market.

3.3 Limitation on Number of Shares Subject to Awards. Notwithstanding any provision in the Plan to the contrary, and subject to Section 12.2 hereof, (a) the maximum aggregate number of Shares with respect to one or more Awards that may be granted to any one person during any calendar year shall be One Hundred Thousand (100,000) Shares and the maximum aggregate amount of cash that may be paid in cash during any calendar year with respect to one or more Awards payable in cash shall be Two Million Dollars (\$2,000,000) (together, the "Individual Award Limits"); provided, however, that the foregoing limitations shall not apply until the earliest of the following events to occur: (a) the first material modification of the Plan (including any increase in the Share Limit in accordance with Section 3.1 hereof); (b) the issuance of all of the Shares reserved for issuance under the Plan; (c) the expiration of the Plan; or (d) the first meeting of stockholders at which members of the Board are to be elected that occurs after the close of the third calendar year following the calendar year in which occurred the first registration of an equity security of the Company under Section 12 of the Exchange Act.

## ARTICLE 4

### GRANTING OF AWARDS

4.1 Participation. The Administrator may, from time to time, select from among all Eligible Individuals, those to whom one or more Awards shall be granted and shall determine the nature and amount of each Award, which shall not be inconsistent with the requirements of the Plan. No Eligible Individual shall have any right to be granted an Award pursuant to the Plan.

4.2 Award Agreement. Each Award shall be evidenced by an Award Agreement stating the terms and conditions applicable to such Award, consistent with the requirements of the Plan and any applicable Program.

4.3 Limitations Applicable to Section 16 Persons. Notwithstanding anything contained herein to the contrary, with respect to any Award granted or awarded to any individual who is then subject to Section 16 of the Exchange Act, the Plan, any applicable Program and the applicable Award Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including Rule 16b-3 of the Exchange Act and any amendments thereto) that are requirements for the application of such exemptive rule, and such additional limitations shall be deemed to be incorporated by reference into such Award to the extent permitted by Applicable Law.

4.4 At-Will Service. Nothing in the Plan or in any Program or Award Agreement hereunder shall confer upon any Participant any right to continue as an Employee, Director or Consultant of the Company or any Affiliate, or shall interfere with or restrict in any way the rights of the Company or any Affiliate, which rights are hereby expressly reserved, to discharge any Participant at any time for any reason whatsoever, with or without cause, and with or without notice, or to terminate or change all other terms and conditions of any Participant's employment or engagement, except to the extent expressly provided otherwise in a written agreement between the Participant and the Company or any Affiliate.

4.5 Foreign Participants. Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in other countries in which the Company and its Affiliates operate or have Employees, Non-Employee Directors or Consultants, or in order to comply with the requirements of any foreign securities exchange, the Administrator, in its sole discretion, shall have the power and authority to: (a) determine which Affiliates shall be covered by the Plan; (b) determine which Eligible Individuals outside the United States are eligible to participate in the Plan; (c) modify the terms and conditions of any Award granted to Eligible Individuals outside the United States to comply with applicable foreign laws or listing requirements of any such foreign securities exchange; (d) establish subplans and modify exercise procedures and other terms and procedures, to the extent such actions may be necessary or advisable; provided, however, that no such subplans and/or modifications shall increase the Share Limit or Individual Award Limits contained in Sections 3.1 and 3.3 hereof, respectively; and (e) take any action, before or after an Award is made, that it deems advisable to obtain approval or comply with any necessary local governmental regulatory exemptions or approvals or listing requirements of any such foreign securities exchange. Notwithstanding the foregoing, the Administrator may not take any actions hereunder, and no Awards shall be granted, that would violate Applicable Law.

4.6 Stand-Alone and Tandem Awards. Awards granted pursuant to the Plan may, in the sole discretion of the Administrator, be granted either alone, in addition to, or in tandem with, any other Award granted pursuant to the Plan. Awards granted in addition to or in tandem with other Awards may be granted either at the same time as or at a different time from the grant of such other Awards.

## ARTICLE 5

### GRANTING OF OPTIONS

5.1 Granting of Options to Eligible Individuals. The Administrator is authorized to grant Options to Eligible Individuals from time to time, in its sole discretion, on such terms and conditions as it may determine which shall not be inconsistent with the Plan.

5.2 Qualification of Incentive Stock Options. No Incentive Stock Option shall be granted to any person who is not an Employee of the Company or any "parent corporation" or "subsidiary corporation" of the Company (as defined in Sections 424(e) and 424(1) of the Code, respectively). No person who qualifies as a Greater Than 10% Stockholder may be granted an Incentive Stock Option unless such Incentive Stock Option conforms to the applicable provisions of Section 422 of the Code. Any Incentive Stock Option granted under the Plan may be modified by the Administrator, with the consent of the Participant, to disqualify such Option from treatment as an "incentive stock option" under Section 422 of the Code. To the extent that the aggregate fair market value of stock with respect to which "incentive stock options" (within the meaning of Section 422 of the Code, but without regard to Section 422(d) of the Code) are exercisable for the first time by a Participant during any calendar year under the Plan and all other plans of the Company or any "parent corporation" or "subsidiary corporation" of the Company (as defined in Section 424(e) and 424(1) of the Code, respectively) exceeds one hundred thousand dollars (\$100,000), the Options shall be treated as Non-Qualified Stock Options to the extent required by Section 422 of the Code. The rule set forth in the preceding sentence shall be applied by taking Options and other "incentive stock options" into account in the order in which they were granted and the Fair Market Value of stock shall be determined as of the time the respective options were granted. In addition, to the extent that any Options otherwise fail to qualify as Incentive Stock Options, such Options shall be treated as Nonqualified Stock Options.

5.3 Option Exercise Price. The exercise price per Share subject to each Option shall be set by the Administrator, but shall not be less than one hundred percent (100%) of the Fair Market Value of a Share on the date the Option is granted (or, as to Incentive Stock Options, on the date the Option is modified, extended or renewed for purposes of Section 424(h) of the Code). In addition, in the case of Incentive Stock Options granted to a Greater Than 10% Stockholder, such price shall not be less than one hundred ten percent (110%) of the Fair Market Value of a Share on the date the Option is granted (or the date the Option is modified, extended or renewed for purposes of Section 424(h) of the Code).

5.4 Option Term. The term of each Option shall be set by the Administrator in its sole discretion; provided, however, that the term shall not be more than ten (10) years from the date the Option is granted, or five (5) years from the date an Incentive Stock Option is granted to a Greater Than 10% Stockholder. The Administrator shall determine the time period, including the time period following a Termination of Service, during which the Participant has the right to exercise the vested Options, which time period may not extend beyond the stated term of the Option. Except as limited by the requirements of Section 409A or Section 422 of the Code, the Administrator may extend the term of any outstanding Option, and may extend the time period during which vested Options may be exercised, in connection with any Termination of Service of the Participant, and may amend any other term or condition of such Option relating to such a Termination of Service.

5.5 Option Vesting.

(a) The terms and conditions pursuant to which an Option vests in the Participant and becomes exercisable shall be determined by the Administrator and set forth in the applicable Award Agreement. Such vesting may be based on service with the Company or any Affiliate, any of the Performance Criteria, or any other criteria selected by the Administrator. At any time after the grant of an Option, the Administrator may, in its sole discretion and subject to whatever terms and conditions it selects, accelerate the vesting of the Option.

(b) No portion of an Option which is exercisable at a Participant's Termination of Service shall thereafter become exercisable, except as may be otherwise provided by the Administrator either in an applicable Program, the applicable Award Agreement or by action of the Administrator following the grant of the Option.

5.6 Substitute Awards. Notwithstanding the foregoing provisions of this Article 5 to the contrary, in the case of an Option that is a Substitute Award, the price per Share of the Shares subject to such Option may be less than the Fair Market Value per share on the date of grant; provided, however, that the exercise price of any Substitute Award shall be determined in accordance with the applicable requirements of Sections 424 and 409A of the Code.

5.7 Substitution of Stock Appreciation Rights. The Administrator may, in its sole discretion, substitute an Award of Stock Appreciation Rights for an outstanding Option at any time prior to or upon exercise of such Option; provided, however, that such Stock Appreciation Rights shall be exercisable with respect to the same number of Shares for which such substituted Option would have been exercisable, and shall also have the same exercise price and remaining term as the substituted Option.

## ARTICLE 6

### EXERCISE OF OPTIONS

6.1 Partial Exercise. An exercisable Option may be exercised in whole or in part. However, an Option shall not be exercisable with respect to fractional shares and the Administrator may require that, by the terms of the Option, a partial exercise must be with respect to a minimum number of Shares.

6.2 Manner of Exercise. All or a portion of an exercisable Option shall be deemed exercised upon delivery of all of the following to the Secretary of the Company, or such other person or entity designated by the Administrator, or his, her or its office, as applicable:

(a) A written or electronic notice complying with the applicable rules established by the Administrator stating that the Option, or a portion thereof, is exercised. The notice shall be signed by the Participant or other person then entitled to exercise the Option or such portion of the Option;

(b) Such representations and documents as the Administrator, in its sole discretion, deems necessary or advisable to effect compliance with Applicable Law. The Administrator may, in its sole discretion, also take such additional actions as it deems appropriate to effect such compliance, including, without limitation, placing legends on share certificates and issuing stop-transfer notices to agents and registrars;

(c) In the event that the Option shall be exercised pursuant to Section 10.3 hereof by any person or persons other than the Participant, appropriate proof of the right of such person or persons to exercise the Option, as determined in the sole discretion of the Administrator; and

(d) Full payment of the exercise price and applicable withholding taxes to the stock administrator of the Company for the Shares with respect to which the Option, or portion thereof, is exercised, in a manner permitted by the Administrator in accordance with Sections 10.1 and 10.2 hereof.

6.3 Notification Regarding Disposition. The Participant shall give the Company prompt written or electronic notice of any disposition of Shares acquired by exercise of an Incentive Stock Option which occurs within (a) two (2) years after the date of granting (including the date the Option is modified, extended or renewed for purposes of Section 424(h) of the Code) of such Option to such Participant, or (b) one (1) year after the date of transfer of such Shares to such Participant.

## ARTICLE 7

### RESTRICTED STOCK

#### 7.1 Award of Restricted Stock.

(a) The Administrator is authorized to grant Restricted Stock to Eligible Individuals, and shall determine the terms and conditions, including the restrictions applicable to each award of Restricted Stock, which terms and conditions shall not be inconsistent with the Plan, and may impose such conditions on the issuance of such Restricted Stock as it deems appropriate.

(b) The Administrator shall establish the purchase price, if any, and form of payment for Restricted Stock; provided, however, that if a purchase price is charged, such purchase price shall be no less than the par value of the Shares to be purchased, unless otherwise permitted by Applicable Law. In all cases, legal consideration shall be required for each issuance of Restricted Stock to the extent required by Applicable Law.

7.2 Rights as Stockholders. Subject to Section 7.4 hereof, upon issuance of Restricted Stock, the Participant shall have, unless otherwise provided by the Administrator, all the rights of a stockholder with respect to said shares, subject to the restrictions in an applicable Program or in the applicable Award Agreement, including the right to receive all dividends and other distributions paid or made with respect to the shares; provided, however, that, in the sole discretion of the Administrator, any extraordinary distributions with respect to the shares shall be subject to the restrictions set forth in Section 7.3 hereof.

7.3 Restrictions. All shares of Restricted Stock (including any shares received by Participants thereof with respect to shares of Restricted Stock as a result of stock dividends, stock splits or any other form of recapitalization) shall, in the terms of an applicable Program or the applicable Award Agreement, be subject to such restrictions and vesting requirements as the Administrator shall provide. Such restrictions may include, without limitation, restrictions



concerning voting rights and transferability and such restrictions may lapse separately or in combination at such times and pursuant to such circumstances or based on such criteria as selected by the Administrator, including, without limitation, criteria based on the Participant's continued employment, directorship or consultancy with the Company, the Performance Criteria, Company or Affiliate performance, individual performance or other criteria selected by the Administrator. By action taken after the Restricted Stock is issued, the Administrator may, on such terms and conditions as it may determine to be appropriate, accelerate the vesting of such Restricted Stock by removing any or all of the restrictions imposed by the terms of any Program or by the applicable Award Agreement. Restricted Stock may not be sold or encumbered until all restrictions are terminated or expire.

7.4 Repurchase or Forfeiture of Restricted Stock. If no purchase price was paid by the Participant for the Restricted Stock, upon a Termination of Service, the Participant's rights in unvested Restricted Stock then subject to restrictions shall lapse, and such Restricted Stock shall be surrendered to the Company and cancelled without consideration. If a purchase price was paid by the Participant for the Restricted Stock, upon a Termination of Service the Company shall have the right to repurchase from the Participant the unvested Restricted Stock then-subject to restrictions at a cash price per share equal to the price paid by the Participant for such Restricted Stock or such other amount as may be specified in an applicable Program or the applicable Award Agreement. The Administrator in its sole discretion may provide that, upon certain events, including, without limitation, a Change in Control, the Participant's death, retirement or disability, any other specified Termination of Service or any other event, the Participant's rights in unvested Restricted Stock shall not terminate, such Restricted Stock shall vest and cease to be forfeitable and, if applicable, the Company shall cease to have a right of repurchase.

7.5 Certificates for Restricted Stock. Restricted Stock granted pursuant to the Plan may be evidenced in such manner as the Administrator shall determine. Certificates or book entries evidencing shares of Restricted Stock must include an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock, and the Company may, in its sole discretion, retain physical possession of any stock certificate until such time as all applicable restrictions lapse.

## ARTICLE 8

### **PERFORMANCE AWARDS; DIVIDEND EQUIVALENTS; STOCK PAYMENTS; RESTRICTED STOCK UNITS; PERFORMANCE SHARES; OTHER INCENTIVE AWARDS; LTIP UNITS**

#### 8.1 Performance Awards.

(a) The Administrator is authorized to grant Performance Awards to any Eligible Individual. The value of Performance Awards may be linked to any one or more of the Performance Criteria or other specific criteria determined by the Administrator, in each case on a specified date or dates or over any period or periods determined by the Administrator.

(b) Without limiting Section 8.1(a) hereof, the Administrator may grant Performance Awards to any Eligible Individual in the form of a cash bonus payable upon the attainment of objective Performance Goals, or such other criteria, whether or not objective, which are established by the Administrator, in each case on a specified date or dates or over any period or periods determined by the Administrator.

## 8.2 Dividend Equivalents.

(a) Subject to Section 8.2(b) hereof, Dividend Equivalents may be granted by the Administrator, either alone or in tandem with another Award, based on dividends declared on the Common Stock, to be credited as of dividend payment dates during the period between the date the Dividend Equivalents are granted to a Participant and the date such Dividend Equivalents terminate or expire, as determined by the Administrator. Such Dividend Equivalents shall be converted to cash or additional Shares by such formula and at such time and subject to such limitations as may be determined by the Administrator. In addition, Dividend Equivalents with respect to Shares covered by a Performance Award shall only be paid out to the Participant at the same time or times and to the same extent that the vesting conditions, if any, are subsequently satisfied and the Performance Award vests with respect to such Shares.

(b) Notwithstanding the foregoing, no Dividend Equivalents shall be payable with respect to Options or Stock Appreciation Rights.

8.3 Stock Payments. The Administrator is authorized to make one or more Stock Payments to any Eligible Individual. The number or value of Shares of any Stock Payment shall be determined by the Administrator and may be based upon one or more Performance Criteria or any other specific criteria, including service to the Company or any Affiliate, determined by the Administrator. Stock Payments may, but are not required to be made in lieu of base salary, bonus, fees or other cash compensation otherwise payable to such Eligible Individual.

8.4 Restricted Stock Units. The Administrator is authorized to grant Restricted Stock Units to any Eligible Individual. The number and terms and conditions of Restricted Stock Units shall be determined by the Administrator. The Administrator shall specify the date or dates on which the Restricted Stock Units shall become fully vested and nonforfeitable, and may specify such conditions to vesting as it deems appropriate, including conditions based on one or more Performance Criteria or other specific criteria, including service to the Company or any Affiliate, in each case, on a specified date or dates or over any period or periods, as determined by the Administrator. The Administrator shall specify, or permit the Participant to elect, the conditions and dates upon which the Shares underlying the Restricted Stock Units shall be issued, which dates shall not be earlier than the date as of which the Restricted Stock Units vest and become nonforfeitable and which conditions and dates shall be consistent with the applicable provisions of Section 409A of the Code or an exemption therefrom. On the distribution dates, the Company shall issue to the Participant one unrestricted, fully transferable Share (or the Fair Market Value of one such Share in cash) for each vested and nonforfeitable Restricted Stock Unit.

8.5 Performance Share Awards. Any Eligible individual selected by the Administrator may be granted one or more Performance Share awards which shall be denominated in a number of Shares and the vesting of which may be linked to any one or more of the Performance Criteria, other specific performance criteria (in each case on a specified date or dates or over any period or periods determined by the Administrator) and/or time-vesting or other criteria, as determined by the Administrator.

8.6 Other Incentive Awards. The Administrator is authorized to grant Other Incentive Awards to any Eligible Individual, which Awards may cover Shares or the right to purchase Shares or have a value derived from the value of, or an exercise or conversion privilege at a price related to, or that are otherwise payable in or based on, Shares, shareholder value or shareholder return, in each case, on a specified date or dates or over any period or periods determined by the Administrator. Other Incentive Awards may be linked to any one or more of the Performance Criteria or other specific performance criteria determined appropriate by the Administrator.

8.7 LTIP Units. The Administrator is authorized to grant LTIP Units in such amount and subject to such terms and conditions as may be determined by the Administrator; provided, however, that LTIP Units may only be issued to a Participant for the performance of services to or for the benefit of the Partnership (a) in the Participant's capacity as a partner of the Partnership, (b) in anticipation of the Participant becoming a partner of the Partnership, or (c) as otherwise determined by the Administrator, provided that the LTIP Units are intended to constitute "profits interests" within the meaning of the Code, including, to the extent applicable, Revenue Procedure 93-27, 1993-2 C.B. 343 and Revenue Procedure 2001-43, 2001-2 C.B. 191. The Administrator shall specify the conditions and dates upon which the LTIP Units shall vest and become nonforfeitable. LTIP Units shall be subject to the terms and conditions of the Partnership Agreement and such other restrictions, including restrictions on transferability, as the Administrator may impose. These restrictions may lapse separately or in combination at such times, pursuant to such circumstances, in such installments, or otherwise, as the Administrator determines at the time of the grant of the Award or thereafter.

8.8 Other Terms and Conditions. All applicable terms and conditions of each Award described in this Article 8, including, without limitation, as applicable, the term, vesting conditions and exercise/purchase price applicable to the Award, shall be set by the Administrator in its sole discretion; provided, however, that the value of the consideration paid by a Participant for an Award shall not be less than the par value of a Share, unless otherwise permitted by Applicable Law.

8.9 Exercise upon Termination of Service. Awards described in this Article 8 are exercisable or distributable, as applicable, only while the Participant is an Employee, Director or Consultant, as applicable. The Administrator, however, in its sole discretion may provide that such Award may be exercised or distributed subsequent to a Termination of Service as provided under an applicable Program, Award Agreement, payment deferral election and/or in certain events, including without limitation, a Change in Control, the Participant's death, retirement or disability or any other specified Termination of Service.

## ARTICLE 9

### STOCK APPRECIATION RIGHTS

9.1 Grant of Stock Appreciation Rights.

(a) The Administrator is authorized to grant Stock Appreciation Rights to Eligible Individuals from time to time, in its sole discretion, on such terms and conditions as it may determine consistent with the Plan.

(b) A Stock Appreciation Right shall entitle the Participant (or other person entitled to exercise the Stock Appreciation Right pursuant to the Plan) to exercise all or a specified portion of the Stock Appreciation Right (to the extent then-exercisable pursuant to its terms) and to receive from the Company an amount determined by multiplying the difference obtained by subtracting the exercise price per Share of the Stock Appreciation Right from the Fair Market Value on the date of exercise of the Stock Appreciation Right by the number of Shares with respect to which the Stock Appreciation Right shall have been exercised, subject to any limitations the Administrator may impose. Except as described in Section 9.1(c) hereof, the exercise price per Share subject to each Stock Appreciation Right shall be set by the Administrator, but shall not be less than one hundred percent (100%) of the Fair Market Value on the date the Stock Appreciation Right is granted.

(c) Notwithstanding the foregoing provisions of Section 9.1(b) hereof to the contrary, in the case of a Stock Appreciation Right that is a Substitute Award, the price per share of the shares subject to such Stock Appreciation Right may be less than 100% of the Fair Market Value per share on the date of grant; provided, however, that the exercise price of any Substitute Award shall be determined in accordance with the applicable requirements of Sections 424 and 409A of the Code.

## 9.2 Stock Appreciation Right Vesting.

(a) The Administrator shall determine the period during which the Participant shall vest in a Stock Appreciation Right and have the right to exercise such Stock Appreciation Rights (subject to Section 9.4 hereof) in whole or in part. Such vesting may be based on service with the Company or any Affiliate, any of the Performance Criteria or any other criteria selected by the Administrator. At any time after grant of a Stock Appreciation Right, the Administrator may, in its sole discretion and subject to whatever terms and conditions it selects, accelerate the period during which the Stock Appreciation Right vests.

(b) No portion of a Stock Appreciation Right which is unexercisable at Termination of Service shall thereafter become exercisable, except as may be otherwise provided by the Administrator either in an applicable Program or Award Agreement or by action of the Administrator following the grant of the Stock Appreciation Right.

9.3 Manner of Exercise. All or a portion of an exercisable Stock Appreciation Right shall be deemed exercised upon delivery of all of the following to the stock administrator of the Company, or such other person or entity designated by the Administrator, or his, her or its office, as applicable:

(a) A written or electronic notice complying with the applicable rules established by the Administrator stating that the Stock Appreciation Right, or a portion thereof, is exercised. The notice shall be signed by the Participant or other person then-entitled to exercise the Stock Appreciation Right or such portion of the Stock Appreciation Right;

(b) Such representations and documents as the Administrator, in its sole discretion, deems necessary or advisable to effect compliance with all applicable provisions of the Securities Act and any other federal, state or foreign securities laws or regulations. The Administrator may, in its sole discretion, also take whatever additional actions it deems appropriate to effect such compliance;

(c) In the event that the Stock Appreciation Right shall be exercised pursuant to this Section 9.3 by any person or persons other than the Participant, appropriate proof of the right of such person or persons to exercise the Stock Appreciation Right; and

(d) Full payment of the applicable withholding taxes for the Shares with respect to which the Stock Appreciation Rights, or portion thereof, are exercised, in a manner permitted by the Administrator in accordance with Sections 9.1 and 9.2 hereof.

9.4 Stock Appreciation Right Term. The term of each Stock Appreciation Right shall be set by the Administrator in its sole discretion; provided, however, that the term shall not be more than ten (10) years from the date the Stock Appreciation Right is granted. The Administrator shall determine the time period, including the time period following a Termination of Service, during which the Participant has the right to exercise the vested Stock Appreciation Rights, which time period may not extend beyond the expiration date of the Stock Appreciation Right term. Except as limited by the requirements of Section 409A of the Code, the Administrator may extend the term of any outstanding Stock Appreciation Right, and may extend the time period during which vested Stock Appreciation Rights may be exercised, in connection with any Termination of Service of the Participant, and may amend any other term or condition of such Stock Appreciation Right relating to such a Termination of Service.

## ARTICLE 10

### ADDITIONAL TERMS OF AWARDS

10.1 Payment. The Administrator shall determine the methods by which payments by any Participant with respect to any Awards granted under the Plan shall be made, including, without limitation: (a) cash or check, (b) Shares (including, in the case of payment of the exercise price of an Award, Shares issuable pursuant to the exercise of the Award) held for such period of time as may be required by the Administrator in order to avoid adverse accounting consequences, in each case, having a Fair Market Value on the date of delivery equal to the aggregate payments required, (c) delivery of a written or electronic notice that the Participant has placed a market sell order with a broker with respect to Shares then-issuable upon exercise or vesting of an Award, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the aggregate payments required; provided, however, that payment of such proceeds is then made to the Company upon settlement of such sale, or (d) other form of legal consideration acceptable to the Administrator. The Administrator shall also determine the methods by which Shares shall be delivered or deemed to be delivered to Participants. Notwithstanding any other provision of the Plan to the contrary, no Participant who is a Director or an "executive officer" of the Company within the meaning of Section 13(k) of the Exchange Act shall be permitted to make payment with respect to any Awards granted under the Plan, or continue any extension of credit with respect to such payment with a loan from the Company or a loan arranged by the Company in violation of Section 13(k) of the Exchange Act.

10.2 Tax Withholding. The Company and its Affiliates shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company or an Affiliate, an amount sufficient to satisfy federal, state, local and foreign taxes (including the Participant's social security, Medicare and any other employment tax obligation) required by law to be withheld with respect to any taxable event concerning a Participant arising in connection with any Award. The Administrator may in its sole discretion and in satisfaction of the foregoing requirement allow a Participant to satisfy such obligations by any payment means described in Section 10.1 hereof, including, without limitation, by allowing such Participant to elect to have the Company or an Affiliate withhold Shares otherwise issuable under an Award (or allow the surrender of Shares). The number of Shares which may be so withheld or surrendered shall be limited to the number of Shares which have a Fair Market Value on the date of withholding or repurchase no greater than the aggregate amount of such liabilities based on the minimum statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such supplemental taxable income. The Administrator shall determine the fair market value of the Shares, consistent with applicable provisions of the Code, for tax withholding obligations due in connection with a broker-assisted cashless Option or Stock Appreciation Right exercise involving the sale of Shares to pay the Option or Stock Appreciation Right exercise price or any tax withholding obligation.

10.3 Transferability of Awards.

(a) Except as otherwise provided in Section 10.3(b) or (c) hereof:

(i) No Award under the Plan may be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution or, subject to the consent of the Administrator, pursuant to a DRO, unless and until such Award has been exercised, or the Shares underlying such Award have been issued, and all restrictions applicable to such Shares have lapsed;

(ii) No Award or interest or right therein shall be subject to the debts, contracts or engagements of the Participant or his successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, hypothecation, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy) unless and until such Award has been exercised, or the Shares underlying such Award have been issued, and all restrictions applicable to such Shares have lapsed, and any attempted disposition of an Award prior to the satisfaction of these conditions shall be null and void and of no effect, except to the extent that such disposition is permitted by clause (i) of this provision; and

(iii) During the lifetime of the Participant, only the Participant may exercise an Award (or any portion thereof) granted to him under the Plan, unless it has been disposed of pursuant to a DRO; after the death of the Participant, any exercisable portion of an Award may, prior to the time when such portion becomes unexercisable under the Plan or the applicable Program or Award Agreement, be exercised by his personal representative or by any person empowered to do so under the deceased Participant's will or under the then-applicable laws of descent and distribution.

(b) Notwithstanding Section 10.3(a) hereof, the Administrator, in its sole discretion, may determine to permit a Participant or a Permitted Transferee of such Participant to transfer an Award other than an Incentive Stock Option (unless such Incentive Stock Option is to become a Non-Qualified Stock Option) to any one or more Permitted Transferees of such Participant, subject to the following terms and conditions: (i) an Award transferred to a Permitted Transferee shall not be assignable or transferable by the Permitted Transferee (other than to another Permitted Transferee of the applicable Participant) other than by will or the laws of descent and distribution; (ii) an Award transferred to a Permitted Transferee shall continue to be subject to all the terms and conditions of the Award as applicable to the original Participant (other than the ability to further transfer the Award); and (iii) the Participant (or transferring Permitted Transferee) and the Permitted Transferee shall execute any and all documents requested by the Administrator, including, without limitation, documents to (A) confirm the status of the transferee as a Permitted Transferee, (B) satisfy any requirements for an exemption for the transfer under applicable federal, state and foreign securities laws and (C) evidence the transfer. In addition, and further notwithstanding Section 10.3(a) hereof, the Administrator, in its sole discretion, may determine to permit a Participant to transfer Incentive Stock Options to a trust that constitutes a Permitted Transferee if, under Section 671 of the Code and applicable state law, the Participant is considered the sole beneficial owner of the Incentive Stock Option while it is held in the trust.

(c) Notwithstanding Section 10.3(a) hereof, a Participant may, in the manner determined by the Administrator, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to any Award upon the Participant's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan and any Program or Award Agreement applicable to the Participant, except to the extent the Plan, the Program and the Award Agreement otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Administrator. If the Participant is married or a domestic partner in a domestic partnership qualified under Applicable Law and resides in a "community property" state, a designation of a person other than the Participant's spouse or domestic partner, as applicable, as his or her beneficiary with respect to more than fifty percent (50%) of the Participant's interest in the Award shall not be effective without the prior written or electronic consent of the Participant's spouse or domestic partner. If no beneficiary has been designated or survives the Participant, payment shall be made to the person entitled thereto pursuant to the Participant's will or the laws of descent and distribution. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant at any time provided the change or revocation is delivered to the Administrator prior to the Participant's death.

#### 10.4 Conditions to Issuance of Shares.

(a) Notwithstanding anything herein to the contrary, neither the Company nor its Affiliates shall be required to issue or deliver any certificates or make any book entries evidencing Shares pursuant to the exercise of any Award, unless and until the Administrator has determined, with advice of counsel, that the issuance of such Shares is in compliance with Applicable Law, and the Shares are covered by an effective registration statement or applicable exemption from registration. In addition to the terms and conditions provided herein, the Administrator may require that a Participant make such reasonable covenants, agreements, and representations as the Administrator, in its discretion, deems advisable in order to comply with any such laws, regulations, or requirements.

(b) All Share certificates delivered pursuant to the Plan and all Shares issued pursuant to book entry procedures are subject to any stop-transfer orders and other restrictions as the Administrator deems necessary or advisable to comply with Applicable Law. The Administrator may place legends on any Share certificate or book entry to reference restrictions applicable to the Shares.

(c) The Administrator shall have the right to require any Participant to comply with any timing or other restrictions with respect to the settlement, distribution or exercise of any Award, including a window-period limitation, as may be imposed in the sole discretion of the Administrator.

(d) No fractional Shares shall be issued and the Administrator shall determine, in its sole discretion, whether cash shall be given in lieu of fractional Shares or whether such fractional Shares shall be eliminated by rounding down.

(e) Notwithstanding any other provision of the Plan, unless otherwise determined by the Administrator or required by Applicable Law, the Company and/or its Affiliates may, in lieu of delivering to any Participant certificates evidencing Shares issued in connection with any Award, record the issuance of Shares in the books of the Company (or, as applicable, its transfer agent or stock plan administrator).

#### 10.5 Forfeiture and Claw-Back Provisions.

(a) Pursuant to its general authority to determine the terms and conditions applicable to Awards under the Plan, the Administrator shall have the right to provide, in the terms of Awards made under the Plan, or to require a Participant to agree by separate written or electronic instrument, that: (i) any proceeds, gains or other economic benefit actually or constructively received by the Participant upon any receipt or exercise of the Award, or upon the receipt or resale of any Shares underlying the Award, must be paid to the Company, and (ii) the Award shall terminate and any unexercised portion of the Award (whether or not vested) shall be forfeited, if (x) a Termination of Service occurs prior to a specified date, or within a specified time period following receipt or exercise of the Award, (y) the Participant at any time, or during a specified time period, engages in any activity in competition with the Company, or which is inimical, contrary or harmful to the interests of the Company, as further defined by the Administrator or (z) the Participant incurs a Termination of Service for cause; and

(b) All Awards (including any proceeds, gains or other economic benefit actually or constructively received by the Participant upon any receipt or exercise of any Award or upon the receipt or resale of any Shares underlying the Award) shall be subject to the applicable provisions of any claw-back policy implemented by the Company, whether implemented prior to or after the grant of such Award, including, without limitation, any claw-back policy adopted to comply with the requirements of Applicable Law.



10.6 Prohibition on Repricing. Subject to Section 12.2 hereof, the Administrator shall not, without the approval of the stockholders of the Company, (a) authorize the amendment of any outstanding Option or Stock Appreciation Right to reduce its price per share, or (b) cancel any Option or Stock Appreciation Right in exchange for cash or another Award when the Option or Stock Appreciation Right price per share exceeds the Fair Market Value of the underlying Shares. Subject to Section 12.2 hereof, the Administrator shall have the authority, without the approval of the stockholders of the Company, to amend any outstanding award to increase the price per share or to cancel and replace an Award with the grant of an Award having a price per share that is greater than or equal to the price per share of the original Award.

10.7 Cash Settlement. Without limiting the generality of any other provision of the Plan, the Administrator may provide, in an Award Agreement or subsequent to the grant of an Award, in its discretion, that any Award may be settled in cash, Shares or a combination thereof.

10.8 Leave of Absence. Unless the Administrator provides otherwise, vesting of Awards granted hereunder shall be suspended during any unpaid leave of absence. A Participant shall not cease to be considered an Employee, Non-Employee Director or Consultant, as applicable, in the case of any (a) leave of absence approved by the Company, (b) transfer between locations of the Company or between the Company and any of its Affiliates or any successor thereof, or change in status (Employee to Director, Employee to Consultant, etc.), provided that such change does not affect the specific terms applying to the Participant's Award.

10.9 Terms May Vary Between Awards. The terms and conditions of each Award shall be determined by the Administrator in its sole discretion and the Administrator shall have complete flexibility to provide for varied terms and conditions as between any Awards, whether of the same or different Award type and/or whether granted to the same or different Participants (in all cases, subject to the terms and conditions of the Plan).

## ARTICLE 11

### ADMINISTRATION

11.1 Administrator. The Committee (or another committee or a subcommittee of the Board assuming the functions of the Committee under the Plan) shall administer the Plan (except as otherwise permitted herein) and, unless otherwise determined by the Board, shall consist solely of two or more Non-Employee Directors appointed by and holding office at the pleasure of the Board, each of whom is intended to qualify as a "non-employee director" as defined by Rule 16b-3 of the Exchange Act and an "independent director" under the rules of any securities exchange or automated quotation system on which the Shares are listed, quoted or traded, in each case, to the extent required under such provision; provided, however, that any action taken by the Committee shall be valid and effective, whether or not members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership set forth in this Section 11.1 or otherwise provided in the Company's charter or Bylaws or any charter of the Committee. Except as may otherwise be provided in any charter of the Committee,

appointment of Committee members shall be effective upon acceptance of appointment, Committee members may resign at any time by delivering written or electronic notice to the Board, and vacancies in the Committee may only be filled by the Board. Notwithstanding the foregoing, (a) the full Board, acting by a majority of its members in office, shall conduct the general administration of the Plan with respect to Awards granted to Non-Employee Directors and (b) the Board or Committee may delegate its authority hereunder to the extent permitted by Section 11.6 hereof.

11.2 Duties and Powers of Administrator. It shall be the duty of the Administrator to conduct the general administration of the Plan in accordance with its provisions. The Administrator shall have the power to interpret the Plan and all Programs and Award Agreements, and to adopt such rules for the administration, interpretation and application of the Plan and any Program as are not inconsistent with the Plan, to interpret, amend or revoke any such rules and to amend any Program or Award Agreement provided that the rights or obligations of the holder of the Award that is the subject of any such Program or Award Agreement are not affected adversely by such amendment, unless the consent of the Participant is obtained or such amendment is otherwise permitted under Section 12.13 hereof. Any such grant or award under the Plan need not be the same with respect to each Participant. Any such interpretations and rules with respect to Incentive Stock Options shall be consistent with the provisions of Section 422 of the Code. In its sole discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan except with respect to matters which under Rule 16b-3 under the Exchange Act or the rules of any securities exchange or automated quotation system on which the Shares are listed, quoted or traded are required to be determined in the sole discretion of the Committee.

11.3 Action by the Committee. Unless otherwise established by the Board, in the Company's charter or Bylaws or in any charter of the Committee or as required by Applicable Law or, a majority of the Committee shall constitute a quorum and the acts of a majority of the members present at any meeting at which a quorum is present, and acts approved in writing by all members of the Committee in lieu of a meeting, shall be deemed the acts of the Committee. To the greatest extent permitted by Applicable Law, each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any Affiliate, the Company's independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan.

11.4 Authority of Administrator. Subject to any specific designation in the Plan and Applicable Law, the Administrator has the exclusive power, authority and sole discretion to:

- (a) Designate Eligible Individuals to receive Awards;
- (b) Determine the type or types of Awards to be granted to each Eligible Individual; Award will relate;
- (c) Determine the number of Awards to be granted and the number of Shares to which an award will relate;

(d) Determine the terms and conditions of any Award granted pursuant to the Plan, including, but not limited to, the exercise price, grant price, or purchase price, any performance criteria, any reload provision, any restrictions or limitations on the Award, any schedule for vesting, lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, and any provisions related to non-competition and recapture of gain on an Award, based in each case on such considerations as the Administrator in its sole discretion determines;

(e) Determine whether, to what extent, and under what circumstances an Award may be settled in, or the exercise price of an Award may be paid in cash, Shares, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;

(f) Prescribe the form of each Award Agreement, which need not be identical for each Participant;

(g) Determine as between the Company, the Partnership and any Subsidiary which entity will make payments with respect to an Award, consistent with applicable securities laws and other Applicable Law;

(h) Decide all other matters that must be determined in connection with an Award;

(i) Establish, adopt, or revise any rules and regulations as it may deem necessary or advisable to administer the Plan;

(j) Interpret the terms of, and any matter arising pursuant to, the Plan, any Program or any Award Agreement; and

(k) Make all other decisions and determinations that may be required pursuant to the Plan or as the Administrator deems necessary or advisable to administer the Plan.

11.5 Decisions Binding. The Administrator's interpretation of the Plan, any Awards granted pursuant to the Plan, any Program, any Award Agreement and all decisions and determinations by the Administrator with respect to the Plan are final, binding, and conclusive on all parties.

11.6 Delegation of Authority. To the extent permitted by Applicable Law, the Board or Committee may from time to time delegate to a committee of one or more members of the Board or one or more officers of the Company the authority to grant or amend Awards or to take other administrative actions pursuant to this Article 11; provided, however, that in no event shall an officer of the Company be delegated the authority to grant Awards to, or amend Awards held by, the following individuals: (a) individuals who are subject to Section 16 of the Exchange Act or (b) officers of the Company (or Directors) to whom authority to grant or amend Awards has been delegated hereunder; provided, further, that any delegation of administrative authority shall only be permitted to the extent it is permissible under Applicable Law. Any delegation hereunder shall be subject to the restrictions and limits that the Board or Committee specifies at the time of such delegation, and the Board may at any time rescind the authority so delegated or appoint a new delegatee. At all times, the delegatee appointed under this Section 11.6 shall serve in such capacity at the pleasure of the Board and the Committee.

## ARTICLE 12

### MISCELLANEOUS PROVISIONS

12.1 Amendment. Suspension or Termination of the Plan. Except as otherwise provided in this Section 12.1, the Plan may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Board. However, without approval of the Company's stockholders given within twelve (12) months before or after the action by the Administrator, no action of the Administrator may, except as provided in Section 12.2 hereof, (i) increase the Share Limit, (ii) reduce the price per share of any outstanding Option or Stock Appreciation Right granted under the Plan, or (iii) cancel any Option or Stock Appreciation Right in exchange for cash or another Award in violation of Section 10.6 hereof. Except as provided in Section 12.13 hereof, no amendment, suspension or termination of the Plan shall, without the consent of the Participant, impair any rights or obligations under any Award theretofore granted or awarded, unless the Award itself otherwise expressly so provides. The annual increase to the Share Limit (set forth in Section 3.1(a)(ii) hereof) shall terminate on the tenth (10th) anniversary of the Effective Date and, from and after such tenth ("10") anniversary, no additional share increases shall occur pursuant to Section 3.1(a)(ii) hereof. In addition, notwithstanding anything herein to the contrary, no ISO shall be granted under the Plan after the tenth (10th) anniversary of the Effective Date.

12.2 Changes in Common Stock or Assets of the Company. Acquisition or Liquidation of the Company and Other Corporate Events.

(a) In the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other change affecting the shares of the Company's stock or the share price of the Company's stock other than an Equity Restructuring, the Board may make equitable adjustments, if any, to reflect such change with respect to (i) the aggregate number and kind of shares that may be issued under the Plan (including, without limitation, adjustments of the Share Limit and Individual Award Limits); (ii) the number and kind of Shares (or other securities or property) subject to outstanding Awards; (iii) the terms and conditions of any outstanding Awards (including, without limitation, any applicable performance targets or criteria with respect thereto); and/or (iv) the grant or exercise price per share for any outstanding Awards under the Plan.

(b) In the event of any transaction or event described in Section 12.2(a) hereof or any unusual or nonrecurring transactions or events affecting the Company, any Affiliate, or the financial statements of the Company or any Affiliate, or of changes in Applicable Law or accounting principles, the Board, in its sole discretion, and on such terms and conditions as it deems appropriate, either by the terms of the Award or by action taken prior to the occurrence of such transaction or event, is hereby authorized to take any one or more of the following actions whenever the Board determines that such action is appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to any Award under the Plan, to facilitate such transactions or events or to give effect to such changes in laws, regulations or principles:

(i) To provide for either (A) termination of any such Award in exchange for an amount of cash and/or other property, if any, equal to the amount that would have been attained upon the exercise of such Award or realization of the Participant's rights (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction or event described in this Section 12.2, the Board determines in good faith that no amount would have been attained upon the exercise of such Award or realization of the Participant's rights, then such Award may be terminated by the Company without payment) or (B) the replacement of such Award with other rights or property selected by the Board in its sole discretion having an aggregate value not exceeding the amount that could have been attained upon the exercise of such Award or realization of the Participant's rights had such Award been currently exercisable or payable or fully vested;

(ii) To provide that such Award be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by similar options, rights or awards covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices;

(iii) To make adjustments in the number and type of securities subject to outstanding Awards and Awards which may be granted in the future and/or in the terms, conditions and criteria included in such Awards (including the grant or exercise price, as applicable);

(iv) To provide that such Award shall be exercisable or payable or fully vested with respect to all securities covered thereby, notwithstanding anything to the contrary in the Plan or an applicable Program or Award Agreement; and

(v) To provide that the Award cannot vest, be exercised or become payable after such event.

(c) In connection with the occurrence of any Equity Restructuring, and notwithstanding anything to the contrary in Sections 12.2(a) and 12.2(b) hereof:

(i) The number and type of securities subject to each outstanding Award and the exercise price or grant price thereof, if applicable, shall be equitably adjusted; and/or

(ii) The Board shall make such equitable adjustments, if any, as the Board in its discretion may deem appropriate to reflect such Equity Restructuring with respect to the aggregate number and kind of shares that may be issued under the Plan (including, without limitation, adjustments to the Share Limit and the Individual Award Limits).

The adjustments provided under this Section 12.2(c) shall be nondiscretionary and shall be final and binding on the affected Participant and the Company.

(d) Except as may otherwise be provided in any applicable Award Agreement or other written agreement entered into between the Company (or an Affiliate) and a Participant, if a Change in Control occurs and a Participant's outstanding Awards are not continued, converted, assumed, or replaced by the surviving or successor entity in such Change in Control, then immediately prior to the Change in Control such outstanding Awards, to the extent not continued, converted, assumed, or replaced, shall become fully vested and, as applicable, exercisable and shall be deemed exercised immediately prior to the consummation of such transaction, and all forfeiture, repurchase and other restrictions on such Awards shall lapse immediately prior to such transaction. If an Award vests and, as applicable, is exercised in lieu of continuation, conversion, assumption or replacement in connection with a Change in Control, the Administrator shall notify the Participant of such vesting and any applicable deemed exercise, and the Award shall terminate upon the Change in Control. Upon, or in anticipation of, a Change in Control, the Administrator may cause any and all Awards outstanding hereunder to terminate at a specific time in the future, including, without limitation, to the date of such Change in Control, and shall give each Participant the right to exercise such Awards during a period of time as the Administrator, in its sole and absolute discretion, shall determine. For the avoidance of doubt, if the value of an Award that is terminated in connection with this Section 12.2(d) is zero or negative at the time of such Change in Control, such Award shall be terminated upon the Change in Control without payment of consideration therefor.

(e) The Administrator may, in its sole discretion, include such further provisions and limitations in any Award, agreement or certificate, as it may deem equitable and in the best interests of the Company that are not inconsistent with the provisions of the Plan.

(f) No adjustment or action described in this Section 12.2 or in any other provision of the Plan shall be authorized to the extent that such adjustment or action would cause the Plan to violate Section 422(b)(1) of the Code. Furthermore, no such adjustment or action shall be authorized with respect to any Award to the extent such adjustment or action would result in short-swing profits liability under Section 16 of the Exchange Act or violate the exemptive conditions of Rule 16b-3 of the Exchange Act unless the Administrator determines that the Award is not to comply with such exemptive conditions.

(g) The existence of the Plan, any Program, any Award Agreement and/or any Award granted hereunder shall not affect or restrict in any way the right or power of the Company, the stockholders of the Company or any Affiliate to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's or such Affiliate's capital structure or its business, any merger or consolidation of the Company or any Affiliate, any issue of stock or of options, warrants or rights to purchase stock or of bonds, debentures, preferred or prior preference stocks whose rights are superior to or affect the Common Stock, the securities of any Affiliate or the rights thereof or which are convertible into or exchangeable for Common Stock or securities of any Affiliate, or the dissolution or liquidation of the Company or any Affiliate, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(h) No action shall be taken under this Section 12.2 which shall cause an Award to fail to comply with Section 409A of the Code or an exemption therefrom, in either case, to the extent applicable to such Award, unless the Administrator determines any such adjustments to be appropriate.

(i) In the event of any pending stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other change affecting the Shares or the share price of the Common Stock including any Equity Restructuring, for reasons of administrative convenience, the Company in its sole discretion may refuse to permit the exercise of any Award during a period of thirty (30) days prior to the consummation of any such transaction.

12.3 Approval of Plan by Stockholders. The Plan shall be submitted for the approval of the Company's stockholders within twelve (12) months after the date of the Board's initial adoption of the Plan. Awards may be granted or awarded prior to such stockholder approval; provided, however, that such Awards shall not be exercisable, shall not vest and the restrictions thereon shall not lapse and no Shares shall be issued pursuant thereto prior to the time when the Plan is approved by the Company's stockholders, and provided, further, that if such approval has not been obtained at the end of such twelve (12)-month period, all such Awards previously granted or awarded under the Plan shall thereupon be canceled and become null and void.

12.4 No Stockholders Rights. Except as otherwise provided herein or in an applicable Program or Award Agreement, a Participant shall have none of the rights of a stockholder with respect to Shares covered by any Award until the Participant becomes the record owner of such Shares.

12.5 Paperless Administration. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the documentation, granting or exercise of Awards, such as a system using an internet website or interactive voice response, then the paperless documentation, granting or exercise of Awards by a Participant may be permitted through the use of such an automated system.

12.6 Section 83(b) Election. No Participant may make an election under Section 83(b) of the Code with respect to any Award under the Plan without the consent of the Administrator, which the Administrator may grant (prospectively or retroactively) or withhold in its sole discretion. If, with the consent of the Administrator, a Participant makes an election under Section 83(b) of the Code to be taxed with respect to the Restricted Stock as of the date of transfer of the Restricted Stock rather than as of the date or dates upon which the Participant would otherwise be taxable under Section 83(a) of the Code, the Participant shall be required to deliver a copy of such election to the Company promptly after filing such election with the Internal Revenue Service.

12.7 Grant of Awards to Certain Employees or Consultants. The Company, the Partnership or any Subsidiary may provide through the establishment of a formal written policy (which shall be deemed a part of this Plan) or otherwise for the method by which Shares or other securities of the Company or the Partnership may be issued and by which such Shares or other securities and/or payment therefor may be exchanged or contributed among such entities, or may be returned upon any forfeiture of Shares or other securities by the Participant.

12.8 REIT Status. The Plan shall be interpreted and construed in a manner consistent with the Company's status as a REIT. No Award shall be granted or awarded, and with respect to any Award granted under the Plan, such Award shall not vest, be exercisable or be settled:

(a) to the extent that the grant, vesting, exercise or settlement of such Award could cause the Participant or any other person to be in violation of the Common Stock Ownership Limit or the Aggregate Stock Ownership Limit (each as defined in the Company's charter, as amended from time to time); or

(b) if, in the discretion of the Administrator, the grant, vesting, exercise or settlement of such award could impair the Company's status as a REIT.

12.9 Effect of Plan upon Other Compensation Plans. The adoption of the Plan shall not affect any other compensation or incentive plans in effect for the Company or any Affiliate. Nothing in the Plan shall be construed to limit the right of the Company or any Affiliate: (a) to establish any other forms of incentives or compensation for Employees, Directors or Consultants of the Company or any Affiliate or (b) to grant or assume options or other rights or awards otherwise than under the Plan in connection with any proper corporate purpose including without limitation, the grant or assumption of options in connection with the acquisition by purchase, lease, merger, consolidation or otherwise, of the business, stock or assets of any corporation, partnership, limited liability company, firm or association.

12.10 Compliance with Laws. The Plan, the granting and vesting of Awards under the Plan, the issuance and delivery of Shares and LTIP Units and the payment of money under the Plan or under Awards granted or awarded hereunder are subject to compliance with all Applicable Law and to such approvals by any listing, regulatory or governmental authority as may, in the opinion of counsel for the Company, be necessary or advisable in connection therewith. Any securities delivered under the Plan shall be subject to such restrictions, and the person acquiring such securities shall, if requested by the Company, provide such assurances and representations to the Company as the Company may deem necessary or desirable to assure compliance with all Applicable Law. To the extent permitted by Applicable Law, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to such Applicable Law.

12.11 Titles and Headings, References to Sections of the Code or Exchange Act. The titles and headings of the sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control. References to sections of the Code or the Exchange Act shall include any amendment or successor thereto.

12.12 Governing Law. The Plan and any Programs or Award Agreements hereunder shall be administered, interpreted and enforced under the internal laws of the State of Maryland without regard to conflicts of laws thereof.



12.13 Section 409A. To the extent that the Administrator determines that any Award granted under the Plan is subject to Section 409A of the Code, the Plan, any applicable Program and the Award Agreement covering such Award shall be interpreted in accordance with Section 409A of the Code. Notwithstanding any provision of the Plan to the contrary, in the event that, following the Effective Date, the Administrator determines that any Award may be subject to Section 409A of the Code, the Administrator may adopt such amendments to the Plan, any applicable Program and the Award Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Administrator determines are necessary or appropriate to avoid the imposition of taxes on the Award under Section 409A of the Code, either through compliance with the requirements of Section 409A of the Code or with an available exemption therefrom.

12.14 No Rights to Awards. No Eligible Individual or other person shall have any claim to be granted any Award pursuant to the Plan, and neither the Company nor the Administrator is obligated to treat Eligible Individuals, Participants or any other persons uniformly.

12.15 Unfunded Status of Awards. The Plan is intended to be an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Program or Award Agreement shall give the Participant any rights that are greater than those of a general creditor of the Company or any Affiliate.

12.16 Indemnification. To the extent allowable pursuant to Applicable Law and the Company's charter and Bylaws, each member of the Board and any officer or other employee to whom authority to administer any component of the Plan is delegated shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act pursuant to the Plan and against and from any and all amounts paid by him or her in satisfaction of judgment in such action, suit, or proceeding against him or her; provided, however, that he or she gives the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled pursuant to the Company's charter or Bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

12.17 Relationship to other Benefits. No payment pursuant to the Plan shall be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company or any Affiliate except to the extent otherwise expressly provided in writing in such other plan or an agreement thereunder.

12.18 Expenses. The expenses of administering the Plan shall be borne by the Company and its Affiliates.

**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, 2023

/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, 2023

/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, 2023, 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, 2023

/s/ JEFFREY E. WITHERELL

Jeffrey E. Witherell  
*Chief Executive Officer and  
Chairman of the Board of Directors*

**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, 2023, 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, 2023

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