



INDUSTRIAL LOGISTICS
PROPERTIES TRUST

FOURTH QUARTER 2020

Supplemental Operating and Financial Data

ALL AMOUNTS IN THIS REPORT ARE UNAUDITED.



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ILPT
Nasdaq Listed

Please refer to the Non-GAAP Financial Measures and Certain Definitions for terms used throughout this document.

Company Profile

The Company:

Industrial Logistics Properties Trust, or ILPT, we, our or us, is a real estate investment trust, or REIT, that owns and leases industrial and logistics properties throughout the United States. As of December 31, 2020, our portfolio was comprised of 289 wholly owned properties containing approximately 34.9 million rentable square feet located in 31 states, including 226 buildings, leasable land parcels and easements containing approximately 16.8 million rentable square feet that are primarily industrial lands located on the island of Oahu, HI, and 63 properties containing approximately 18.1 million rentable square feet located in 30 other states. As of December 31, 2020, we also owned a 22% equity interest in an unconsolidated joint venture, which owns 12 properties located in nine states in the mainland United States containing approximately 9.2 million rentable square feet. ILPT is a component of 144 market indices and it comprises more than 1% of the following indices as of December 31, 2020: Invesco KBW Premium Yield Equity REIT ETF INAV Index (KBWYIV) and the Bloomberg Reit Industrial/Warehouse Index (BBREINDW).

Management:

ILPT is managed by The RMR Group LLC, or RMR LLC, the operating subsidiary of The RMR Group Inc. (Nasdaq: RMR). RMR is an alternative asset management company that is focused on commercial real estate and related businesses. RMR primarily provides management services to publicly traded real estate companies, privately held real estate funds and real estate related operating businesses. As of December 31, 2020, RMR had \$32.0 billion of real estate assets under management and the combined RMR managed companies had approximately \$10 billion of annual revenues, nearly 2,100 properties and approximately 43,000 employees. We believe that being managed by RMR is a competitive advantage for ILPT because of RMR's depth of management and experience in the real estate industry. We also believe RMR provides management services to us at costs that are lower than we would have to pay for similar quality services if we were self managed.

Corporate Headquarters:

Two Newton Place
255 Washington Street, Suite 300
Newton, MA 02458-1634
(t) (617) 219-1460

Stock Exchange Listing:

Nasdaq

Trading Symbol:

Common Shares: ILPT

Key Data (as of and for the three months ended December 31, 2020):

(dollars and sq. ft. in 000s)

Total properties ⁽¹⁾	289
Total sq. ft. ⁽¹⁾	34,870
Percent leased ⁽¹⁾	98.5%
Q4 2020 Rental income	\$ 60,081
Q4 2020 Net income	\$ 40,140
Q4 2020 Net income attributable to common shareholders	\$ 40,315
Q4 2020 Normalized FFO attributable to common shareholders	\$ 30,199

(1) Excludes 12 properties owned by an unconsolidated joint venture.

Investor Information

Board of Trustees

Bruce M. Gans
Lead Independent Trustee

Lisa Harris Jones
Independent Trustee

Joseph L. Morea
Independent Trustee

Kevin C. Phelan
Independent Trustee

Adam D. Portnoy
Chair of the Board & Managing Trustee

John G. Murray
Managing Trustee

Executive Officers

John G. Murray
President and Chief Executive Officer

Richard W. Siedel, Jr.
Chief Financial Officer and Treasurer

Yael Duffy
Chief Operating Officer and Vice President

Contact Information

Investor Relations

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ILPT is followed by the analysts listed here. Please note that any opinions, estimates or forecasts regarding ILPT's performance made by these analysts do not represent opinions, forecasts or predictions of ILPT or its management. ILPT does not by its reference above imply its endorsement of or concurrence with any information, conclusions or recommendations provided by any of these analysts.

Key Financial Data

(dollars in thousands, except per share data)

	As of and For the Three Months Ended				
	12/31/2020	9/30/2020	6/30/2020	3/31/2020	12/31/2019
Selected Balance Sheet Data:					
Total gross assets	\$ 2,057,151	\$ 2,659,564	\$ 2,659,579	\$ 2,654,807	\$ 2,586,369
Total assets	\$ 1,915,745	\$ 2,498,994	\$ 2,505,600	\$ 2,512,320	\$ 2,454,901
Total liabilities	\$ 912,555	\$ 1,421,571	\$ 1,418,989	\$ 1,417,498	\$ 1,459,211
Total equity	\$ 1,003,190	\$ 1,077,423	\$ 1,086,611	\$ 1,094,822	\$ 995,690
Selected Income Statement Data:					
Rental income	\$ 60,081	\$ 65,106	\$ 65,110	\$ 64,278	\$ 62,199
Net income	\$ 40,140	\$ 13,814	\$ 14,557	\$ 12,694	\$ 11,674
Net income attributable to common shareholders	\$ 40,315	\$ 14,089	\$ 14,821	\$ 12,846	\$ 11,674
NOI	\$ 46,659	\$ 50,559	\$ 51,137	\$ 50,286	\$ 48,240
Adjusted EBITDAre	\$ 43,554	\$ 46,051	\$ 46,947	\$ 45,892	\$ 44,564
FFO attributable to common shareholders	\$ 30,177	\$ 29,939	\$ 30,689	\$ 30,159	\$ 29,713
Normalized FFO attributable to common shareholders	\$ 30,199	\$ 30,117	\$ 30,569	\$ 30,159	\$ 29,713
Per Common Share Data (basic and diluted):					
Net income attributable to common shareholders	\$ 0.62	\$ 0.22	\$ 0.23	\$ 0.20	\$ 0.18
FFO attributable to common shareholders and Normalized FFO attributable to common shareholders	\$ 0.46	\$ 0.46	\$ 0.47	\$ 0.46	\$ 0.46
Dividends:					
Annualized dividends paid per share	\$ 1.32	\$ 1.32	\$ 1.32	\$ 1.32	\$ 1.32
Annualized dividend yield (at end of period)	5.7%	6.0%	6.4%	7.5%	5.9%
Normalized FFO attributable to common shareholders payout ratio	71.7%	71.7%	70.2%	71.7%	71.7%

Consolidated Balance Sheets

(dollars in thousands, except per share data)

	December 31, 2020	December 31, 2019
ASSETS		
Real estate properties:		
Land	\$ 709,099	\$ 747,794
Buildings and improvements	1,099,971	1,588,170
Total real estate properties, gross	1,809,070	2,335,964
Accumulated depreciation	(141,406)	(131,468)
Total real estate properties, net	1,667,664	2,204,496
Investment in unconsolidated joint venture	60,590	—
Acquired real estate leases, net	83,644	138,596
Cash and cash equivalents	22,834	28,415
Restricted cash	—	6,135
Rents receivable, including straight line rents of \$62,753 and \$58,336, respectively	69,511	62,782
Deferred leasing costs, net	4,595	6,581
Debt issuance costs, net	1,477	2,954
Due from related persons	2,665	1,504
Other assets, net	2,765	3,438
Total assets	<u>\$ 1,915,745</u>	<u>\$ 2,454,901</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Revolving credit facility	\$ 221,000	\$ 310,000
Mortgage notes payable, net	645,579	1,096,608
Assumed real estate lease obligations, net	14,630	17,508
Accounts payable and other liabilities	14,716	16,475
Rents collected in advance	7,811	9,442
Security deposits	6,540	6,680
Due to related persons	2,279	2,498
Total liabilities	<u>912,555</u>	<u>1,459,211</u>
Commitments and contingencies		
Shareholders' Equity:		
Common shares of beneficial interest, \$.01 par value: 100,000,000 shares authorized; 65,301,088 and 65,180,628 shares issued and outstanding, respectively	653	652
Additional paid in capital	1,010,819	999,302
Cumulative net income	224,226	142,155
Cumulative common distributions	(232,508)	(146,419)
Total shareholders' equity	<u>1,003,190</u>	<u>995,690</u>
Total liabilities and shareholders' equity	<u>\$ 1,915,745</u>	<u>\$ 2,454,901</u>



Consolidated Statements of Income

(amounts in thousands, except percentage data and per share data)

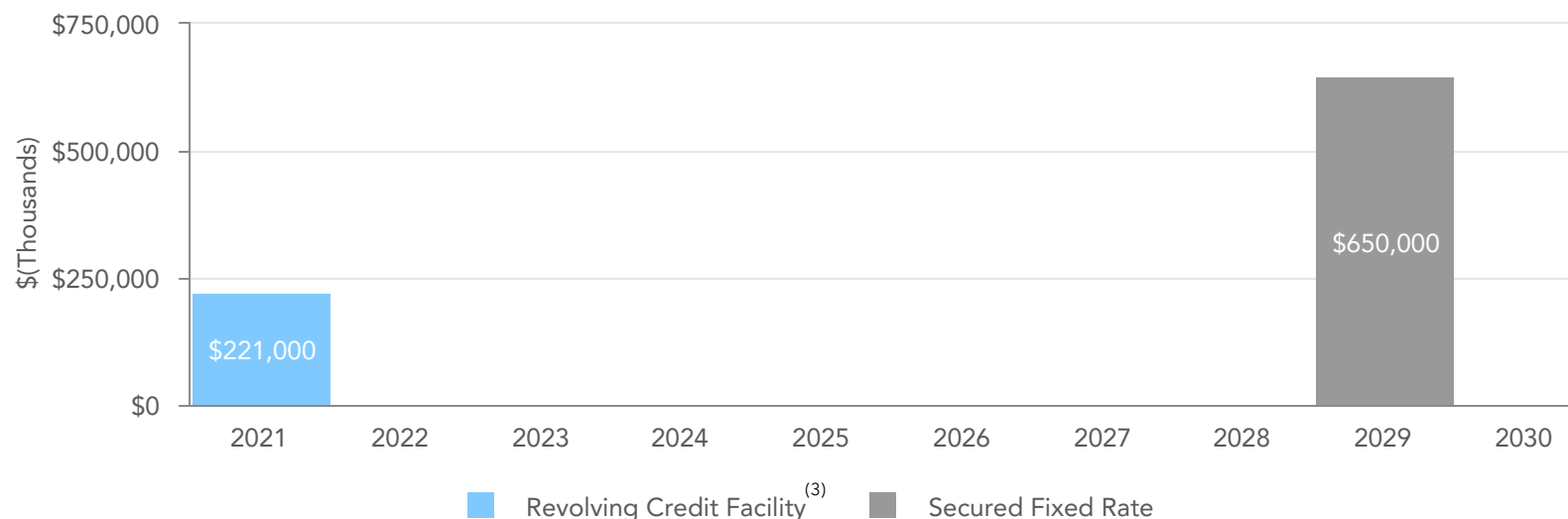
	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Rental income	\$ 60,081	\$ 62,199	\$ 254,575	\$ 229,234
Expenses:				
Real estate taxes	8,406	8,721	35,185	30,367
Other operating expenses	5,016	5,238	20,749	17,643
Depreciation and amortization	15,215	18,039	70,518	61,927
Acquisition and certain other transaction related costs	22	—	200	—
General and administrative	4,723	4,058	19,580	17,189
Total expenses	33,382	36,056	146,232	127,126
Gain on sale of real estate	23,996	—	23,996	—
Interest income	—	163	113	743
Interest expense (including net amortization of debt issuance costs, premiums and discounts of \$588, \$596, \$2,481 and \$2,017, respectively)	(11,009)	(14,641)	(51,619)	(50,848)
Gain on early extinguishment of debt	—	—	120	—
Income before income tax expense and equity in earnings of investees	39,686	11,665	80,953	52,003
Income tax expense	(75)	(40)	(277)	(171)
Equity in earnings of investees	529	49	529	666
Net income	40,140	11,674	81,205	52,498
Net loss attributable to noncontrolling interest	175	—	866	—
Net income attributable to common shareholders	\$ 40,315	\$ 11,674	\$ 82,071	\$ 52,498
Weighted average common shares outstanding - basic	65,139	65,071	65,104	65,049
Weighted average common shares outstanding - diluted	65,152	65,074	65,114	65,055
Per common share data (basic and diluted):				
Net income attributable to common shareholders	\$ 0.62	\$ 0.18	\$ 1.26	\$ 0.81
Additional Data:				
General and administrative expenses / total assets (at end of period)	0.2%	0.2%	1.0%	0.7%
Non-cash straight line rent adjustments included in rental income	\$ 2,858	\$ 385	\$ 9,041	\$ 4,345
Lease value amortization included in rental income	\$ 185	\$ 193	\$ 791	\$ 1,195

Debt Summary and Maturity Schedule ⁽¹⁾

As of December 31, 2020

(dollars in thousands)

	Interest Rate	Principal Balance ⁽²⁾	Maturity Date	Due at Maturity	Years to Maturity
<u>Unsecured Floating Rate Debt:</u>					
\$750,000 revolving credit facility ⁽³⁾	1.700%	\$ 221,000	12/29/2021	\$ 221,000	1.0
<u>Secured Fixed Rate Debt:</u>					
186 properties in Hawaii	4.310%	650,000	2/7/2029	650,000	8.1
Total / weighted average debt	3.648%	<u>\$ 871,000</u>		<u>\$ 871,000</u>	6.3



- (1) Excludes two mortgage notes with an aggregate principal balance of \$406,980 which are secured by 12 properties owned by an unconsolidated joint venture in which we own a 22% interest. See page 13 for additional information regarding this joint venture and related mortgage notes.
- (2) Principal balance excludes unamortized debt issuance costs related to these debts. Total debt outstanding as of December 31, 2020, including unamortized debt issuance costs totaling \$4,421, was \$866,579.
- (3) We have a revolving credit facility which has a maturity date of December 29, 2021. This revolving credit facility requires interest to be paid at a rate of LIBOR plus a premium and imposes a commitment fee. The interest rate premium is subject to adjustment based on changes to our leverage ratio. The commitment fee is based on the unused portion of our revolving credit facility and was 25 basis points per annum as of December 31, 2020. We have the option to extend the maturity date of our revolving credit facility for two, six month periods, subject to payment of extension fees and satisfaction of other conditions. Principal balance represents the amount outstanding under our revolving credit facility at December 31, 2020. Interest rate is as of December 31, 2020 and excludes the commitment fee. The maximum borrowing availability under our revolving credit facility may be increased to up to \$1,500,000 in certain circumstances.

Leverage Ratios and Coverage Ratios

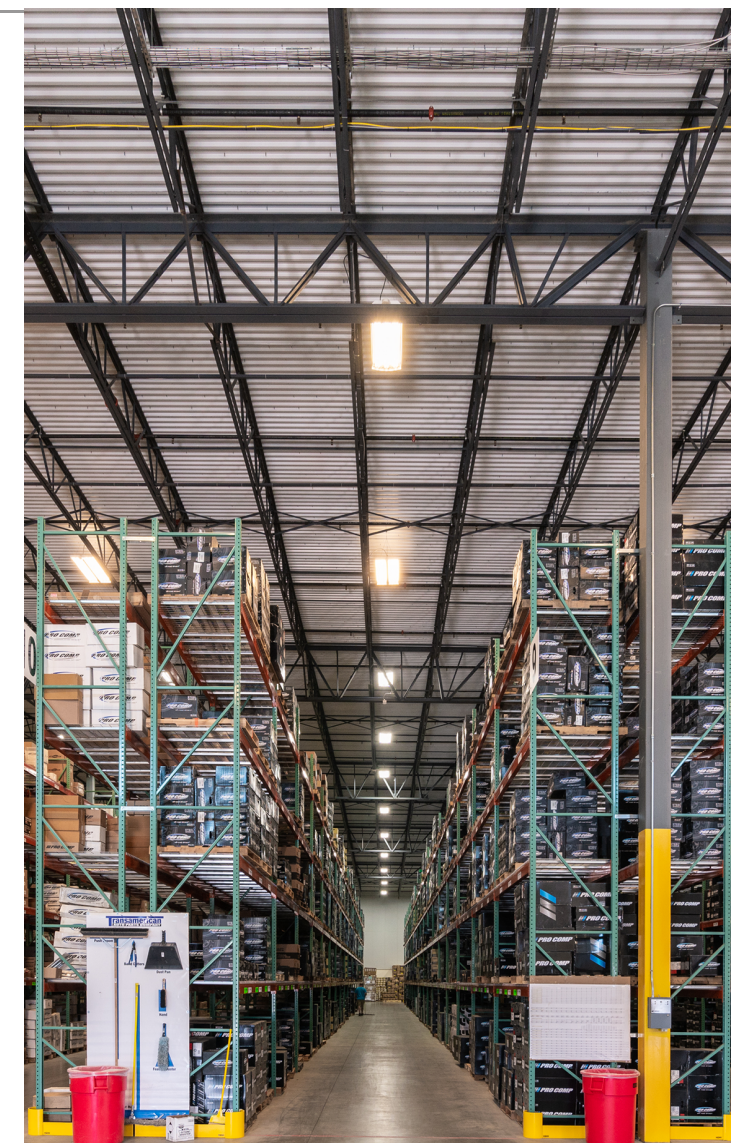
	As of and For the Three Months Ended				
	12/31/2020	9/30/2020	6/30/2020	3/31/2020	12/31/2019

Leverage Ratios:

Net debt / total gross assets	41.2%	50.3%	50.5%	50.9%	53.6%
Net debt / gross book value of real estate assets	43.2%	51.5%	51.5%	51.8%	54.7%
Net debt / total market capitalization	35.5%	47.7%	49.5%	53.7%	48.2%
Secured debt / total assets	33.9%	42.3%	42.2%	44.0%	45.0%
Variable rate debt / net debt	26.1%	23.9%	23.8%	19.6%	22.3%

Coverage Ratios:

Net debt / annualized Adjusted EBITDAre	4.9x	7.3x	7.2x	7.4x	7.9x
Adjusted EBITDAre / interest expense	4.0x	3.6x	3.6x	3.2x	3.0x



Capital Expenditures Summary

(dollars in thousands)

	For the Three Months Ended				
	12/31/2020	9/30/2020	6/30/2020	3/31/2020	12/31/2019
Tenant improvements and leasing costs	\$ 2,001	\$ 242	\$ 344	\$ 293	\$ 846
Building improvements	1,163	1,000	741	1,237	2,227
Recurring capital expenditures	3,164	1,242	1,085	1,530	3,073
Development, redevelopment and other activities	15	10	—	1	5,105
Total capital expenditures	<u>\$ 3,179</u>	<u>\$ 1,252</u>	<u>\$ 1,085</u>	<u>\$ 1,531</u>	<u>\$ 8,178</u>



Property Acquisitions and Dispositions Information Since 1/1/2020

(dollars and sq. ft. in thousands, except per sq. ft. data)

Acquisitions:

Date Acquired	Market Area	Sq. Ft.	Purchase Price ⁽¹⁾	Purchase Price ⁽¹⁾ / Sq. Ft.	Cap Rate ⁽²⁾	Weighted Average Remaining Lease Term in Years ⁽³⁾	Percent Leased at Acquisition	Major Tenant
February 2020	Phoenix, AZ	820	\$ 71,481	\$ 87	5.2%	5.8	100%	Amazon.com Services, Inc.
December 2020	Kansas City, KS	645	\$ 44,000	\$ 68	6.5%	11.7	100%	Excelligence Learning Corporation ⁽⁴⁾
Total / Weighted Average		<u>1,465</u>	<u>\$ 115,481</u>	<u>\$ 79</u>	<u>5.7%</u>	<u>8.4%</u>	<u>100%</u>	

(1) Represents the gross purchase price, including assumed mortgage debt, if any, and excluding acquisition related costs and purchase price allocations.

(2) Represents the ratio of (x) annual straight line rental income, excluding the impact of above and below market lease amortization, based on existing leases as of the date of acquisition, less estimated annual property operating expenses as of the date of acquisition, excluding depreciation and amortization expense, to (y) the acquisition purchase price, including the principal amount of any assumed debt and excluding acquisition related costs.

(3) Average remaining lease term in years is weighted based on rental revenues as of the date acquired.

(4) This property includes excess developable land that can either support a 550,000 square feet expansion to the existing building or 430,000 square feet free standing building.

Dispositions:

Date Sold	Market Area	Number of Properties	Sq. Ft.	Gross Sales Price
December 2020	Winchester, VA	1	308	\$ 10,775

Unconsolidated Joint Venture

As of December 31, 2020

(dollars and sq. ft. in thousands)

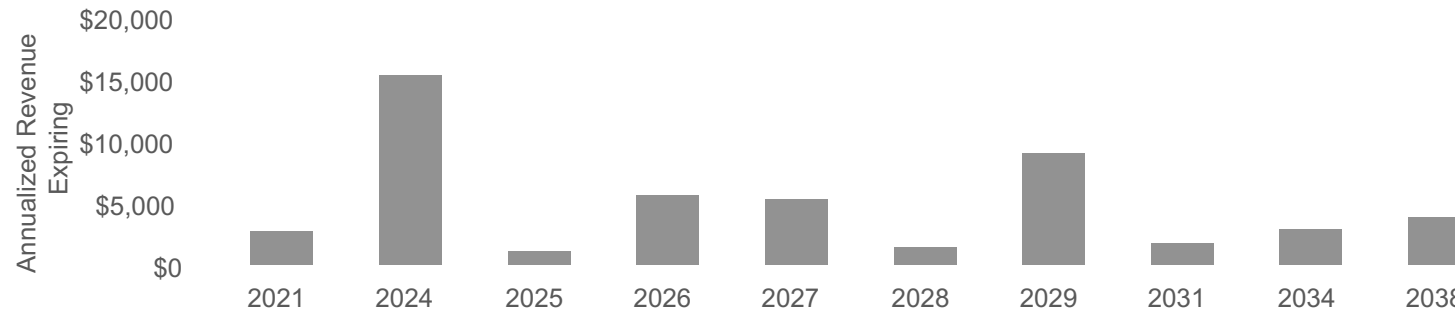
Investment in Unconsolidated Joint Venture:

Joint Venture	ILPT Ownership	ILPT		Number of Properties	Number of States	Square Feet	Occupancy at December 31, 2020	Weighted Average Lease Term at December 31, 2020 ⁽¹⁾
		Carrying Value at December 31, 2020	Carrying Value at December 31, 2020					
The Industrial Fund REIT LLC	22%	\$	60,590	12	9	9,227	100%	7.1

Unconsolidated Debt:

Secured Debt ⁽²⁾	Coupon Interest Rate ⁽³⁾	Maturity Date	Principal Balance at December 31, 2020 ⁽⁴⁾	ILPT Ownership	ILPT Share of Principal Balance ⁽⁵⁾ at December 31, 2020
1 Property	3.600%	10/1/2023	\$ 56,980	22%	\$ 12,536
11 Properties	3.330%	11/7/2029	350,000	22%	77,000
Total / Weighted Average	3.368%		\$ 406,980		\$ 89,536

Unconsolidated Joint Venture Lease Expiration Schedule



Number of Leases Expiring	1	3	1	1	2	1	1	1	1	1
% of Total Annualized Rental Revenues Expiring	5.8%	30.5%	2.5%	11.5%	10.6%	3.2%	18.2%	3.8%	5.9%	8.0%

- (1) Lease term is weighted based on annualized rental income. Annualized rental income is calculated using the annualized contractual base rents from the joint venture's tenants pursuant to the lease agreements as of December 31, 2020, plus straight line rent adjustments and estimated recurring expense reimbursements to be paid to the joint venture by their tenants, and excluding lease value amortization.
- (2) The mortgage loans require interest-only payments until the respective maturity dates.
- (3) Includes the interest rate stated in, or determined pursuant to, the contract terms.
- (4) Reflects the entire balance of the debt secured by the respective properties.
- (5) Reflects our proportionate share of the principal debt balances based on our ownership percentage of the joint venture at December 31, 2020.

Calculation and Reconciliation of NOI and Cash Basis NOI

(dollars in thousands)

	For the Three Months Ended					For the Year Ended	
	12/31/2020	9/30/2020	6/30/2020	3/31/2020	12/31/2019	12/31/2020	12/31/2019
Calculation of NOI and Cash Basis NOI:							
Rental income	\$ 60,081	\$ 65,106	\$ 65,110	\$ 64,278	\$ 62,199	\$ 254,575	\$ 229,234
Real estate taxes	(8,406)	(9,036)	(8,932)	(8,811)	(8,721)	(35,185)	(30,367)
Other operating expenses	(5,016)	(5,511)	(5,041)	(5,181)	(5,238)	(20,749)	(17,643)
NOI	46,659	50,559	51,137	50,286	48,240	198,641	181,224
Non-cash straight line rent adjustments included in rental income	(2,858)	(2,120)	(2,096)	(1,967)	(385)	(9,041)	(4,345)
Lease value amortization included in rental income	(185)	(202)	(204)	(200)	(193)	(791)	(1,195)
Cash Basis NOI	<u>\$ 43,616</u>	<u>\$ 48,237</u>	<u>\$ 48,837</u>	<u>\$ 48,119</u>	<u>\$ 47,662</u>	<u>\$ 188,809</u>	<u>\$ 175,684</u>
Reconciliation of Net Income to NOI and Cash Basis NOI:							
Net income	\$ 40,140	\$ 13,814	\$ 14,557	\$ 12,694	\$ 11,674	\$ 81,205	\$ 52,498
Equity in earnings of investees	(529)	—	—	—	(49)	(529)	(666)
Income tax expense	75	13	126	63	40	277	171
Income before income tax expense and equity in earnings of investees	39,686	13,827	14,683	12,757	11,665	80,953	52,003
Gain on early extinguishment of debt	—	—	(120)	—	—	(120)	—
Interest expense	11,009	12,886	13,205	14,519	14,641	51,619	50,848
Interest income	—	—	(2)	(111)	(163)	(113)	(743)
Gain on sale of real estate	(23,996)	—	—	—	—	(23,996)	—
General and administrative	4,723	5,180	4,846	4,831	4,058	19,580	17,189
Acquisition and certain other transaction related costs	22	178	—	—	—	200	—
Depreciation and amortization	15,215	18,488	18,525	18,290	18,039	70,518	61,927
NOI	46,659	50,559	51,137	50,286	48,240	198,641	181,224
Non-cash straight line rent adjustments included in rental income	(2,858)	(2,120)	(2,096)	(1,967)	(385)	(9,041)	(4,345)
Lease value amortization included in rental income	(185)	(202)	(204)	(200)	(193)	(791)	(1,195)
Cash Basis NOI	<u>\$ 43,616</u>	<u>\$ 48,237</u>	<u>\$ 48,837</u>	<u>\$ 48,119</u>	<u>\$ 47,662</u>	<u>\$ 188,809</u>	<u>\$ 175,684</u>

Reconciliation of NOI to Same Property NOI and Calculation of Same Property Cash Basis NOI

(dollars in thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Reconciliation of NOI to Same Property NOI :				
Rental income	\$ 60,081	\$ 62,199	\$ 254,575	\$ 229,234
Real estate taxes	(8,406)	(8,721)	(35,185)	(30,367)
Other operating expenses	(5,016)	(5,238)	(20,749)	(17,643)
NOI	46,659	48,240	198,641	181,224
Less:				
NOI of properties not included in same property results	(6,289)	(9,978)	(63,548)	(50,253)
Same property NOI	<u>\$ 40,370</u>	<u>\$ 38,262</u>	<u>\$ 135,093</u>	<u>\$ 130,971</u>
Calculation of Same Property Cash Basis NOI :				
Same property NOI	\$ 40,370	\$ 38,262	\$ 135,093	\$ 130,971
Less:				
Non-cash straight line rent adjustments included in rental income	(2,638)	137	(5,966)	(1,712)
Lease value amortization included in rental income	(169)	(162)	(442)	(919)
Same property Cash Basis NOI	<u>\$ 37,563</u>	<u>\$ 38,237</u>	<u>\$ 128,685</u>	<u>\$ 128,340</u>

Calculation of EBITDA, EBITDAre, and Adjusted EBITDAre

(dollars in thousands)

	For the Three Months Ended					For the Year Ended	
	12/31/2020	9/30/2020	6/30/2020	3/31/2020	12/31/2019	12/31/2020	12/31/2019
Net income	\$ 40,140	\$ 13,814	\$ 14,557	\$ 12,694	\$ 11,674	\$ 81,205	\$ 52,498
Plus: interest expense	11,009	12,886	13,205	14,519	14,641	51,619	50,848
Plus: income tax expense	75	13	126	63	40	277	171
Plus: depreciation and amortization	15,215	18,488	18,525	18,290	18,039	70,518	61,927
EBITDA	66,439	45,201	46,413	45,566	44,394	203,619	165,444
Gain on sale of real estate	(23,996)	—	—	—	—	(23,996)	—
Equity in earnings of unconsolidated joint venture	(529)	—	—	—	—	(529)	—
Share of EBITDAre from unconsolidated joint venture	939	—	—	—	—	939	—
EBITDAre	42,853	45,201	46,413	45,566	44,394	180,033	165,444
Plus: acquisition and certain other transaction related costs	22	178	—	—	—	200	—
Plus: general and administrative expense paid in common shares ⁽¹⁾	679	672	654	326	170	2,331	1,109
Less: gain on early extinguishment of debt	—	—	(120)	—	—	(120)	—
Adjusted EBITDAre	<u>\$ 43,554</u>	<u>\$ 46,051</u>	<u>\$ 46,947</u>	<u>\$ 45,892</u>	<u>\$ 44,564</u>	<u>\$ 182,444</u>	<u>\$ 166,553</u>

(1) Amounts represent equity based compensation to our trustees, our officers and certain other employees of RMR LLC.

Calculation of FFO Attributable to Common Shareholders and Normalized FFO Attributable to Common Shareholders

(dollars and shares in thousands, except per share data)

	For the Three Months Ended					For the Year Ended	
	12/31/2020	9/30/2020	6/30/2020	3/31/2020	12/31/2019	12/31/2020	12/31/2019
Net income attributable to common shareholders	\$ 40,315	\$ 14,089	\$ 14,821	\$ 12,846	\$ 11,674	\$ 82,071	\$ 52,498
Depreciation and amortization	15,215	18,488	18,525	18,290	18,039	70,518	61,927
Equity in earnings of unconsolidated joint venture	(529)	—	—	—	—	(529)	—
Share of FFO from unconsolidated joint venture	556	—	—	—	—	556	—
Gain on sale of real estate	(23,996)	—	—	—	—	(23,996)	—
FFO adjustments attributable to noncontrolling interest	(1,384)	(2,638)	(2,657)	(977)	—	(7,656)	—
FFO attributable to common shareholders	30,177	29,939	30,689	30,159	29,713	120,964	114,425
Acquisition and certain other transaction related costs	22	178	—	—	—	200	—
Gain on early extinguishment of debt	—	—	(120)	—	—	(120)	—
Normalized FFO attributable to common shareholders	<u>\$ 30,199</u>	<u>\$ 30,117</u>	<u>\$ 30,569</u>	<u>\$ 30,159</u>	<u>\$ 29,713</u>	<u>\$ 121,044</u>	<u>\$ 114,425</u>
Weighted average common shares outstanding - basic	<u>65,139</u>	<u>65,112</u>	<u>65,089</u>	<u>65,075</u>	<u>65,071</u>	<u>65,104</u>	<u>65,049</u>
Weighted average common shares outstanding - diluted	<u>65,152</u>	<u>65,129</u>	<u>65,091</u>	<u>65,082</u>	<u>65,074</u>	<u>65,114</u>	<u>65,055</u>
Per Common Share Data (basic and diluted):							
Net income attributable to common shareholders	<u>\$ 0.62</u>	<u>\$ 0.22</u>	<u>\$ 0.23</u>	<u>\$ 0.20</u>	<u>\$ 0.18</u>	<u>\$ 1.26</u>	<u>\$ 0.81</u>
FFO attributable to common shareholders and Normalized FFO attributable to common shareholders	<u>\$ 0.46</u>	<u>\$ 0.46</u>	<u>\$ 0.47</u>	<u>\$ 0.46</u>	<u>\$ 0.46</u>	<u>\$ 1.86</u>	<u>\$ 1.76</u>

Portfolio Summary By Property Type

(dollars and sq. ft. in thousands)

Key Statistic	As of and For the Three Months Ended December 31, 2020		
	Mainland Properties	Hawaii Properties ⁽¹⁾	Total
Properties	63	226	289
Percent of total	21.8%	78.2%	100.0%
Total square feet	18,114	16,756	34,870
Percent of total	51.9%	48.1%	100.0%
Leased square feet	18,055	16,283	34,338
Percent leased	99.7%	97.2%	98.5%
Rental income	\$ 32,424	\$ 27,657	\$ 60,081
Percent of total	54.0%	46.0%	100.0%
NOI	\$ 26,204	\$ 20,455	\$ 46,659
Percent of total	56.2%	43.8%	100.0%
Cash Basis NOI	\$ 25,602	\$ 18,014	\$ 43,616
Percent of total	58.7%	41.3%	100.0%

(1) Includes buildings, leasable land parcels and easements which are primarily industrial lands located in Hawaii.

Same Property Results of Operations By Property Type

(dollars and sq. ft. in thousands)

	As of and For the Three Months Ended		As of and For the Year Ended	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Properties:				
Mainland Properties	61	61	40	40
Hawaii Properties	226	226	226	226
Total	287	287	266	266
Square Feet ⁽¹⁾:				
Mainland Properties	16,648	16,648	11,517	11,517
Hawaii Properties	16,756	16,756	16,756	16,756
Total	33,404	33,404	28,273	28,273
Percent Leased ⁽²⁾:				
Mainland Properties	99.6%	100.0%	100.0%	100.0%
Hawaii Properties	97.2%	98.2%	97.2%	98.2%
Total	98.4%	99.1%	98.3%	98.9%
Rental income:				
Mainland Properties	\$ 24,198	\$ 23,936	\$ 65,901	\$ 65,249
Hawaii Properties	27,657	25,204	107,394	100,655
Total	\$ 51,855	\$ 49,140	\$ 173,295	\$ 165,904

- (1) Subject to modest adjustments when space is remeasured or reconfigured for new tenants and when land leases are converted to building leases.
- (2) Includes (i) space being fitted out for occupancy pursuant to existing leases, if any, and (ii) space which is leased but is not occupied or is being offered for sublease by tenants, if any.

Same Property Results of Operations by Property Type (Cont.)

(dollars in thousands)

	As of and For the Three Months Ended		As of and For the Year Ended	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
<u>NOI:</u>				
Mainland Properties	\$ 19,915	\$ 20,110	\$ 56,065	\$ 56,004
Hawaii Properties	20,455	18,152	79,028	74,967
Total	<u>\$ 40,370</u>	<u>\$ 38,262</u>	<u>\$ 135,093</u>	<u>\$ 130,971</u>
<u>Cash Basis NOI:</u>				
Mainland Properties	\$ 19,549	\$ 19,684	\$ 55,560	\$ 54,820
Hawaii Properties	18,014	18,553	73,125	73,520
Total	<u>\$ 37,563</u>	<u>\$ 38,237</u>	<u>\$ 128,685</u>	<u>\$ 128,340</u>
<u>NOI % Change:</u>				
Mainland Properties	-1.0%		0.1%	
Hawaii Properties	12.7%		5.4%	
Total	5.5%		3.1%	
<u>Cash Basis NOI % Change:</u>				
Mainland Properties	-0.7%		1.3%	
Hawaii Properties	-2.9%		-0.5%	
Total	-1.8%		0.3%	



Occupancy and Leasing Summary ⁽¹⁾

(dollars and sq. ft. in thousands, except per sq. ft. data)

	As of and For the Three Months Ended				
	12/31/2020 ⁽²⁾	9/30/2020	6/30/2020	3/31/2020	12/31/2019
Properties	289	301	301	301	300
Total sq. ft. ⁽³⁾	34,870	43,759	43,759	43,759	42,939
Square feet leased	34,338	43,217	43,216	43,273	42,630
Percentage leased	98.5%	98.8%	98.8%	98.9%	99.3%
Leasing Activity (Sq. Ft.):					
New leases	105	41	—	36	161
Renewals	148	445	314	13	1,151
Rent resets	—	290	1,601	42	105
Total	253	776	1,915	91	1,417
% Change in GAAP Rent:					
New leases	2.1%	-4.5%	—%	6.7%	34.2%
Renewals	20.2%	9.0%	26.6%	27.4%	12.4%
Rent resets	—%	15.6%	21.4%	28.6%	39.9%
Weighted average (by square feet)	14.1%	9.6%	23.1%	19.0%	16.9%
Leasing Costs and Concession Commitments ⁽⁴⁾:					
New leases	\$ 261	\$ 237	\$ —	\$ 458	\$ 158
Renewals	231	690	229	—	1,142
Total	\$ 492	\$ 927	\$ 229	\$ 458	\$ 1,300
Leasing Costs and Concession Commitments per Sq. Ft. ⁽⁵⁾:					
New leases	\$ 2.49	\$ 5.78	\$ —	\$ 12.61	\$ 0.98
Renewals	\$ 1.57	\$ 1.55	\$ 0.73	\$ —	\$ 0.99
Total	\$ 1.95	\$ 1.91	\$ 0.73	\$ 9.21	\$ 0.99
Weighted Average Lease Term by Sq. Ft. (Years):					
New leases	6.5	14.7	—	19.4	17.4
Renewals	17.6	3.4	20.1	11.9	7.2
Total	13.0	4.4	20.1	17.4	8.5
Leasing Costs and Concession Commitments per Sq. Ft. per Year ^{(4) (5)}:					
New leases	\$ 0.38	\$ 0.39	\$ —	\$ 0.65	\$ 0.06
Renewals	\$ 0.09	\$ 0.46	\$ 0.04	\$ —	\$ 0.14
Total	\$ 0.15	\$ 0.44	\$ 0.04	\$ 0.53	\$ 0.12

- (1) This leasing summary is based on leases entered into during the periods indicated.
- (2) Excludes 12 properties owned by an unconsolidated joint venture in which we own a 22% equity interest. See page 13 for additional information regarding this joint venture.
- (3) Subject to modest adjustments when space is remeasured or reconfigured for new tenants and when land leases are converted to building leases.
- (4) Includes commitments made for leasing expenditures and concessions, such as tenant improvements, leasing commissions, tenant reimbursements and free rent.
- (5) Amounts are per square foot per year for the weighted average lease term by leased square feet.

Occupancy and Leasing Analysis by Property Type

(sq. ft. in thousands)

Property Type	Total Sq. Ft. ⁽¹⁾ As of 12/31/2020	Sq. Ft. Leases Executed During the Three Months Ended 12/31/2020		
		New	Renewals	Total
Mainland Properties	18,114	—	—	—
Hawaii Properties	16,756	105	148	253
Total	34,870	105	148	253

Sq. Ft. Leased							
Property Type	As of 9/30/2020	9/30/2020 % Leased ⁽²⁾	Acquisitions / (Sales)	Deconsolidation	Expired Leases	New and Renewal Leases	As of 12/31/2020 % Leased
Mainland Properties	26,944	99.8%	338	(9,227)	—	—	18,055 99.7 %
Hawaii Properties	16,273	97.1%	—	—	(243)	253	16,283 97.2 %
Total	43,217	98.8%	338	(9,227)	—	253	34,338 98.5 %

- (1) Subject to modest adjustments when space is remeasured or reconfigured for new tenants and when land leases are converted to building leases.
- (2) Excludes effects of space remeasurements during the period, if any. Percent leased includes (i) space being fitted out for occupancy, if any, and (ii) space which is leased but is not occupied or is being offered for sublease by tenants, if any.

Tenant Credit Characteristics

As of December 31, 2020

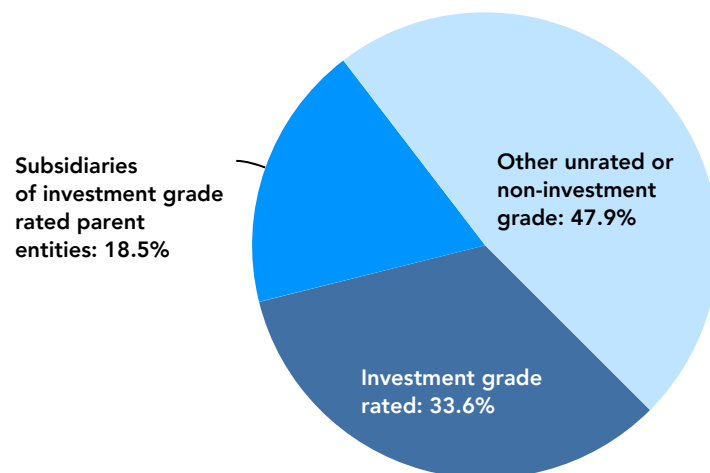
Tenant Credit Characteristics

Investment grade rated
Subsidiaries of investment grade rated parent entities
Other leased Hawaii lands
Subtotal investment grade rated, subsidiaries of investment grade rated parent entities and other leased Hawaii lands
Other unrated or non-investment grade

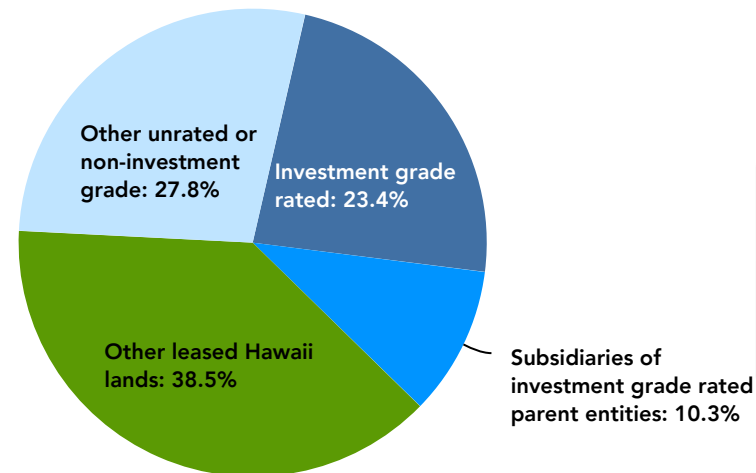
% of Annualized Rental Revenues

Mainland Properties	Consolidated
33.6%	23.4%
18.5%	10.3%
—%	38.5%
52.1%	72.2%
47.9%	27.8%
100.0%	100.0%

Mainland Properties
% of Annualized Rental Revenues



Consolidated Properties
% of Annualized Rental Revenues



Tenants Representing 1% or More of Total Annualized Rental Revenues

As of December 31, 2020

(sq. ft. in thousands)

Tenant		States	No. of Properties	Rented Sq. Ft. ⁽¹⁾	% of Total Rented Sq. Ft. ⁽¹⁾	% of Total Annualized Rental Revenues
1	Amazon.com Services, Inc.	AZ, SC, TN, VA	4	3,869	11.3%	10.0%
2	Federal Express Corporation / FedEx Ground Package System, Inc.	AR, CO, HI, IA, ID, IL, MN, MO, NC, ND, NV, OH, OK, UT	17	952	2.8%	4.6%
3	Restoration Hardware, Inc.	MD	1	1,195	3.5%	3.0%
4	American Tire Distributors, Inc.	CO, LA, NE, NY, OH	5	722	2.1%	2.5%
5	Servco Pacific Inc.	HI	6	590	1.7%	2.4%
6	UPS Supply Chain Solutions Inc.	NH	1	614	1.8%	2.4%
7	Par Hawaii Refining, LLC	HI	3	3,148	9.2%	2.4%
8	EF Transit, Inc.	IN	1	535	1.6%	1.9%
9	BJ's Wholesale Club, Inc.	NJ	1	634	1.8%	1.7%
10	Shurtech Brands, LLC	OH	1	645	1.9%	1.7%
11	Coca-Cola Bottling of Hawaii, LLC	HI	4	351	1.0%	1.6%
12	Safeway Inc.	HI	2	146	0.4%	1.6%
13	ELC Distribution Center	KS	1	645	1.9%	1.5%
14	Manheim Remarketing, Inc.	HI	1	338	1.0%	1.5%
15	Exel Inc.	SC	1	945	2.8%	1.5%
16	A.L. Kilgo Company, Inc.	HI	5	310	0.9%	1.5%
17	Avnet, Inc.	OH	1	581	1.7%	1.5%
18	Warehouse Rentals Inc.	HI	5	278	0.8%	1.3%
19	YNAP Corporation	NJ	1	167	0.5%	1.1%
20	ODW Logistics, Inc.	OH	3	760	2.2%	1.1%
21	Refresco Beverages US Inc.	MO, SC	2	421	1.2%	1.1%
22	Honolulu Warehouse Co., Ltd.	HI	1	298	0.9%	1.1%
23	Hellmann Worldwide Logistics Inc.	FL	1	240	0.7%	1.1%
24	General Mills Operations, LLC	MI	1	158	0.5%	1.1%
25	AES Hawaii, Inc.	HI	2	1,242	3.6%	1.0%
			71	19,784	57.8%	52.2%

(1) Rented square feet is pursuant to existing leases as of December 31, 2020 and includes (i) space being fitted out for occupancy, if any, and (ii) space which is leased but is not occupied or is being offered for sublease by tenants, if any.

Five Year Lease Expiration and Reset Schedule by Property Type ⁽¹⁾

As of December 31, 2020

(dollars and sq. ft. in thousands)

	Total	2021	2022	2023	2024	2025	2026 and Thereafter
<u>Mainland Properties Expirations:</u>							
Total sq. ft.	18,114						
Leased sq. ft. ⁽²⁾	18,055	222	715	2,229	3,928	2,158	8,803
Percent		1.2%	4.0%	12.3%	21.8%	12.0%	48.7%
Annualized rental revenues	\$ 102,582	\$ 1,149	\$ 4,867	\$ 14,136	\$ 22,419	\$ 11,735	\$ 48,276
Percent		1.1%	4.7%	13.8%	21.9%	11.4%	47.1%
<u>Hawaii Properties Expirations:</u>							
Total sq. ft.	16,756						
Leased sq. ft. ⁽²⁾	16,283	204	2,133	309	2,814	160	10,663
Percent		1.3%	13.1%	1.9%	17.3%	1.0%	65.4%
Annualized rental revenues	\$ 105,341	\$ 1,786	\$ 15,409	\$ 2,310	\$ 5,698	\$ 1,175	\$ 78,963
Percent		1.7%	14.6%	2.2%	5.4%	1.1%	75.0%
<u>Total Expirations:</u>							
Total sq. ft.	34,870						
Leased sq. ft. ⁽²⁾	34,338	426	2,848	2,538	6,742	2,318	19,466
Percent		1.2%	8.3%	7.4%	19.6%	6.8%	56.7%
Annualized rental revenues	\$ 207,923	\$ 2,935	\$ 20,276	\$ 16,446	\$ 28,117	\$ 12,910	\$ 127,239
Percent		1.4%	9.8%	7.9%	13.5%	6.2%	61.2%
<u>Next Scheduled Rent Resets</u>							
Reset sq. ft.	4,512	87	467	411	294	454	2,799
Percent ⁽³⁾		0.5%	2.9%	2.5%	1.8%	2.8%	17.2%
Annualized rental revenues	\$ 29,304	\$ 701	\$ 3,860	\$ 2,535	\$ 2,103	\$ 3,115	\$ 16,990
Percent ⁽³⁾		0.7%	3.7%	2.4%	2.0%	3.0%	16.1%

- (1) Excludes 12 properties contributed to a joint venture.
- (2) Leased square feet is pursuant to existing leases as of December 31, 2020, and includes (i) space being fitted out for occupancy, if any, and (ii) space which is leased but is not occupied, or is being offered for sublease by tenants, if any.
- (3) Percent based on Hawaii Properties leased square feet and Hawaii Properties annualized rental revenues for Hawaii Properties.

Portfolio Lease Expiration Schedule

As of December 31, 2020

(dollars and sq. ft. in thousands)

Period / Year	Number of Tenants	Rented Square Feet Expiring ⁽¹⁾	% of Total Rented Square Feet Expiring ⁽¹⁾	Cumulative % of Total Rented Square Feet Expiring ⁽¹⁾	Annualized Rental Revenues Expiring	% of Total Annualized Rental Revenues Expiring	Cumulative % of Total Annualized Rental Revenues Expiring
2021	26	426	1.2%	1.2%	\$ 2,935	1.4%	1.4%
2022	63	2,848	8.3%	9.5%	20,276	9.8%	11.2%
2023	29	2,538	7.4%	16.9%	16,446	7.9%	19.1%
2024	28	6,742	19.6%	36.5%	28,117	13.5%	32.6%
2025	14	2,318	6.8%	43.3%	12,910	6.2%	38.8%
2026	6	969	2.8%	46.1%	6,910	3.3%	42.1%
2027	11	4,578	13.3%	59.4%	24,445	11.8%	53.9%
2028	19	2,568	7.5%	66.9%	18,840	9.1%	63.0%
2029	8	1,697	4.9%	71.8%	5,393	2.6%	65.6%
2030	9	1,232	3.6%	75.4%	9,400	4.5%	70.1%
Thereafter	76	8,422	24.6%	100.0%	62,251	29.9%	100.0%
Total	289	34,338	100.0%		\$ 207,923	100.0%	

Weighted average remaining lease term (in years)	8.4	9.5
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(1) Rented square feet is pursuant to existing leases as of December 31, 2020, and includes (i) space being fitted out for occupancy, if any, and (ii) space which is leased but is not occupied or is being offered for sublease by tenants, if any.

Non-GAAP Financial Measures and Certain Definitions

Non-GAAP Financial Measures:

We present certain “non-GAAP financial measures” within the meaning of applicable SEC rules, including FFO attributable to common shareholders, Normalized FFO attributable to common shareholders, EBITDA, EBITDAre, Adjusted EBITDAre, NOI and Cash Basis NOI. These measures do not represent cash generated by operating activities in accordance with GAAP and should not be considered alternatives to net income or net income attributable to common shareholders as indicators of our operating performance or as measures of our liquidity. These measures should be considered in conjunction with net income and net income attributable to common shareholders as presented in our consolidated statements of income. We consider these non-GAAP measures to be appropriate supplemental measures of operating performance for a REIT, along with net income and net income attributable to common shareholders. We believe these measures provide useful information to investors because by excluding the effects of certain historical amounts, such as depreciation and amortization expense, they may facilitate a comparison of our operating performance between periods and with other REITs and, in the case of NOI and Cash Basis NOI, reflecting only those income and expense items that are generated and incurred at the property level may help both investors and management to understand the operations of our properties.

NOI and Cash Basis NOI:

The calculations of net operating income, or NOI, and Cash Basis NOI exclude certain components of net income in order to provide results that are more closely related to our property level results of operations. We calculate NOI and Cash Basis NOI as shown on pages [14](#) and [15](#). We define NOI as income from our rental of real estate less our property operating expenses. NOI excludes amortization of capitalized tenant improvement costs and leasing commissions that we record as depreciation and amortization expense. We define Cash Basis NOI as NOI excluding non-cash straight line rent adjustments, lease value amortization and lease termination fees, if any. We use NOI and Cash Basis NOI to evaluate individual and company-wide property level performance. Other real estate companies and REITs may calculate NOI and Cash Basis NOI differently than we do.

FFO and Normalized FFO Attributable to Common Shareholders:

We calculate funds from operations, or FFO, attributable to common shareholders and Normalized FFO attributable to common shareholders as shown on page [17](#). FFO attributable to common shareholders is calculated on the basis defined by The National Association of Real Estate Investment Trusts, or Nareit, which is net income attributable to common shareholders, calculated in accordance with GAAP, excluding any gain or loss on sale of real estate and equity in earnings of an unconsolidated joint venture, plus real estate depreciation and amortization of consolidated properties and its proportionate share of FFO of unconsolidated joint venture properties and minus FFO adjustments attributable to noncontrolling interest, as well as certain other adjustments currently not applicable to us. In calculating Normalized FFO attributable to common shareholders, we adjust for the items shown on page [17](#) including similar adjustments for our unconsolidated joint venture, if any, and include business management incentive fees, if any, only in the fourth quarter versus the quarter when they are recognized as an expense in accordance with GAAP due to their quarterly volatility not necessarily being indicative of our core operating performance and the uncertainty as to whether any such business management incentive fees will be payable when all contingencies for determining such fees are known at the end of the calendar year. FFO attributable to common shareholders and Normalized FFO attributable to common shareholders are among the factors considered by our Board of Trustees when determining the amount of distributions to our shareholders. Other factors include, but are not limited to, requirements to maintain our qualification for taxation as a REIT, limitations in the agreements governing our debt, the availability to us of debt and equity capital, our distribution rate as a percentage of the trading price of our common shares, or dividend yield, and our dividend yield compared to the dividend yields of other industrial REITs, our expectation of our future capital requirements and operating performance and our expected needs for and availability of cash to pay our obligations. Other real estate companies and REITs may calculate FFO attributable to common shareholders and Normalized FFO attributable to common shareholders differently than we do.

EBITDA, EBITDAre and Adjusted EBITDAre:

We calculate earnings before interest, taxes, depreciation and amortization, or EBITDA, EBITDA for real estate, or EBITDAre, and Adjusted EBITDAre as shown on page [16](#). EBITDAre is calculated on the basis defined by Nareit, which is EBITDA, including our proportionate share of EBITDAre from unconsolidated joint venture properties, and excluding gains and losses on the sale of real estate, equity in earnings of an unconsolidated joint venture, loss on impairment of real estate assets, if any, as well as certain other adjustments currently not applicable to us. In calculating Adjusted EBITDAre, we adjust for the items shown on page [16](#) and include business management incentive fees, if any, only in the fourth quarter versus the quarter when they are recognized as expense in accordance with GAAP due to their quarterly volatility not necessarily being indicative of our core operating performance and the uncertainty as to whether any such business management incentive fees will be payable when all contingencies for determining such fees are known at the end of the calendar year. Other real estate companies and REITs may calculate EBITDA, EBITDAre and Adjusted EBITDAre differently than we do.

Non-GAAP Financial Measures and Certain Definitions (Cont.)

Annualized dividend yield - Annualized dividend yield is the annualized dividend paid during the applicable period divided by the closing price of our common shares at the end of the relevant period.

Annualized rental revenues - Annualized rental revenues is the annualized contractual rents, as of December 31, 2020, including straight line rent adjustments and excluding lease value amortization, adjusted for tenant concessions including free rent and amounts reimbursed to tenants, plus estimated recurring expense reimbursements from tenants.

Building improvements - Building improvements generally include (i) expenditures to replace obsolete building components and (ii) expenditures that extend the useful life of existing assets.

Development, redevelopment and other activities - Development, redevelopment and other activities generally include capital expenditures projects that (i) reposition a property or (ii) result in new sources of revenue.

Gross book value of real estate assets - Gross book value of real estate assets is real estate assets at cost, plus certain acquisition related costs, if any, before depreciation and purchase price allocations, less impairment writedowns, if any.

Leasing costs - Leasing costs include leasing related costs, such as brokerage commissions and tenant inducements.

Net debt - Net debt is total debt less cash.

Percent change in GAAP rent - Percent change in GAAP rent is the percent change from prior rents charged for same space. Rents include estimated recurring expense reimbursements and exclude lease value amortization. References in this report to "same space" represent same land area and building area (with leasing rates for vacant space based upon the most recent rental rate for the same space).

Same property - For the three months ended December 31, 2020 and 2019, same property NOI and Cash Basis NOI are based on properties that we owned as of December 31, 2020 and that we owned continuously since October 1, 2019. For the year ended December 31, 2020 and 2019, same property NOI and Cash Basis NOI are based on properties that we owned as of December 31, 2020 and that we owned continuously since January 1, 2019, excluding 12 properties owned by an unconsolidated joint venture in which we own a 22% equity interest.

Tenant improvements - Tenant improvements include capital expenditures used to improve tenants' space or amounts paid directly to tenants to improve their space.

Total gross assets - Total gross assets is total assets plus accumulated depreciation.

Total market capitalization - Total market capitalization is total debt plus the market value of our common shares at the end of the applicable period.

Warning Concerning Forward-Looking Statements

This supplemental operating and financial data may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other securities laws. Whenever we use words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “estimate”, “will”, “may” and negatives or derivatives of these or similar expressions, we are making forward-looking statements. These forward-looking statements are based upon our present intent, beliefs or expectations, but forward-looking statements are not guaranteed to occur and may not occur. Actual results may differ materially from those contained in or implied by our forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control.

The information contained in our filings with the SEC, including under “Risk Factors” in our periodic reports, or incorporated therein, identifies important factors that could cause our actual results to differ materially from those stated in or implied by our forward-looking statements. Our filings with the SEC are available on the SEC's website at www.sec.gov. You should not place undue reliance upon forward-looking statements. Except as required by law, we do not intend to update or change any forward-looking statements as a result of new information, future events or otherwise.

