

REFINITIV

DELTA REPORT

10-Q

STAG - STAG INDUSTRIAL, INC.

10-Q - JUNE 30, 2023 COMPARED TO 10-Q - MARCH 31, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 1016

■ CHANGES	321
■ DELETIONS	499
■ ADDITIONS	196

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

FORM 10-Q

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

For the Quarterly Period Ended **March 31, 2023** **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 1-34907

STAG Industrial, Inc.

(Exact name of registrant as specified in its charter)

Maryland

27-3099608

(State or other jurisdiction of
incorporation or organization)

(IRS Employer Identification No.)

One Federal Street

02110

23rd Floor

Boston, Massachusetts

(Zip code)

(Address of principal executive offices)

(617) 574-4777

(Registrant's telephone number, including area code)

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common stock, \$0.01 par value per share	STAG	New York Stock Exchange

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 (\$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, a 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 Rule 12b-2 of the Exchange Act). Yes No

The number of shares of common stock outstanding at **April 25, 2023** **July 25, 2023** was **179,376,755** **179,664,319**.

STAG Industrial, Inc.
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Part I. Financial Information

Item 1. Financial Statements

STAG Industrial, Inc.
Consolidated Balance Sheets
(unaudited, in thousands, except share data)

Assets	Assets	March 31, 2023		December 31, 2022		Assets	June 30, 2023		December 31, 2022	
Rental Property:	Rental Property:					Rental Property:				
Land	Land	\$ 645,477		\$ 647,098		Land	\$ 652,173		\$ 647,098	
Buildings and improvements, net of accumulated depreciation of \$802,584 and \$763,128, respectively		4,683,041		4,706,745						
Deferred leasing intangibles, net of accumulated amortization of \$333,672 and \$328,848, respectively		483,583		508,935						
Buildings and improvements, net of accumulated depreciation of \$841,488 and \$763,128, respectively						Buildings and improvements, net of accumulated depreciation of \$841,488 and \$763,128, respectively		4,684,280		4,706,745
Deferred leasing intangibles, net of accumulated amortization of \$357,435 and \$328,848, respectively						Deferred leasing intangibles, net of accumulated amortization of \$357,435 and \$328,848, respectively		463,569		508,935
Total rental property, net	Total rental property, net	5,812,101		5,862,778		Total rental property, net		5,800,022		5,862,778
Cash and cash equivalents	Cash and cash equivalents	17,210		25,884		Cash and cash equivalents		13,511		25,884
Restricted cash	Restricted cash	963		905		Restricted cash		1,023		905
Tenant accounts receivable	Tenant accounts receivable	116,767		115,509		Tenant accounts receivable		112,334		115,509
Prepaid expenses and other assets	Prepaid expenses and other assets	78,567		71,733		Prepaid expenses and other assets		76,767		71,733
Interest rate swaps	Interest rate swaps	56,203		72,223		Interest rate swaps		72,016		72,223
Operating lease right-of-use assets	Operating lease right-of-use assets	30,843		31,313		Operating lease right-of-use assets		30,513		31,313
Assets held for sale, net	Assets held for sale, net	3,183		4,643		Assets held for sale, net		—		4,643
Total assets	Total assets	\$ 6,115,837		\$ 6,184,988		Total assets	\$ 6,106,186		\$ 6,184,988	
Liabilities and Equity	Liabilities and Equity					Liabilities and Equity				
Liabilities:	Liabilities:					Liabilities:				
Unsecured credit facility	Unsecured credit facility	\$ 235,000		\$ 175,000		Unsecured credit facility	\$ 216,000		\$ 175,000	
Unsecured term loans, net	Unsecured term loans, net	1,020,772		1,020,440		Unsecured term loans, net	1,021,106		1,020,440	
Unsecured notes, net	Unsecured notes, net	1,195,619		1,295,442		Unsecured notes, net	1,195,790		1,295,442	
Mortgage notes, net	Mortgage notes, net	7,813		7,898		Mortgage notes, net	7,727		7,898	
Accounts payable, accrued expenses and other liabilities	Accounts payable, accrued expenses and other liabilities	94,122		97,371		Accounts payable, accrued expenses and other liabilities	91,994		97,371	
Tenant prepaid rent and security deposits	Tenant prepaid rent and security deposits	44,142		40,847		Tenant prepaid rent and security deposits	44,354		40,847	
Dividends and distributions payable	Dividends and distributions payable	22,484		22,282		Dividends and distributions payable	22,515		22,282	
Deferred leasing intangibles, net of accumulated amortization of \$25,506 and \$24,593, respectively		30,373		32,427						

Deferred leasing intangibles, net of accumulated amortization of \$27,467 and \$24,593, respectively		Deferred leasing intangibles, net of accumulated amortization of \$27,467 and \$24,593, respectively	28,412	32,427
Operating lease liabilities	Operating lease liabilities	34,692	35,100	Operating lease liabilities
Total liabilities	Total liabilities	2,685,017	2,726,807	Total liabilities
Commitments and contingencies (Note 11)	Commitments and contingencies (Note 11)			Commitments and contingencies (Note 11)
Equity:	Equity:			Equity:
Preferred stock, par value \$0.01 per share, 20,000,000 shares authorized at March 31, 2023 and December 31, 2022; none issued or outstanding		—	—	Preferred stock, par value \$0.01 per share, 20,000,000 shares authorized at June 30, 2023 and December 31, 2022; none issued or outstanding
Common stock, par value \$0.01 per share, 300,000,000 shares authorized at March 31, 2023 and December 31, 2022, 179,372,871 and 179,248,980 shares issued and outstanding at March 31, 2023 and December 31, 2022, respectively	1,794	1,792	Common stock, par value \$0.01 per share, 300,000,000 shares authorized at June 30, 2023 and December 31, 2022, 179,660,771 and 179,248,980 shares issued and outstanding at June 30, 2023 and December 31, 2022, respectively	1,797
Preferred stock, par value \$0.01 per share, 20,000,000 shares authorized at June 30, 2023 and December 31, 2022; none issued or outstanding				—
Common stock, par value \$0.01 per share, 300,000,000 shares authorized at June 30, 2023 and December 31, 2022, 179,660,771 and 179,248,980 shares issued and outstanding at June 30, 2023 and December 31, 2022, respectively				—
Additional paid-in capital	Additional paid-in capital	4,188,960	4,188,677	Additional paid-in capital
Cumulative dividends in excess of earnings	Cumulative dividends in excess of earnings	(892,676)	(876,145)	Cumulative dividends in excess of earnings
Accumulated other comprehensive income	Accumulated other comprehensive income	54,849	70,500	Accumulated other comprehensive income
Total stockholders' equity	Total stockholders' equity	3,352,927	3,384,824	Total stockholders' equity
Noncontrolling interest	Noncontrolling interest	77,893	73,357	Noncontrolling interest
Total equity	Total equity	3,430,820	3,458,181	Total equity
Total liabilities and equity	Total liabilities and equity	\$ 6,115,837	\$ 6,184,988	Total liabilities and equity

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

STAG Industrial, Inc.
Consolidated Statements of Operations
(unaudited, in thousands, except per share data)

Three months ended March 31,		Three months ended June 30,		Six months ended June 30,	
2023	2022	2023	2022	2023	2022

Revenue	Revenue		Revenue			
Rental income	Rental income	\$ 173,268	\$ 158,601	Rental income	\$ 171,439	\$ 161,057
Other income	Other income	285	608	Other income	255	443
Total revenue	Total revenue	173,553	159,209	Total revenue	171,694	161,500
Expenses	Expenses		Expenses			
Property	Property	35,881	31,775	Property	32,675	28,874
General and administrative	General and administrative	12,676	12,313	General and administrative	12,060	12,234
Depreciation and amortization	Depreciation and amortization	68,944	67,366	Depreciation and amortization	68,494	69,279
Other expenses	Other expenses	2,979	497	Other expenses	357	532
Total expenses	Total expenses	120,480	111,951	Total expenses	113,586	110,919
Other income (expense)	Other income (expense)		Other income (expense)			
Interest and other income	Interest and other income	19	34	Interest and other income	17	23
Interest expense	Interest expense	(22,612)	(17,259)	Interest expense	(22,860)	(17,896)
Gain on the sales of rental property, net	Gain on the sales of rental property, net	20,128	23,955	Gain on the sales of rental property, net	17,532	376
Total other income (expense)	Total other income (expense)	(2,465)	6,730	Total other income (expense)	(5,311)	(17,497)
Net income	Net income	\$ 50,608	\$ 53,988	Net income	\$ 52,797	\$ 33,084
Less: income attributable to noncontrolling interest	Less: income attributable to noncontrolling interest	1,142	1,162	Less: income attributable to noncontrolling interest	1,191	708
Net income attributable to STAG Industrial, Inc.	Net income attributable to STAG Industrial, Inc.	\$ 49,466	\$ 52,826	Net income attributable to STAG Industrial, Inc.	\$ 51,606	\$ 32,376
Less: amount allocated to participating securities	Less: amount allocated to participating securities	53	62	Less: amount allocated to participating securities	53	59
Net income attributable to common stockholders	Net income attributable to common stockholders	\$ 49,413	\$ 52,764	Net income attributable to common stockholders	\$ 51,553	\$ 32,317
Weighted average common shares outstanding — basic	Weighted average common shares outstanding — basic	179,196	177,827	Weighted average common shares outstanding — basic	179,413	179,049
Weighted average common shares outstanding — diluted	Weighted average common shares outstanding — diluted	179,297	178,065	Weighted average common shares outstanding — diluted	179,738	179,144
Net income per share — basic and diluted	Net income per share — basic and diluted		Net income per share — basic and diluted			
Net income per share attributable to common stockholders — basic	Net income per share attributable to common stockholders — basic	\$ 0.28	\$ 0.30	Net income per share stockholders — basic	\$ 0.29	\$ 0.18

Net income per share attributable to common stockholders — diluted	\$ 0.28	\$ 0.30	\$ 0.29	\$ 0.18	\$ 0.56	\$ 0.48
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The accompanying notes are an integral part of these consolidated financial statements.

STAG Industrial, Inc.
Consolidated Statements of Comprehensive Income
(b unaudited, in thousands)

Net income	Net income	Three months ended March 31,		Three months ended June 30,		Six months ended June 30,	
		2023		2022		2023	
		\$ 50,608	\$ 53,988	\$ 52,797	\$ 33,084	\$ 103,405	\$ 87,072
Other comprehensive income (loss):	Other comprehensive income (loss):			Other comprehensive income (loss):			
Income (loss) on interest rate swaps	Income (loss) on interest rate swaps	(16,012)	37,237	swaps	15,821	12,509	(191)
Other comprehensive income (loss)	Other comprehensive income (loss)	(16,012)	37,237	Other	15,821	12,509	(191)
Comprehensive income	Comprehensive income	34,596	91,225	Comprehensive income	68,618	45,593	103,214
Income attributable to noncontrolling interest after preferred stock dividends	Income attributable to noncontrolling interest after preferred stock dividends	(1,142)	(1,162)	Income attributable to noncontrolling interest after preferred stock dividends	(1,191)	(708)	(2,333)
Other comprehensive (income) loss attributable to noncontrolling interest	Other comprehensive (income) loss attributable to noncontrolling interest	361	(802)	Other comprehensive (income) loss attributable to noncontrolling interest	(357)	(266)	4
Comprehensive income attributable to STAG Industrial, Inc.	Comprehensive income attributable to STAG Industrial, Inc.	\$ 33,815	\$ 89,261	Comprehensive income attributable to STAG Industrial, Inc.	\$ 67,070	\$ 44,619	\$ 100,885
							\$ 133,880

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

STAG Industrial, Inc.
Consolidated Statements of Equity
(b unaudited, in thousands, except share data)

Three months ended June 30, 2023	Noncontrolling Interest - Unit										Common Stock		
	Common Stock			Cumulative Dividends in		Accumulated Other		Stockholders' Total		Holders in Operating Partnership		Common Stock	
	Preferred Stock	Shares	Amount	Additional Paid-in Capital	Excess of Earnings	Comprehensive Income (Loss)	Equity	Shares	Partnership	Total Equity	Preferred Stock	Amount	
Balance, March 31, 2023													
Three months ended June 30, 2023													
Balance, March 31, 2023													

Proceeds from sales of common stock, net		Proceeds from sales of common stock, net	—	249,016	3
Dividends and distributions, net (\$0.37 per share/unit)		Dividends and distributions, net (\$0.37 per share/unit)	—	—	—
Non-cash compensation activity, net		Non-cash compensation activity, net	—	3,884	—
Redemption of common units to common stock		Redemption of common units to common stock	—	35,000	—
Rebalancing of noncontrolling interest		Rebalancing of noncontrolling interest	—	—	—
Other comprehensive income		Other comprehensive income	—	—	—
Net income		Net income	—	—	—
Balance, June 30, 2023		Balance, June 30, 2023	\$ —	179,660,771	\$ 1,797 \$4
Three months ended June 30, 2022		Three months ended June 30, 2022			
Balance, March 31, 2022		Balance, March 31, 2022	\$ —	179,211,305	\$ 1,792 \$4
Proceeds from sales of common stock, net		Proceeds from sales of common stock, net	—	—	—
Dividends and distributions, net (\$0.37 per share/unit)		Dividends and distributions, net (\$0.37 per share/unit)	—	—	—
Non-cash compensation activity, net		Non-cash compensation activity, net	—	433	—
Rebalancing of noncontrolling interest		Rebalancing of noncontrolling interest	—	—	—
Other comprehensive income		Other comprehensive income	—	—	—
Net income		Net income	—	—	—
Balance, June 30, 2022		Balance, June 30, 2022	\$ —	179,211,738	\$ 1,792 \$4
Three months ended March 31, 2023					
Six months ended June 30, 2023		Six months ended June 30, 2023			
Balance, December 31, 2022	Balance, December 31, 2022	Balance, December 31, 2022	\$ —	179,248,980	\$ 1,792 \$4
Proceeds from sales of common stock, net	Proceeds from sales of common stock, net	Proceeds from sales of common stock, net	—	—	—
			(152)	—	(152)
				(152)	(152)
				—	—
				249,016	3

Dividends and distributions, net (\$0.37 per share/unit)	—	—	—	—	(65,914)	—	(65,914)	1,816	(64,098)	Dividends and distributions, net (\$0.74 per share/unit)	—	—	—	
Dividends and distributions, net (\$0.74 per share/unit)	—	—	—	—	—	—	—	—	—	Dividends and distributions, net (\$0.74 per share/unit)	—	—	—	
Non-cash compensation activity, net	Non-cash compensation activity, net	—	80,057	1	(3,831)	(83)	—	(3,913)	6,206	2,293	Non-cash compensation activity, net	—	83,941	1
Redemption of common units to common stock	Redemption of common units to common stock	—	43,834	1	828	—	—	829	(829)	—	Redemption of common units to common stock	—	78,834	1
Rebalancing of noncontrolling interest	Rebalancing of noncontrolling interest	—	—	—	3,438	—	—	3,438	(3,438)	—	Rebalancing of noncontrolling interest	—	—	—
Other comprehensive loss	Other comprehensive loss	—	—	—	—	—	(15,651)	(15,651)	(361)	(16,012)	Other comprehensive loss	—	—	—
Net income	Net income	—	—	—	—	49,466	—	49,466	1,142	50,608	Net income	—	—	—
Balance, March 31, 2023		\$ — 179,372,871	\$1,794	\$4,188,960	\$(892,676)	\$ 54,849	\$3,352,927		\$ 77,893	\$3,430,820				
Three months ended March 31, 2022														
Balance, June 30, 2023											Balance, June 30, 2023	\$ — 179,660,771	\$1,797	\$4,188,960
Six months ended June 30, 2022														
Balance, December 31, 2021	Balance, December 31, 2021	\$ — 177,769,342	\$1,777	\$4,130,038	\$(792,332)	\$ (11,783)	\$3,327,700		\$ 65,887	\$3,393,587	Balance, December 31, 2021	\$ — 177,769,342	\$1,777	\$4,130,038
Proceeds from sales of common stock, net	Proceeds from sales of common stock, net	—	1,328,335	13	54,963	—	—	54,976	—	54,976	Proceeds from sales of common stock, net	—	1,328,335	13
Dividends and distributions, net (\$0.37 per share/unit)	Dividends and distributions, net (\$0.73 per share/unit)	—	—	—	(65,114)	—	(65,114)	(1,474)	(66,588)	Dividends and distributions, net (\$0.73 per share/unit)	—	—	—	
Non-cash compensation activity, net	Non-cash compensation activity, net	—	48,628	1	(3,279)	(780)	—	(4,058)	5,737	1,679	Non-cash compensation activity, net	—	49,061	1
Redemption of common units to common stock	Redemption of common units to common stock	—	65,000	1	1,216	—	—	1,217	(1,217)	—	Redemption of common units to common stock	—	65,000	1
Rebalancing of noncontrolling interest	Rebalancing of noncontrolling interest	—	—	—	(3,577)	—	—	(3,577)	3,577	—	Rebalancing of noncontrolling interest	—	—	—
Other comprehensive income	Other comprehensive income	—	—	—	—	—	36,435	36,435	802	37,237	Other comprehensive income	—	—	—
Net income	Net income	—	—	—	—	52,826	—	52,826	1,162	53,988	Net income	—	—	—
Balance, March 31, 2022		\$ — 179,211,305	\$1,792	\$4,179,361	\$(805,400)	\$ 24,652	\$3,400,405		\$ 74,474	\$3,474,879				
Balance, June 30, 2022											Balance, June 30, 2022	\$ — 179,211,738	\$1,792	\$4,179,361

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

STAG Industrial, Inc.
Consolidated Statements of Cash Flows
(unaudited, in thousands)

Cash flows from operating activities:	Cash flows from operating activities:	Three months ended March 31,				Six months ended June 30,			
		2023		2022		2023		2022	
		Net income	Net income	\$ 50,608	\$ 53,988	Net income	\$ 103,405	\$ 8	8
Adjustments to reconcile net income to net cash provided by operating activities:	Adjustments to reconcile net income to net cash provided by operating activities:					Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	Depreciation and amortization			68,944	67,366	Depreciation and amortization		137,438	13
Non-cash portion of interest expense	Non-cash portion of interest expense			976	864	Non-cash portion of interest expense		1,948	1
Amortization of above and below market leases, net	Amortization of above and below market leases, net			(129)	(84)	Amortization of above and below market leases, net		(192)	(1)
Straight-line rent adjustments, net	Straight-line rent adjustments, net			(5,044)	(4,450)	Straight-line rent adjustments, net		(9,466)	(0)
Gain on the sales of rental property, net	Gain on the sales of rental property, net			(20,128)	(23,955)	Gain on the sales of rental property, net		(37,660)	(2)
Non-cash compensation expense	Non-cash compensation expense			3,092	3,260	Non-cash compensation expense		6,404	1
Change in assets and liabilities:	Change in assets and liabilities:					Change in assets and liabilities:			
Tenant accounts receivable	Tenant accounts receivable			2,694	(262)	Tenant accounts receivable		10,719	1
Prepaid expenses and other assets	Prepaid expenses and other assets			(11,288)	(3,371)	Prepaid expenses and other assets		(13,081)	(1)
Accounts payable, accrued expenses and other liabilities	Accounts payable, accrued expenses and other liabilities			(6,599)	(3,401)	Accounts payable, accrued expenses and other liabilities		(6,288)	1
Tenant prepaid rent and security deposits	Tenant prepaid rent and security deposits			3,295	(1,076)	Tenant prepaid rent and security deposits		2,996	1
Total adjustments	Total adjustments			35,813	34,891	Total adjustments		92,818	10
Net cash provided by operating activities	Net cash provided by operating activities			86,421	88,879	Net cash provided by operating activities		196,223	19
Cash flows from investing activities:	Cash flows from investing activities:					Cash flows from investing activities:			
Acquisitions of land and buildings and improvements	Acquisitions of land and buildings and improvements			—	(144,600)	Acquisitions of land and buildings and improvements		(37,425)	(29)
Additions of land and buildings and improvements	Additions of land and buildings and improvements			(27,685)	(17,061)	Additions of land and buildings and improvements		(55,382)	(3)

Acquisitions of other assets	Acquisitions of other assets	—	(2,134)	Acquisitions of other assets	—	(2,134)
Acquisitions of tenant prepaid rent				Acquisitions of tenant prepaid rent		
Acquisitions of operating lease right-of-use assets				Acquisitions of operating lease right-of-use assets		
Proceeds from sales of rental property, net	Proceeds from sales of rental property, net	36,333	35,326	Proceeds from sales of rental property, net	69,320	35,326
Acquisition deposits, net	Acquisition deposits, net	1,185	(711)	Acquisition deposits, net	1,120	1,120
Acquisitions of deferred leasing intangibles	Acquisitions of deferred leasing intangibles	—	(19,617)	Acquisitions of deferred leasing intangibles	(3,750)	(4,467)
Net cash provided by (used in) investing activities		9,833	(148,797)			
Acquisitions of operating lease liabilities				Acquisitions of operating lease liabilities		
Net cash used in investing activities				Net cash used in investing activities		(2,134)
Cash flows from financing activities:	Cash flows from financing activities:			Cash flows from financing activities:		
Proceeds from unsecured credit facility	Proceeds from unsecured credit facility	209,000	675,000	Proceeds from unsecured credit facility	337,000	87,000
Repayment of unsecured credit facility	Repayment of unsecured credit facility	(149,000)	(587,000)	Repayment of unsecured credit facility	(296,000)	(1,053,000)
Proceeds from unsecured notes				Proceeds from unsecured notes		
Repayment of unsecured notes	Repayment of unsecured notes	(100,000)	—	Repayment of unsecured notes	(100,000)	(100,000)
Repayment of mortgage notes	Repayment of mortgage notes	(86)	(586)	Repayment of mortgage notes	(172)	(172)
Payment of loan fees and costs	Payment of loan fees and costs	—	(4)	Payment of loan fees and costs	—	(4)
Proceeds from sales of common stock, net	Proceeds from sales of common stock, net	(76)	55,126	Proceeds from sales of common stock, net	8,532	55,126
Dividends and distributions	Dividends and distributions	(63,896)	(66,213)	Dividends and distributions	(131,420)	(131,420)
Repurchase and retirement of share-based compensation	Repurchase and retirement of share-based compensation	(812)	(1,596)	Repurchase and retirement of share-based compensation	(812)	(812)
Net cash provided by (used in) financing activities	Net cash provided by (used in) financing activities	(104,870)	74,727	Net cash provided by (used in) financing activities	(182,872)	13,872
Increase (decrease) in cash and cash equivalents and restricted cash		(8,616)	14,809			

Decrease in cash and cash equivalents and restricted cash						Decrease in cash and cash equivalents and restricted cash	
Cash and cash equivalents and restricted cash—beginning of period	Cash and cash equivalents and restricted cash—beginning of period	26,789	23,196	Cash and cash equivalents and restricted cash—beginning of period	26,789		2
Cash and cash equivalents and restricted cash—end of period	Cash and cash equivalents and restricted cash—end of period	\$ 18,173	\$ 38,005	Cash and cash equivalents and restricted cash—end of period	\$ 14,534	\$ 1	
Supplemental disclosure:	Supplemental disclosure:			Supplemental disclosure:			
Cash paid for interest, net of capitalized interest	Cash paid for interest, net of capitalized interest	\$ 18,597	\$ 17,172	Cash paid for interest, net of capitalized interest	\$ 44,842		3
Supplemental schedule of non-cash investing and financing activities	Supplemental schedule of non-cash investing and financing activities			Supplemental schedule of non-cash investing and financing activities			
Additions of land and buildings and improvements	Additions of land and buildings and improvements	\$ —	\$ (539)	Additions of land and buildings and improvements	\$ —		(
Transfer of other assets to building and other capital improvements	Transfer of other assets to building and other capital improvements	\$ —	\$ 539	Transfer of other assets to building and other capital improvements	\$ —		\$
Change in additions of land, building, and improvements included in accounts payable, accrued expenses and other liabilities	Change in additions of land, building, and improvements included in accounts payable, accrued expenses and other liabilities	\$ (4,596)	\$ 590	Change in additions of land, building, and improvements included in accounts payable, accrued expenses and other liabilities	\$ (3,018)		(
Additions to building and other capital improvements from non-cash compensation	Additions to building and other capital improvements from non-cash compensation	\$ (13)	\$ (26)	Additions to building and other capital improvements from non-cash compensation	\$ (26)		\$
Change in loan fees, costs, and offering costs included in accounts payable, accrued expenses and other liabilities	Change in loan fees, costs, and offering costs included in accounts payable, accrued expenses and other liabilities	\$ (76)	\$ (167)	Change in loan fees, costs, and offering costs included in accounts payable, accrued expenses and other liabilities	\$ (37)		\$
Dividends and distributions accrued	Dividends and distributions accrued	\$ 22,484	\$ 22,282	Dividends and distributions accrued	\$ 22,515		2

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

STAG Industrial, Inc.
Notes to Consolidated Financial Statements
(unaudited)

1. Organization and Description of Business

STAG Industrial, Inc. (the "Company") is an industrial real estate operating company focused on the acquisition and operation of single-tenant, industrial properties throughout the United States. The Company was formed as a Maryland corporation and has elected to be treated and intends to continue to qualify as a real estate investment trust ("REIT") under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended. The Company is structured as an umbrella partnership REIT, commonly called an UPREIT, and owns all of its properties and conducts substantially all of its business through its operating partnership, STAG Industrial Operating Partnership, L.P., a Delaware limited partnership (the "Operating Partnership"). As of **March 31, 2023** **June 30, 2023** and December 31, 2022, the Company owned a **97.7%** **97.8%** and 97.9%, respectively, of the common units of the limited partnership interests in the Operating Partnership. The Company, through its wholly owned subsidiary, is the sole general partner of the Operating Partnership. As used herein, the "Company" refers to STAG Industrial, Inc. and its consolidated subsidiaries, including the Operating Partnership, except where context otherwise requires.

As of **March 31, 2023** **June 30, 2023**, the Company owned **561** **558** industrial buildings in 41 states with approximately **111.6 million** **111.1 million** rentable square feet.

2. Summary of Significant Accounting Policies

Interim Financial Information

The accompanying interim financial statements have been presented in conformity with accounting principles generally accepted in the United States of America ("GAAP") and with the instructions to Form 10-Q and Regulation S-X for interim financial information. Accordingly, these statements do not include all of the information and notes required by GAAP for complete financial statements. In the opinion of management, the accompanying interim financial statements include all adjustments, consisting of normal recurring items, necessary for their fair statement in conformity with GAAP. Interim results are not necessarily indicative of results for a full year. The year-end consolidated balance sheet data was derived from audited financial statements, but does not include all disclosures required by GAAP. The information included in this Quarterly Report on Form 10-Q should be read in conjunction with the Company's consolidated financial statements and notes thereto contained in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

Basis of Presentation

The Company's consolidated financial statements include the accounts of the Company, the Operating Partnership, and their consolidated subsidiaries. Interests in the Operating Partnership not owned by the Company are referred to as "Noncontrolling Common Units." These Noncontrolling Common Units are held by other limited partners in the form of common units ("Other Common Units") and long term incentive plan units ("LTIP units") issued pursuant to the STAG Industrial, Inc. 2011 Equity Incentive Plan, as amended and restated (the "2011 Plan"). All significant intercompany balances and transactions have been eliminated in the consolidation of entities. The financial statements of the Company are presented on a consolidated basis for all periods presented.

Restricted Cash

The following table presents a reconciliation of cash and cash equivalents and restricted cash reported on the accompanying Consolidated Balance Sheets to amounts reported on the accompanying Consolidated Statements of Cash Flows.

Reconciliation of cash and cash equivalents and restricted cash (in thousands)	Reconciliation of cash and cash equivalents and restricted cash (in thousands)		Reconciliation of cash and cash equivalents and restricted cash (in thousands)		
	March 31, 2023	December 31, 2022		June 30, 2023	December 31, 2022
Cash and cash equivalents	Cash and cash equivalents	\$ 17,210	\$ 25,884	Cash and cash equivalents	\$ 13,511
Restricted cash	Restricted cash	963	905	Restricted cash	1,023
Total cash and cash equivalents and restricted cash	Total cash and cash equivalents and restricted cash	\$ 18,173	\$ 26,789	Total cash and cash equivalents and restricted cash	\$ 14,534
					\$ 26,789

Uncertain Tax Positions

As of **March 31, 2023** **June 30, 2023** and December 31, 2022, there were no liabilities for uncertain tax positions.

Concentrations of Credit Risk

Management believes the current credit risk of the Company's portfolio is reasonably well diversified and does not contain any unusual concentration of credit risk.

3. Rental Property

The following table summarizes the components of rental property, net as of **March 31, 2023** **June 30, 2023** and December 31, 2022.

Rental Property (in thousands)	Rental Property (in thousands)	March 31, 2023	December 31, 2022	Rental Property (in thousands)	June 30, 2023	December 31, 2022
Land	Land	\$ 645,477	\$ 647,098	Land	\$ 652,173	\$ 647,098
Buildings, net of accumulated depreciation of \$540,811 and \$513,053, respectively		4,216,760	4,232,964			
Tenant improvements, net of accumulated depreciation of \$32,556 and \$31,578, respectively		42,647	44,526			
Building and land improvements, net of accumulated depreciation of \$229,217 and \$218,497, respectively		347,172	339,274			
Buildings, net of accumulated depreciation of \$566,695 and \$513,053, respectively				Buildings, net of accumulated depreciation of \$566,695 and \$513,053, respectively	4,206,049	4,232,964
Tenant improvements, net of accumulated depreciation of \$34,899 and \$31,578, respectively				Tenant improvements, net of accumulated depreciation of \$34,899 and \$31,578, respectively	40,944	44,526
Building and land improvements, net of accumulated depreciation of \$239,894 and \$218,497, respectively				Building and land improvements, net of accumulated depreciation of \$239,894 and \$218,497, respectively	347,663	339,274
Construction in progress	Construction in progress	76,462	89,981	Construction in progress	89,624	89,981
Deferred leasing intangibles, net of accumulated amortization of \$333,672 and \$328,848, respectively		483,583	508,935			
Deferred leasing intangibles, net of accumulated amortization of \$357,435 and \$328,848, respectively				Deferred leasing intangibles, net of accumulated amortization of \$357,435 and \$328,848, respectively	463,569	508,935
Total rental property, net	Total rental property, net	\$ 5,812,101	\$ 5,862,778	Total rental property, net	\$ 5,800,022	\$ 5,862,778

Acquisitions

There were no The following table summarizes the Company's acquisitions during the three and six months ended June 30, 2023. The Company accounted for all of its acquisitions as asset acquisitions.

Market ⁽¹⁾	Date Acquired	Square Feet	Number of		Purchase Price (in thousands)
			Buildings	Intangibles	
Central New Jersey, NJ	April 24, 2023	101,381	1	\$ 26,660	
Greensboro, NC	May 5, 2023	133,622	1	\$ 14,004	
Three and six months ended June 30, 2023		235,003	2	\$ 40,664	

(1) As defined by CBRE-EA industrial market geographies. If the building is located outside of a CBRE-EA defined market, the city and state is reflected.

The following table summarizes the allocation of the total purchase price paid (on the closing dates) for the assets and liabilities acquired by the Company during the three six months ended March 31, 2023, compared to eight June 30, 2023 in connection with the acquisitions for a purchase price of approximately \$166.4 million during identified in the three months ended March 31, 2022, table above.

Acquired Assets and Liabilities	Six months ended June 30, 2023		
	Purchase Price (in thousands)	Weighted Average Amortization Period (years) of Intangibles at Acquisition	Acquisition
Land	\$ 7,933		N/A

Buildings	27,279	N/A
Tenant improvements	116	N/A
Building and land improvements	2,097	N/A
Deferred leasing intangibles - In-place leases	3,509	1.7
Deferred leasing intangibles - Above market leases	241	1.9
Tenant prepaid rent	(511)	N/A
Total purchase price	\$ 40,664	

Dispositions

The following table summarizes the Company's dispositions for during the **three** **six** months ended **March 31, 2023** **June 30, 2023**. All of the dispositions were sold to third parties and were accounted for under the full accrual method.

	Three Six months ended March 31, 2023	June 30, 2023
Sales of rental property, net (dollars in thousands)		
Number of buildings		27
Building square feet (in millions)		0.4 1.2
\$	180	
\$	246	
Proceeds from sales of rental property, net	\$ 36,333	\$ 69,320
Net book value	\$ 16,205	\$ 31,660
Gain on the sales of rental property, net	\$ 20,128	\$ 37,660

The following table summarizes the results of operations for the three and six months ended June 30, 2023 and 2022 for the buildings sold during the six months ended June 30, 2023, which are included in the Company's Consolidated Statements of Operations prior to the date of sale.

Sales of rental property, net (dollars in thousands)	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Sold buildings contribution to net income	\$ 256	\$ 756	\$ 501	\$ 1,530

(1) Exclusive of gain on the sales of rental property, net.

Assets Held for Sale

As of March 31, 2023, the related land and buildings and improvements, net of approximately \$0.5 million and \$2.7 million, respectively, for one building was classified as assets held for sale, net on the accompanying Consolidated Balance Sheets. This building contributed approximately \$(0.2) million and \$0.1 million to net income (loss) during the months ended March 31, 2023 and 2022, respectively. Subsequent to March 31, 2023, in April 2023, this building was sold to a third party.

Deferred Leasing Intangibles

The following table summarizes the deferred leasing intangibles, net on the accompanying Consolidated Balance Sheets as of **March 31, 2023** **June 30, 2023** and December 31, 2022.

Deferred	Deferred	March 31, 2023			December 31, 2022			June 30, 2023			December 31, 2022			
		Leasing	Intangibles	(in thousands)	Leasing	Intangibles	(in thousands)	Leasing	Intangibles	(in thousands)	Leasing	Intangibles	(in thousands)	Gross
Leasing	Intangibles	(in thousands)	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net

Above market leases	Above market leases	\$ 83,040	\$ (33,752)	\$ 49,288	\$ 86,172	\$ (34,954)	\$ 51,218	Above market leases	\$ 83,281	\$ (35,657)	\$ 47,624	\$ 86,172	\$ (34,954)	\$ 51,218
Other intangible lease assets	Other intangible lease assets	734,215	(299,920)	434,295	751,611	(293,894)	457,717	Other intangible lease assets	737,723	(321,778)	415,945	751,611	(293,894)	457,717
Total deferred leasing intangible assets	Total deferred leasing intangible assets	\$ 817,255	\$ (333,672)	\$ 483,583	\$ 837,783	\$ (328,848)	\$ 508,935	Total deferred leasing intangible assets	\$ 821,004	\$ (357,435)	\$ 463,569	\$ 837,783	\$ (328,848)	\$ 508,935
Below market leases	Below market leases	\$ 55,879	\$ (25,506)	\$ 30,373	\$ 57,020	\$ (24,593)	\$ 32,427	Below market leases	\$ 55,879	\$ (27,467)	\$ 28,412	\$ 57,020	\$ (24,593)	\$ 32,427
Total deferred leasing intangible liabilities	Total deferred leasing intangible liabilities	\$ 55,879	\$ (25,506)	\$ 30,373	\$ 57,020	\$ (24,593)	\$ 32,427	Total deferred leasing intangible liabilities	\$ 55,879	\$ (27,467)	\$ 28,412	\$ 57,020	\$ (24,593)	\$ 32,427

The following table summarizes the net increase to rental income and amortization expense for the amortization of deferred leasing intangibles during the three and six months ended March 31, 2023 June 30, 2023 and 2022.

Deferred Leasing Intangibles	Amortization (in thousands)	Three months ended March 31,		Three months ended June 30,		Six months ended June 30,	
		Deferred Leasing Intangibles		Amortization (in thousands)		Deferred Leasing Intangibles	
		2023	2022	2023	2022	2023	2022
Net increase to rental income related to above and below market lease amortization	Net increase to rental income related to above and below market lease amortization	\$ 124	\$ 79	Net increase to rental income related to above and below market lease amortization	\$ 57	\$ 22	\$ 181
Amortization expense related to other intangible lease assets	Amortization expense related to other intangible lease assets	\$ 22,445	\$ 24,077	Amortization expense related to other intangible lease assets	\$ 21,858	\$ 24,705	\$ 44,303
							\$ 48,782

4. Debt

The following table summarizes the Company's outstanding indebtedness, including borrowings under the Company's unsecured credit facility, unsecured term loans, unsecured notes, and mortgage notes as of March 31, 2023 June 30, 2023 and December 31, 2022.

Indebtedness (dollars in thousands)	Indebtedness (dollars in thousands)	Indebtedness										
		March 31, 2023	December 31, 2022	Interest Rate ⁽¹⁾⁽²⁾	Maturity Date	Prepayment Terms ⁽³⁾	(dollars in thousands)	June 30, 2023	December 31, 2022	Interest Rate ⁽¹⁾⁽²⁾	Maturity Date	Prepayment Terms ⁽³⁾
Unsecured credit facility:	Unsecured credit facility:						Unsecured credit facility:					
Unsecured Credit Facility ⁽⁴⁾	Unsecured Credit Facility ⁽⁴⁾	\$ 235,000	\$ 175,000	Term SOFR + 0.855%	October 23, 2026	i	Unsecured Credit Facility ⁽⁴⁾	\$ 216,000	\$ 175,000	SOFR + 0.855%	October 23, 2026	i

Total unsecured credit facility	Total unsecured credit facility	235,000	175,000					Total unsecured credit facility	216,000	175,000		
Unsecured term loans:	Unsecured term loans:							Unsecured term loans:				
Unsecured Term Loan F	Unsecured Term Loan F	200,000	200,000	2.94 %	January 12, 2025	i		Unsecured Term Loan F	200,000	200,000	2.94 %	January 12, 2025
Unsecured Term Loan G	Unsecured Term Loan G	300,000	300,000	1.09 %	February 5, 2026	i		Unsecured Term Loan G	300,000	300,000	1.78 %	February 5, 2026
Unsecured Term Loan A	Unsecured Term Loan A	150,000	150,000	2.14 %	March 15, 2027	i		Unsecured Term Loan A	150,000	150,000	2.14 %	March 15, 2027
Unsecured Term Loan H	Unsecured Term Loan H	187,500	187,500	3.73 %	January 25, 2028	i		Unsecured Term Loan H	187,500	187,500	3.73 %	January 25, 2028
Unsecured Term Loan I	Unsecured Term Loan I	187,500	187,500	3.49 %	January 25, 2028	i		Unsecured Term Loan I	187,500	187,500	3.49 %	January 25, 2028
Total unsecured term loans	Total unsecured term loans	1,025,000	1,025,000					Total unsecured term loans	1,025,000	1,025,000		
Total unamortized deferred financing fees and debt issuance costs	Total unamortized deferred financing fees and debt issuance costs	(4,228)	(4,560)					Total unamortized deferred financing fees and debt issuance costs	(3,894)	(4,560)		
Total carrying value unsecured term loans, net	Total carrying value unsecured term loans, net	1,020,772	1,020,440					Total carrying value unsecured term loans, net	1,021,106	1,020,440		
Unsecured notes:	Unsecured notes:							Unsecured notes:				
Series F Notes	Series F Notes	—	100,000	3.98 %	January 5, 2023	ii		Series F Notes	—	100,000	3.98 %	January 5, 2023
Series A Notes	Series A Notes	50,000	50,000	4.98 %	October 1, 2024	ii		Series A Notes	50,000	50,000	4.98 %	October 1, 2024
Series D Notes	Series D Notes	100,000	100,000	4.32 %	February 20, 2025	ii		Series D Notes	100,000	100,000	4.32 %	February 20, 2025
Series G Notes	Series G Notes	75,000	75,000	4.10 %	June 13, 2025	ii		Series G Notes	75,000	75,000	4.10 %	June 13, 2025
Series B Notes	Series B Notes	50,000	50,000	4.98 %	July 1, 2026	ii		Series B Notes	50,000	50,000	4.98 %	July 1, 2026
Series C Notes	Series C Notes	80,000	80,000	4.42 %	December 30, 2026	ii		Series C Notes	80,000	80,000	4.42 %	December 30, 2026
Series E Notes	Series E Notes	20,000	20,000	4.42 %	February 20, 2027	ii		Series E Notes	20,000	20,000	4.42 %	February 20, 2027
Series H Notes	Series H Notes	100,000	100,000	4.27 %	June 13, 2028	ii		Series H Notes	100,000	100,000	4.27 %	June 13, 2028

Series I Unsecured Notes	Series I Unsecured Notes	275,000	275,000	2.80 %	September 29, 2031	ii	Series I Unsecured Notes	275,000	275,000	2.80 %	September 29, 2031	ii
Series K Unsecured Notes	Series K Unsecured Notes	400,000	400,000	4.12 %	June 28, 2032	ii	Series K Unsecured Notes	400,000	400,000	4.12 %	June 28, 2032	ii
Series J Unsecured Notes	Series J Unsecured Notes	50,000	50,000	2.95 %	September 28, 2033	ii	Series J Unsecured Notes	50,000	50,000	2.95 %	September 28, 2033	ii
Total unsecured notes	Total unsecured notes	1,200,000	1,300,000				Total unsecured notes	1,200,000	1,300,000			
Total unamortized deferred financing fees and debt	Total unamortized deferred financing fees and debt						Total unamortized deferred financing fees and debt					
issuance costs	issuance costs	(4,381)	(4,558)				issuance costs	(4,210)	(4,558)			
Total carrying value unsecured notes, net	Total carrying value unsecured notes, net	1,195,619	1,295,442				Total carrying value unsecured notes, net	1,195,790	1,295,442			
Mortgage notes (secured debt):	Mortgage notes (secured debt):						Mortgage notes (secured debt):					
Thrivent Financial for Lutherans	Thrivent Financial for Lutherans	3,262	3,296	4.78 %	December 15, 2023	iii	Thrivent Financial for Lutherans	3,227	3,296	4.78 %	December 15, 2023	iii
United of Omaha Life Insurance Company	United of Omaha Life Insurance Company	4,692	4,744	3.71 %	October 1, 2039	ii	United of Omaha Life Insurance Company	4,641	4,744	3.71 %	October 1, 2039	ii
Total mortgage notes	Total mortgage notes	7,954	8,040				Total mortgage notes	7,868	8,040			
Net unamortized fair market value discount	Net unamortized fair market value discount	(138)	(137)				Net unamortized fair market value discount	(139)	(137)			
Total unamortized deferred financing fees and debt	Total unamortized deferred financing fees and debt						Total unamortized deferred financing fees and debt					
issuance costs	issuance costs	(3)	(5)				issuance costs	(2)	(5)			
Total carrying value mortgage notes, net	Total carrying value mortgage notes, net	7,813	7,898				Total carrying value mortgage notes, net	7,727	7,898			
Total / weighted average	Total / weighted average	\$ 2,459,204	\$ 2,498,780	3.49 %			Total / weighted average	\$ 2,440,623	\$ 2,498,780	3.59 %		
interest rate(s)	interest rate(s)						interest rate(s)					

(1) Interest rate as of **March 31, 2023** June 30, 2023. At **March 31, 2023** June 30, 2023, the one-month Term Secured Overnight Financing Rate ("Term SOFR") was **4.80247%** **5.14078%**. The current interest rate is not adjusted to include the amortization of deferred financing fees or debt issuance costs incurred in obtaining debt or any unamortized fair market value premiums or discounts. The spread over the applicable rate for the Company's unsecured credit facility and unsecured term loans is based on the Company's debt rating and leverage ratio, as defined in the respective loan agreements.

(2) The unsecured credit facility has a stated rate of one-month Term SOFR plus a 0.10% adjustment and a spread of 0.775%, less a sustainability-related interest rate adjustment of 0.02%. The unsecured term loans have a stated interest rate of one-month Term SOFR plus a 0.10% adjustment and a spread of 0.85%, less a sustainability-related interest rate adjustment of 0.02%. As of **March 31, 2023** June

30, 2023, one-month Term SOFR for the Unsecured Term Loans A, F, G, H, and I was swapped to a fixed rate of 1.31%, 2.11%, 0.26%, 0.95%, 2.90%, and 2.66%, respectively (which includes the 0.10% adjustment). One-month Term SOFR for the Unsecured Term Loan G will be swapped to a fixed rate of 0.95% effective April 18, 2023. One-month Term SOFR for the Unsecured Term Loan H will be swapped to a fixed rate of 2.50% effective January 12, 2024.

- (3) Prepayment terms consist of (i) pre-payable with no penalty; (ii) pre-payable with penalty; (iii) pre-payable without penalty three months prior to the maturity date.
- (4) The capacity of the unsecured credit facility is \$1.0 billion. Deferred financing fees and debt issuance costs, net of accumulated amortization related to the unsecured credit facility of approximately \$4.7 million \$4.2 million and \$5.2 million are included in prepaid expenses and other assets on the accompanying Consolidated Balance Sheets as of March 31, 2023 June 30, 2023 and December 31, 2022, respectively. The initial maturity date is October 24, 2025, or such later date which may be extended pursuant to two six-month extension options exercisable by the Company in its discretion upon advance written notice. Exercise

of each six-month option is subject to the following conditions: (i) absence of a default immediately before the extension and immediately after giving

effect to the extension; (ii) accuracy of representations and warranties as of the extension date (both immediately before and after the extension), as if made on the extension date; and (iii) payment of a fee. Neither extension option is subject to lender consent, assuming proper notice and satisfaction of the conditions. The Company is required to pay a facility fee on the aggregate commitment amount (currently \$1.0 billion) at a rate per annum of 0.1% to 0.3%, depending on our debt rating, as defined in the credit agreement. The facility fee is due and payable quarterly.

- (5) The weighted average interest rate was calculated using the fixed interest rate swapped on the notional amount of \$1,025.0 million of debt and is not adjusted to include the amortization of deferred financing fees or debt issuance costs incurred in obtaining debt or any unamortized fair market value premiums or discounts.

The aggregate undrawn nominal commitment on the unsecured credit facility as of March 31, 2023 June 30, 2023 was approximately \$761.7 million \$780.7 million, including issued letters of credit. The Company's actual borrowing capacity at any given point in time may be less or restricted to a maximum amount based on the Company's debt covenant compliance. Total accrued interest for the Company's indebtedness was approximately \$16.5 million \$12.3 million and \$13.1 million as of March 31, 2023 June 30, 2023 and December 31, 2022, respectively, and is included in accounts payable, accrued expenses and other liabilities on the accompanying Consolidated Balance Sheets.

The following table summarizes the costs included in interest expense related to the Company's debt arrangements on the accompanying Consolidated Statement of Operations for the three and six months ended March 31, 2023 June 30, 2023 and 2022.

Costs Included in Interest Expense (in thousands)	Costs Included in Interest Expense (in thousands)	Three months ended March 31,		Costs Included in Interest Expense (in thousands)	Three months ended June 30,		Six months ended June 30,	
		2023	2022		2023	2022	2023	2022
Amortization of deferred financing fees and debt issuance costs and fair market value premiums/discounts	Amortization of deferred financing fees and debt issuance costs and fair market value premiums/discounts	\$ 976	\$ 864	Amortization of deferred financing fees and debt issuance costs and fair market value premiums/discounts	\$ 972	\$ 880	\$ 1,948	\$ 1,744
Facility, unused, and other fees	Facility, unused, and other fees	\$ 435	\$ 341	Facility, unused, and other fees	\$ 437	\$ 345	\$ 872	\$ 686

Debt Activity

On January 5, 2023, the Company redeemed in full at maturity the \$100.0 million in aggregate principal amount of the Series F Unsecured Notes with a fixed interest rate of 3.98%.

On January 19, 2023, the sustainability-related interest rate adjustment for the Unsecured Term Loan H and Unsecured Term Loan I went into effect in connection with the Company's 2022 public disclosure assessment score of "A" from the Global Real Estate Sustainability Benchmark (GRESB). The interest rate adjustment, a 0.02% interest rate reduction for each instrument, will end on June 29, 2024, in accordance with the respective loan agreements.

Financial Covenant Considerations

The Company was in compliance with all such applicable restrictions and financial and other covenants as of March 31, 2023 June 30, 2023 and December 31, 2022 related to its unsecured credit facility, unsecured term loans, unsecured notes, and mortgage notes. The real estate net book value of the properties that are collateral for the Company's debt arrangements was approximately \$14.8 million \$14.9 million and \$14.8 million at March 31, 2023 June 30, 2023 and December 31, 2022, respectively, and is limited to senior, property-level secured debt financing arrangements.

Fair Value of Debt

The following table summarizes the aggregate principal amount outstanding under the Company's debt arrangements and the corresponding estimate of fair value as of March 31, 2023 June 30, 2023 and December 31, 2022.

Indebtedness (in thousands)	Indebtedness (in thousands)	March 31, 2023		December 31, 2022		Indebtedness (in thousands)	June 30, 2023		December 31, 2022	
		Principal Outstanding	Fair Value	Principal Outstanding	Fair Value		Principal Outstanding	Fair Value	Principal Outstanding	Fair Value
Unsecured credit facility	Unsecured credit facility	\$ 235,000	\$ 235,000	\$ 175,000	\$ 175,000	Unsecured credit facility	\$ 216,000	\$ 216,000	\$ 175,000	\$ 175,000
Unsecured term loans	Unsecured term loans	1,025,000	1,025,000	1,025,000	1,025,000	Unsecured term loans	1,025,000	1,025,000	1,025,000	1,025,000
Unsecured notes	Unsecured notes	1,200,000	1,072,943	1,300,000	1,150,283	Unsecured notes	1,200,000	1,048,519	1,300,000	1,150,283
Mortgage notes	Mortgage notes	7,954	6,996	8,040	6,855	Mortgage notes	7,868	6,707	8,040	6,855
Total principal amount	Total principal amount	2,467,954	\$ 2,339,939	2,508,040	\$ 2,357,138	Total principal amount	2,448,868	\$ 2,296,226	2,508,040	\$ 2,357,138
Net unamortized fair market value discount	Net unamortized fair market value discount	(138)		(137)		Net unamortized fair market value discount	(139)		(137)	
Total unamortized deferred financing fees and debt	Total unamortized deferred financing fees and debt					Total unamortized deferred financing fees and debt				
Issuance costs	Issuance costs	(8,612)		(9,123)		Issuance costs	(8,106)		(9,123)	
Total carrying value	Total carrying value	\$ 2,459,204		\$ 2,498,780		Total carrying value	\$ 2,440,623		\$ 2,498,780	

The applicable fair value guidance establishes a three tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. The fair value of the Company's debt is based on Level 3 inputs.

5. Derivative Financial Instruments

Risk Management Objective of Using Derivatives

The Company's use of derivative instruments is limited to the utilization of interest rate swaps to manage interest rate risk exposure on existing and future liabilities and not for speculative purposes. The principal objective of such arrangements is to minimize the risks and related costs associated with the Company's operating and financial structure.

As of **March 31, 2023** **June 30, 2023**, the Company had **25** **21** interest rate swaps outstanding, all of which are used to hedge the variable cash flows associated with unsecured loans. All of the Company's interest rate swaps convert the related loans' Term SOFR components to effectively fixed interest rates, and the Company has concluded that each of the hedging relationships are highly effective. The following table summarizes the fair value of the interest rate swaps outstanding as of **March 31, 2023** **June 30, 2023** and December 31, 2022.

Balance Sheet Line Item (in thousands)	Balance Sheet Line Item (in thousands)	Notional			Balance Sheet Line Item (in thousands)	Notional			Notional Amount December 31, 2022	Fair Value December 31, 2022			
		Notional Amount March 31, 2023	Fair Value March 31, 2023	Amount December 31, 2022		Notional Amount June 30, 2023	Fair Value June 30, 2023						
Interest rate swaps-Asset	Interest rate swaps-Asset	\$ 1,500,000	\$ 56,203	\$ 1,650,000	\$ 72,223	Interest rate swaps-Asset	\$ 1,200,000	\$ 72,016	\$ 1,650,000	\$ 72,223			
Interest rate swaps-Liability	Interest rate swaps-Liability	\$ —	\$ —	\$ —	\$ —	Interest rate swaps-Liability	\$ —	\$ —	\$ —	\$ —			

Cash Flow Hedges of Interest Rate Risk

The Company's objectives in using interest rate swaps are to add stability to interest expense and to manage its exposure to interest rate movements.

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 (loss) and subsequently reclassified to interest expense in the same periods during which the hedged transaction affects earnings.

Amounts reported in accumulated other comprehensive income related to derivatives designated as qualifying cash flow hedges will be reclassified to interest expense as interest payments are made on the Company's variable rate debt. The Company estimates that approximately **\$28.6 million** **\$35.0 million** will be reclassified from accumulated other comprehensive income as a decrease to interest expense over the next 12 months.

The following table summarizes the effect of cash flow hedge accounting and the location of amounts related to Company's derivatives in the consolidated financial statements for the three and six months ended **March 31, 2023** **June 30, 2023** and 2022.

Effect of Cash Flow Hedge Accounting (in thousands)	Three months ended March 31,		Three months ended June 30,		Six months ended June 30,	
	Effect of Cash Flow Hedge	Effect of Cash Flow Hedge	Effect of Cash Flow Hedge	Effect of Cash Flow Hedge	Effect of Cash Flow Hedge	Effect of Cash Flow Hedge
	2023	2022	2023	2022	2023	2022
Income (loss) recognized in accumulated other comprehensive income on interest rate swaps	\$ (8,542)	\$ 33,506				
Income recognized in accumulated other comprehensive income on interest rate swaps			Income recognized in accumulated other comprehensive income on interest rate swaps		\$ 24,168	\$ 10,628
Income (loss) reclassified from accumulated other comprehensive income into income as interest expense	\$ 7,470	\$ (3,731)	Income (loss) reclassified from accumulated other comprehensive income into income as interest expense	\$ 8,347	\$ (1,881)	\$ 15,817
Total interest expense presented in the Consolidated Statements of Operations in which the effects of cash flow hedges are recorded	\$ 22,612	\$ 17,259	Total interest expense presented in the Consolidated Statements of Operations in which the effects of cash flow hedges are recorded	\$ 22,860	\$ 17,896	\$ 45,472
						\$ 35,155

Credit-risk-related Contingent Features

The Company has agreements with each of its derivative counterparties that contain a provision where 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 **March 31, 2023** **June 30, 2023**, the Company had not breached the provisions of these agreements and had not posted any collateral related to these agreements.

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 the Company or its counterparties. However, as of **March 31, 2023** **June 30, 2023** and December 31, 2022, the Company has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that the credit valuation adjustments are not significant to the overall valuation of its derivatives. As a result, the Company has determined that its derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy.

The following table summarizes the Company's financial instruments that were recorded at fair value on a recurring basis as of **March 31, 2023** **June 30, 2023** and December 31, 2022. There were no financial instruments in a liability position at **March 31, 2023** **June 30, 2023** and December 31, 2022.

Balance Sheet Line Item (in thousands)	Balance Sheet Line Item (in thousands)	Fair Value Measurements as of March 31, 2023						Fair Value Measurements as of June 30, 2023					
		Using			Balance Sheet Line Item (in thousands)			Fair Value June 30, 2023			Using		
March 31, 2023	Level 1	Level 2	Level 3	March 31, 2023	Level 1	Level 2	Level 3	March 31, 2023	Level 1	Level 2	Level 3		
Interest rate swaps-Asset	Interest rate swaps-Asset	\$ 56,203	\$ —	\$ 56,203	\$ —	\$ 72,016	\$ —	\$ 72,016	\$ —	\$ 72,016	\$ —		
Fair Value Measurements as of December 31, 2022 Using													
Balance Sheet Line Item (in thousands)		Fair Value December 31, 2022						Level 1					
Interest rate swaps-Asset		\$		72,223	\$	—	\$	72,223	\$	—	\$	—	

6. Equity

Preferred Stock

The Company is authorized to issue up to 20,000,000 shares of preferred stock, par value \$0.01 per share. As of **March 31, 2023** **June 30, 2023** and December 31, 2022, there were no shares of preferred stock issued or outstanding.

Common Stock

The Company is authorized to issue up to 300,000,000 shares of common stock, par value \$0.01 per share.

The following table summarizes the terms of the Company's at-the market ("ATM") common stock offering program as of **March 31, 2023** **June 30, 2023**.

ATM Common Stock Offering Program	ATM Common Stock Offering Program	Date	Maximum Aggregate Offering Price (in thousands)	Aggregate Available as of March 31, 2023 (in thousands)	Stock Offering Program	Date	Maximum Aggregate Offering Price (in thousands)	Aggregate Available as of June 30, 2023 (in thousands)
2022 \$750 million ATM	2022 \$750 million ATM	February 17, 2022	\$ 750,000	\$ 750,000	2022 \$750 million ATM	February 17, 2022	\$ 750,000	\$ 679,463

The following table summarizes the activity shares sold through the sales agents under the ATM common stock offering program during the six months ended June 30, 2023 and year ended December 31, 2022. There was no activity.

ATM Common Stock Offering Program	Six months ended June 30, 2023		
	Shares Sold	Weighted Average Price Per Share	Net Proceeds (in thousands)
2022 \$750 million ATM ⁽¹⁾	249,016	\$ 35.55	\$ 8,765
Total/weighted average	249,016	\$ 35.55	\$ 8,765

(1) Excludes shares sold on a forward basis under the ATM common stock offering program during the three six months ended **March 31, 2023** **June 30, 2023**, which are discussed below.

ATM Common Stock Offering Program	Year ended December 31, 2022		
	Shares Sold	Weighted Average Price Per Share	Net Proceeds (in thousands)
	128,335	\$ 45.03	\$ 5,721
Total/weighted average	128,335	\$ 45.03	\$ 5,721

(1) This program ended before March 31, 2022.

In addition, on May 5, 2023, the Company sold 725,698 shares on a forward basis under the ATM common stock offering program at a sale price of \$35.0458 per share (an aggregate of approximately \$25.4 million gross sale price), or \$34.6953 per share net of commissions. The Company did not receive any proceeds from the sale of such shares on a forward basis. The Company expects to fully physically settle the applicable forward sale agreement on one or more dates prior to the scheduled maturity date of May 6, 2024; provided, however, the Company may elect to cash settle or net share settle such forward sale agreement at any time through the scheduled maturity date.

On June 16, 2023, the Company also sold 992,295 shares on a forward basis under the ATM common stock offering program at a weighted average sale price of \$36.5319 per share (an aggregate of approximately \$36.3 million gross sale price), or \$36.1820 per share net of commissions. The Company did not initially any proceeds from the sale of such shares on a forward basis. The Company expects to fully physically settle the applicable forward sale agreement on one or more dates prior to the scheduled maturity date of June 21, 2024; provided, however, the Company may elect to cash settle or net share settle the forward sale agreement at any time through the scheduled maturity date of June 21, 2024.

Restricted Shares of Common Stock Stock-Based Compensation

The Company granted restricted shares of common stock under the 2011 Plan on January 11, 2023 to certain employees of the Company, which will vest over four years in equal installments on January 1 of each year beginning on January 1, 2024, subject to the recipient's continued employment. The following table summarizes activity related to the Company's unvested restricted shares of common stock during the **three six** months ended **March 31, 2023** **June 30, 2023** and the year ended December 31, 2022.

Unvested	Unvested	Weighted Average Grant Date	Unvested	Weighted Average Grant Date
Restricted Shares	Restricted Shares	Fair Value per Share	Restricted Shares	Fair Value per Share
of Common Stock	of Common Stock		of Common Stock	
Shares			Shares	
Balance at	Balance at		Balance at	
December 31,	December 31,		December 31,	
2021	2021	185,715	2021	\$ 28.86
Granted	Granted	58,580	Granted	\$ 44.19
Vested ⁽¹⁾	Vested ⁽¹⁾	(73,556)	Vested ⁽¹⁾	\$ 28.03
Forfeited	Forfeited	(14,036)	Forfeited	\$ 36.16
Balance at	Balance at		Balance at	
December 31,	December 31,		December 31,	
2022	2022	156,703	2022	\$ 34.32
Granted	Granted	55,954	Granted	\$ 34.73
Vested ⁽¹⁾	Vested ⁽¹⁾	(68,625)	Vested ⁽¹⁾	\$ 31.71
Forfeited	Forfeited	—	Forfeited	\$ —
Balance at March 31, 2023	144,032	\$ 35.73		
Balance at June			Balance at June	
30, 2023			30, 2023	\$ 35.73

(1) The Company repurchased and retired 24,210 and 25,836 restricted shares of common stock that vested during the **three six** months ended **March 31, 2023** **June 30, 2023** and the year ended December 31, 2022, respectively.

The unrecognized compensation expense associated with the Company's restricted shares of common stock at **March 31, 2023** **June 30, 2023** was approximately **\$4.4 million** **\$3.9 million** and is expected to be recognized over a weighted average period of approximately **2.7** **2.6** years.

The following table summarizes the fair value at vesting for the restricted shares of common stock that vested during the **three and six** months ended **March 31, 2023** **June 30, 2023** and 2022.

Three months ended March 31,	Three months ended June 30,	Six months ended June 30,
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Vested Restricted Shares of Common Stock	Vested Restricted Shares of Common Stock	2023	2022	Vested Restricted Shares of Common Stock	2023	2022	2023	2022								
Vested restricted shares of common stock	Vested restricted shares of common stock	68,625	73,556	Vested restricted shares of common stock	—	—	68,625	73,556								
Fair value of vested restricted shares of common stock	Fair value of vested restricted shares of common stock	(in thousands)	(in thousands)	Fair value of vested restricted shares of common stock	(in thousands)	\$	—	\$	—	(in thousands)	\$	3,528	\$	2,217	\$	3,528

7. Noncontrolling Interest

The following table summarizes the activity for noncontrolling interest in the Company during the **three** **six** months ended **March 31, 2023** **June 30, 2023** and the year ended December 31, 2022.

Noncontrolling Interest	Noncontrolling Interest	LTIP Units	Other Common Units	Total Noncontrolling Common Units	Noncontrolling Interest	Noncontrolling Interest	LTIP Units	Other Common Units	Total Noncontrolling Common Units	Noncontrolling Interest		
Balance at December 31, 2021	Balance at December 31, 2021	1,949,124	1,570,640	3,519,764	1.9	%	Balance at December 31, 2021	1,949,124	1,570,640	3,519,764	1.9	%
Granted/Issued	Granted/Issued	470,237	—	470,237	N/A	Granted/Issued	470,237	—	470,237	N/A		
Forfeited	Forfeited	(6,791)	—	(6,791)	N/A	Forfeited	(6,791)	—	(6,791)	N/A		
Conversions from LTIP units to Other	Conversions from LTIP units to Other					Conversions from LTIP units to Other						
Common Units	Common Units	(98,494)	98,494	—	N/A	Common Units	(98,494)	98,494	—	N/A		
Redemptions from Other Common Units to common stock	Redemptions from Other Common Units to common stock	—	(98,494)	(98,494)	N/A	Redemptions from Other Common Units to common stock	—	(98,494)	(98,494)	N/A		
Balance at December 31, 2022	Balance at December 31, 2022	2,314,076	1,570,640	3,884,716	2.1	%	Balance at December 31, 2022	2,314,076	1,570,640	3,884,716	2.1	%
Granted/Issued	Granted/Issued	326,215	—	326,215	N/A	Granted/Issued	326,215	—	326,215	N/A		
Forfeited	Forfeited	—	—	—	N/A	Forfeited	(9,119)	—	(9,119)	N/A		
Conversions from LTIP units to Other	Conversions from LTIP units to Other					Conversions from LTIP units to Other						
Common Units	Common Units	(43,834)	43,834	—	N/A	Common Units	(78,834)	78,834	—	N/A		
Redemptions from Other Common Units to common stock	Redemptions from Other Common Units to common stock	—	(43,834)	(43,834)	N/A	Redemptions from Other Common Units to common stock	—	(78,834)	(78,834)	N/A		
Balance at March 31, 2023	2,596,457	1,570,640	4,167,097	2.3	%	Balance at June 30, 2023	2,552,338	1,570,640	4,122,978	2.2	%	

LTIP Units

The Company granted LTIP units under the 2011 Plan on January 11, 2023 to non-employee, independent directors, which will vest on January 1, 2024, subject to the recipient's continued service. The Company granted LTIP units under the 2011 Plan on January 11, 2023 to certain executive officers and senior employees of the Company, which will vest in equal installments on a quarterly basis over four years, with the first vesting date having been March 31, 2023, subject to the recipient's continued employment. Refer to Note 8 for a discussion of the LTIP units granted on January 11, 2023 pursuant to the 2020 performance units.

On March 13, 2023, the Company executed an employment agreement with Steven T. Kimball to serve as the Company's Executive Vice President of Real Estate Operations, effective March 31, 2023. On March 31, 2023, pursuant to the 2011 Plan, the Company awarded Mr. Kimball an initial LTIP unit grant equal in value to approximately \$0.6 million, which equated to 19,345 LTIP units, which will vest in equal installments on a quarterly basis over four years, with the first vesting date having been March 31, 2023, subject to Mr. Kimball's continued employment.

The fair value of the LTIP units as of the grant date was determined by a lattice-binomial option-pricing model based on a Monte Carlo simulation. The fair value of the LTIP units are based on Level 3 inputs and non-recurring fair value measurements. The following table summarizes the assumptions used in valuing such LTIP units granted during the **three six** months ended **March 31, 2023** **June 30, 2023** (excluding the LTIP units granted pursuant to the 2020 performance units discussed in Note 8).

LTIP Units	Assumptions		
Grant date		March 31, 2023	January 11, 2023
Expected term (years)		10	10
Expected stock price volatility		37.0 %	37.0 %
Expected dividend yield		4.0 %	4.0 %
Risk-free interest rate		3.81 %	3.90 %
Fair value of LTIP units at issuance (in thousands)	\$	628	\$ 4,635
LTIP units at issuance		19,345	139,026
Fair value unit price per LTIP unit at issuance	\$	32.47	\$ 33.34

The expected stock price volatility is based on a mix of the historical and implied volatilities of the Company and certain peer group companies. The expected dividend yield is based on the Company's average historical dividend yield and the dividend yield as of the valuation date for each award. The risk-free interest rate is based on U.S. Treasury note yields matching a three-year time period.

The following table summarizes activity related to the Company's unvested LTIP units during the **three six** months ended **March 31, 2023** **June 30, 2023** and the year ended December 31, 2022.

Unvested LTIP Units	Unvested LTIP Units	Weighted Average Grant Date	Unvested LTIP Units	Weighted Average Grant Date
		Fair Value per Unit	Units	Fair Value per Unit
Balance at December 31, 2021	Balance at December 31, 2021		Balance at December 31, 2021	
Granted	Granted	\$ 27.84	190,108	\$ 27.84
Vested	Vested	\$ 42.07	(513,438)	\$ 38.67
Forfeited	Forfeited	\$ 34.02	(6,791)	\$ 34.02
Balance at December 31, 2022	Balance at December 31, 2022		140,116	
Granted	Granted	\$ 35.60	326,215	\$ 33.29
Vested	Vested	\$ 33.29	(212,230)	\$ 34.14
Forfeited	Forfeited	\$ 34.14	(235,702)	\$ 34.11
Balance at March 31, 2023	254,101	\$ 33.85		
Balance at June 30, 2023			221,510	\$ 33.96
			Balance at June 30, 2023	

The unrecognized compensation expense associated with the Company's LTIP units at **March 31, 2023** **June 30, 2023** was approximately **\$6.5 million** **\$4.8 million** and is expected to be recognized over a weighted average period of approximately **2.4** **2.6** years.

The following table summarizes the fair value at vesting for the LTIP units that vested during the three and six months ended March 31, 2023 June 30, 2023 and 2022.

Vested LTIP units	Vested LTIP units	Three months ended March 31,		Vested LTIP units	Three months ended June 30,		Six months ended June 30,	
		2023	2022		2023	2022	2023	2022
Vested LTIP units	Vested LTIP units	212,230	414,348	Vested LTIP units	23,472	30,327	235,702	444,675
Fair value of vested LTIP units (in thousands)	Fair value of vested LTIP units (in thousands)	\$ 7,023	\$ 18,593	Fair value of vested LTIP units (in thousands)	\$ 839	\$ 951	\$ 7,862	\$ 19,544

8. Equity Incentive Plan

On January 11, 2023, the compensation committee of the board of directors approved and the Company granted performance units under the 2011 Plan to the executive officers and certain key employees of the Company. The terms of the performance units granted on January 11, 2023 are substantially the same as the terms of the performance units granted in January 2022, 2021, and 2020, except that the measuring period commenced on January 1, 2023 and ends on December 31, 2025, and the size-based peer group was eliminated. The target amount of the performance units granted on January 11, 2023 is nominally allocated as follows: (i) 50% to the Company's total stockholder return ("TSR") compared to the TSR of an industry peer group; and (ii) 50% to the Company's TSR compared to the TSR of the companies in the MSCI US REIT Index.

On March 31, 2023, in connection with the execution of the employment agreement discussed in Note 7, the Company granted Mr. Kimball performance units under the 2011 Plan with a target grant date fair value equal to approximately \$0.6 million. The terms and measuring period of the performance units granted to Mr. Kimball are the same as the performance units granted on January 11, 2023.

On April 25, 2023, the Company's stockholders approved an amendment (the "Amendment") to the 2011 Plan which increased the total number of shares of common stock of the Company authorized and reserved for issuance under the 2011 Plan by 3,500,000 shares to an aggregate of 10,142,461 shares of common stock, subject to certain adjustments as described in the 2011 Plan. The Amendment also extended the expiration date of the 2011 Plan from April 30, 2028 to April 24, 2033.

The fair value of the performance units as of the grant date was determined by a lattice-binomial option-pricing model based on a Monte Carlo simulation. The fair value of the performance units is based on Level 3 inputs and non-recurring fair value measurements. The performance unit equity compensation expense is recognized ratably from the grant date into earnings over the vesting period. The following table summarizes the assumptions used in valuing the performance units granted during the three and six months ended March 31, 2023 June 30, 2023.

Performance Units	Assumptions	
Grant date	March 31, 2023	January 11, 2023
Expected stock price volatility	25.4 %	37.4 %
Expected dividend yield	4.0 %	4.0 %
Risk-free interest rate	3.8725 %	3.9060 %
Fair value of performance units grant (in thousands)	\$ 609	\$ 4,517

The expected stock price volatility is based on a mix of the historical and implied volatilities of the Company and certain peer group companies. The expected dividend yield is based on the Company's average historical dividend yield and the dividend yield as of the valuation date for each award. The risk-free interest rate is based on U.S. Treasury note yields matching the time period of the grant date to the end of the measuring period.

On December 31, 2022, the measuring period for the 2020 performance units concluded, and it was determined that the Company's TSR exceeded the threshold percentage and return hurdle. The following table summarizes the issuances of LTIP units and shares of common stock approved by the compensation committee of the board of directors and issued upon the settlement of the 2020 performance units at the conclusion of the applicable measuring period during the three and six months ended March 31, 2023 June 30, 2023.

Settlement of Performance Units in LTIP Units or Shares of Common Stock
2020 Performance Units

Measuring period conclusion date	December 31, 2022
Issuance date	January 11, 2023
Vested LTIP units	167,844
Vested shares of common stock	40,660
Shares of common stock repurchased and retired	875

The unrecognized compensation expense associated with the Company's performance units at **March 31, 2023** **June 30, 2023** was approximately **\$9.0 million** **\$7.5 million** and is expected to be recognized over a weighted average period of approximately **2.2 years**.

Non-cash Compensation Expense

The following table summarizes the amount recorded in general and administrative expenses in the accompanying Consolidated Statements of Operations for the amortization of restricted shares of common stock, LTIP units, performance units, and the Company's director compensation for the three and six months ended **March 31, 2023** **June 30, 2023** and 2022.

Non-Cash Compensation (in thousands)	Non-Cash Compensation	Three months ended March 31,		Three months ended June 30,		Six months ended June 30,	
		2023	2022	2023	2022	2023	2022
Restricted shares of common stock	Restricted shares of common stock	\$ 509	\$ 548	\$ 516	\$ 565	\$ 1,025	\$ 1,113
LTIP units	LTIP units	1,328	1,284	1,414	1,367	2,742	2,651
Performance units	Performance units	1,119	1,296	1,235	1,364	2,354	2,660
Director compensation ⁽¹⁾	Director compensation ⁽¹⁾	136	121	128	125	264	246
Total non-cash compensation expense	Total non-cash compensation expense	\$ 3,092	\$ 3,249	\$ 3,293	\$ 3,421	\$ 6,385	\$ 6,670

(1) All of the Company's independent directors elected to receive shares of common stock in lieu of cash for their service during the three and six months ended **March 31, 2023** **June 30, 2023** and 2022. The number of shares of common stock granted was calculated based on the trailing 10 day average common stock price on the third business day preceding the grant date.

9. Leases
Lessor Leases

The Company has operating leases in which it is the lessor for its rental property. Certain leases contain variable lease payments based upon changes in the Consumer Price Index ("CPI"). Billings for real estate taxes and other expenses are also considered to be variable lease payments. Certain leases contain options to renew or terminate the lease, and options for the lessee to purchase the rental property, all of which are predominately at the sole discretion of the lessee.

The following table summarizes the components of rental income included in the accompanying Consolidated Statements of Operations for the three and six months ended **March 31, 2023** **June 30, 2023** and 2022.

Rental Income (in thousands)	Rental Income (in thousands)	Three months ended March 31,		Rental Income (in thousands)	Three months ended June 30,		Six months ended June 30,	
		2023	2022		2023	2022	2023	2022
Fixed lease payments	Fixed lease payments	\$ 131,086	\$ 120,240	Fixed lease payments	\$ 133,164	\$ 124,593	\$ 264,250	\$ 244,833
Variable lease payments	Variable lease payments	36,946	33,778	Variable lease payments	33,723	32,714	70,669	66,492
Straight-line rental income	Straight-line rental income	5,112	4,504	Straight-line rental income	4,495	3,728	9,607	8,232

Net increase to rental income related to above and below market lease amortization	Net increase to rental income related to above and below market lease amortization	124	79	Net increase to rental income related to above and below market lease amortization	57	22	181	101
Total rental income	Total rental income	\$ 173,268	\$ 158,601	Total rental income	\$ 171,439	\$ 161,057	\$ 344,707	\$ 319,658

As of **March 31, 2023** **June 30, 2023** and December 31, 2022, the Company had accrued rental income of approximately **\$95.2 million** **\$98.8 million** and **\$91.2 million**, respectively, included in tenant accounts receivable on the accompanying Consolidated Balance Sheets.

As of **March 31, 2023** **June 30, 2023** and December 31, 2022, the Company's total liability associated with lease security deposits was approximately **\$19.2 million** **\$19.5 million** and **\$19.1 million**, respectively, which is included in tenant prepaid rent and security deposits on the accompanying Consolidated Balance Sheets.

The following table summarizes the maturity of fixed lease payments under the Company's leases as of **March 31, 2023** **June 30, 2023**.

Year	Year	Maturity of Fixed Lease Payments (in thousands)		Year	Maturity of Fixed Lease Payments (in thousands)	
		2023	2024		2025	2026
Remainder of 2023	Remainder of 2023	\$ 398,889		Remainder of 2023	\$ 271,277	
2024	2024	\$ 501,045		2024	\$ 521,593	
2025	2025	\$ 441,586		2025	\$ 463,939	
2026	2026	\$ 362,398		2026	\$ 386,524	
2027	2027	\$ 283,565		2027	\$ 305,959	
Thereafter	Thereafter	\$ 860,686		Thereafter	\$ 891,179	

Lessee Leases

The Company has operating leases in which it is the lessee for its ground leases and corporate office leases. These leases have remaining lease terms of approximately **0.2** years to **47.5** years. Certain ground leases contain options to extend the leases for ten years to 20 years, all of which are reasonably certain to be exercised, and are included in the computation of the Company's right-of-use assets and operating lease liabilities.

The following table summarizes supplemental information related to operating lease right-of-use assets and operating lease liabilities recognized in the Company's Consolidated Balance Sheets as of **March 31, 2023** **June 30, 2023** and December 31, 2022.

Operating Lease Term and Discount Rate	Operating Lease Term and Discount Rate	March 31, 2023		December 31, 2022		June 30, 2023		December 31, 2022	
		Weighted average remaining lease term (years)	31.3	Weighted average remaining lease term (years)	31.2	Weighted average remaining lease term (years)	31.3	Weighted average remaining lease term (years)	31.2
Weighted average remaining lease term (years)	Weighted average remaining lease term (years)								
Weighted average discount rate	Weighted average discount rate	6.7	%	6.7	%	6.8	%	6.7	%

The following table summarizes the operating lease cost included in the Company's Consolidated Statements of Operations for the three and six months ended **March 31, 2023** **June 30, 2023** and 2022.

Operating Lease Cost (in thousands)	Operating Lease Cost (in thousands)	Three months ended March 31,		Three months ended June 30,		Six months ended June 30,	
		2023	2022	2023	2022	2023	2022

Operating lease cost included in property expense attributable to ground leases	Operating lease cost included in property expense attributable to ground leases	\$ 618	\$ 533	Operating lease cost included in property expense attributable to ground leases	\$ 618	\$ 605	\$ 1,236	\$ 1,138
Operating lease cost included in general and administrative expense attributable to corporate office leases	Operating lease cost included in general and administrative expense attributable to corporate office leases	437	437	Operating lease cost included in general and administrative expense attributable to corporate office leases	434	436	871	873
Total operating lease cost	Total operating lease cost	\$ 1,055	\$ 970	Total operating lease cost	\$ 1,052	\$ 1,041	\$ 2,107	\$ 2,011

The following table summarizes supplemental cash flow information related to operating leases in the Company's Consolidated Statements of Cash Flows for the three six months ended March 31, 2023 June 30, 2023 and 2022.

Operating Leases (in thousands)	Operating Leases (in thousands)	Three months ended March 31,		Six months ended June 30,	
				Operating Leases (in thousands)	
		2023	2022		
Cash paid for amounts included in the measurement of lease liabilities (operating cash flows)	Cash paid for amounts included in the measurement of lease liabilities (operating cash flows)	\$ 970	\$ 900	Cash paid for amounts included in the measurement of lease liabilities (operating cash flows)	\$ 1,933
Right-of-use assets obtained in exchange for new lease liabilities				Right-of-use assets obtained in exchange for new lease liabilities	\$ 141
					\$ —

The following table summarizes the maturity of operating lease liabilities under the Company's ground leases and corporate office leases as of March 31, 2023 June 30, 2023.

Year	Year	Maturity of Operating Lease Liabilities ⁽¹⁾ (in thousands)		Year	Maturity of Operating Lease Liabilities ⁽¹⁾ (in thousands)	
Remainder of 2023	Remainder of 2023	\$ 2,905		Remainder of 2023	\$ 1,957	
2024	2024	3,914		2024	3,975	
2025	2025	3,959		2025	4,022	
2026	2026	2,993		2026	3,014	
2027	2027	2,023		2027	2,023	
Thereafter	Thereafter	81,962		Thereafter	81,962	
Total lease payments	Total lease payments	97,756		Total lease payments	96,953	
Less: Imputed interest	Less: Imputed interest	(63,064)		Less: Imputed interest	(62,524)	
Present value of operating lease liabilities	Present value of operating lease liabilities	\$ 34,692		Present value of operating lease liabilities	\$ 34,429	

(1) Operating lease liabilities do not include estimates of CPI rent changes required by certain ground lease agreements. Therefore, actual payments may differ from those presented.

10. Earnings Per Share

During the three and six months ended March 31, 2023 June 30, 2023 and 2022, there were 139,340 144,032, 162,891, 141,699 and 165,259 164,068 of unvested restricted shares of common stock (on a weighted average basis), respectively, that were considered participating securities for the purposes of computing earnings per share.

The following table reconciles the numerators and denominators in the computation of basic and diluted earnings per share of common stock for the three and six months ended **March 31, 2023** **June 30, 2023** and 2022.

Earnings Per Share (in thousands, except per share data)	Earnings Per Share (in thousands, except per share data)	Three months ended March 31,		Three months ended June 30,		Six months ended June 30,	
		2023	2022	2023	2022	2023	2022
		Numerator	Numerator	Numerator	Numerator	Numerator	Numerator
Net income attributable to common stockholders	Net income attributable to common stockholders	\$ 49,413	\$ 52,764	\$ 51,553	\$ 32,317	\$ 100,966	\$ 85,081
Denominator	Denominator	Denominator		Denominator		Denominator	
Weighted average common shares outstanding — basic	Weighted average common shares outstanding — basic	179,196	177,827	179,413	179,049	179,305	178,442
Effect of dilutive securities ⁽¹⁾	Effect of dilutive securities ⁽¹⁾	Effect of dilutive securities ⁽¹⁾		Effect of dilutive securities ⁽¹⁾		Effect of dilutive securities ⁽¹⁾	
Share-based compensation	Share-based compensation	101	238	318	95	210	144
Shares issuable under forward sales agreements				Shares issuable under forward sales agreements		7	—
Weighted average common shares outstanding — diluted	Weighted average common shares outstanding — diluted	179,297	178,065	179,738	179,144	179,518	178,586
Net income per share — basic and diluted	Net income per share — basic and diluted	Net income per share — basic and diluted		Net income per share — basic and diluted		Net income per share — basic and diluted	
Net income per share attributable to common stockholders — basic	Net income per share attributable to common stockholders — basic	\$ 0.28	\$ 0.30	\$ 0.29	\$ 0.18	\$ 0.56	\$ 0.48
Net income per share attributable to common stockholders — diluted	Net income per share attributable to common stockholders — diluted	\$ 0.28	\$ 0.30	\$ 0.29	\$ 0.18	\$ 0.56	\$ 0.48

(1) During the three and six months ended **March 31, 2023** **June 30, 2023** and 2022, there were approximately 139 144, 163, 142 and 165 164 unvested restricted shares of common stock (on a weighted average basis), respectively, that were not included in the computation of diluted earnings per share because the allocation of income under the two-class method was more dilutive.

11. Commitments and Contingencies

The Company is subject to various legal proceedings and claims that arise in the ordinary course of business. These matters are generally covered by insurance subject to deductible requirements. Management believes that the ultimate settlement of these actions will not have a material adverse effect on the Company's financial position, results of operations, or cash flows.

The Company has letters of credit of approximately \$3.3 million as of **March 31, 2023** **June 30, 2023** related to construction projects and certain other agreements.

12. Subsequent Events

There were no recognized or non-recognized subsequent events.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion with the financial statements and related notes included elsewhere in Item 1 of this report and the audited financial statements and related notes thereto included in our most recent Annual Report on Form 10-K.

As used herein, except where the context otherwise requires, "Company," "we," "our" and "us," refer to STAG Industrial, Inc. and our consolidated subsidiaries and partnerships, including our operating partnership, STAG Industrial Operating Partnership, L.P. (the "Operating Partnership").

Forward-Looking Statements

This report contains "forward-looking statements" within the meaning of the safe harbor from civil liability provided for such statements by the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). You can identify forward-looking statements 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. Forward-looking statements in this report include, among others, statements about our future financial condition, results of operations, capitalization rates on future acquisitions, our business strategy and objectives, including our acquisition strategy, occupancy and leasing rates and trends, and expected liquidity needs and sources (including capital expenditures and the ability to obtain financing or raise capital). Our forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in or suggested by our forward-looking statements are reasonable, we can give no assurance that our plans, intentions, expectations, strategies or prospects will be attained or achieved and you should not place undue reliance on these forward-looking statements. Furthermore, actual results may differ materially from those described in the forward-looking statements and may be affected by a variety of risks and factors including, without limitation:

- the factors included in our Annual Report on Form 10-K for the year ended December 31, 2022, as updated elsewhere in this report, including those set forth under the headings "Business," "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations";
- the risk of global or national recessions and international, national, regional, and local economic conditions;
- our ability to raise equity capital on attractive terms;
- the competitive environment in which we operate;
- real estate risks, including fluctuations in real estate values, the general economic climate in local markets and competition for tenants in such markets, and the repurposing or redevelopment of retail properties into industrial properties (in part or whole);
- decreased rental rates or increased vacancy rates;
- potential defaults (including bankruptcies or insolvency) on or non-renewal of leases by tenants;
- acquisition risks, including our ability to identify and complete accretive acquisitions and/or failure of such acquisitions to perform in accordance with projections;
- the timing of acquisitions and dispositions;
- technological developments, particularly those affecting supply chains and logistics;
- potential natural disasters, epidemics, pandemics or outbreak of infectious disease, such as the novel coronavirus disease ("COVID-19"), and other potentially catastrophic events such as acts of war and/or terrorism (including the conflict between Russia and Ukraine and the related impact on macroeconomic conditions as a result of such conflict);
- the general level of interest rates and currencies;
- potential changes in the law or governmental regulations and interpretations of those laws and regulations, including changes in real estate and zoning laws or real estate investment trust ("REIT") or corporate income 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;
- credit risk in the event of non-performance by the counterparties to the interest rate swaps and revolving and unfunded debt;
- how and when pending forward equity sales may settle;
- lack of or insufficient amounts of insurance;
- our ability to maintain our qualification as a REIT;

- our ability to retain key personnel;
- 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.

Certain Definitions

In this report:

"Cash Rent Change" means the percentage change in the base rent of the lease commenced during the period compared to the base rent of the Comparable Lease for assets included in the Operating Portfolio. The calculation compares the first base rent payment due after the lease commencement date compared to the base rent of the last monthly payment due prior to the termination of the lease, excluding holdover rent. Rent under gross or similar type leases are converted to a net rent based on an estimate of the applicable recoverable expenses.

"Comparable Lease" means a lease in the same space with a similar lease structure as compared to the previous in-place lease, excluding new leases for space that was not occupied under our ownership.

"GAAP" means generally accepted accounting principles in the United States.

"New Lease" means a lease that is signed for an initial term equal to or greater than 12 months for any vacant space, including a lease signed by a new tenant or an existing tenant that is expanding into new (additional) space.

"Occupancy rate" means the percentage of total leasable square footage for which either revenue recognition has commenced in accordance with GAAP or the lease term has commenced as of the close of the reporting period, whichever occurs earlier.

"Operating Portfolio" means all buildings that were acquired stabilized or have achieved Stabilization. The Operating Portfolio excludes non-core flex/office buildings, buildings contained in the Value Add Portfolio, and buildings classified as held for sale.

"Renewal Lease" means a lease signed by an existing tenant to extend the term for 12 months or more, including (i) a renewal of the same space as the current lease at lease expiration, (ii) a renewal of only a portion of the current space at lease expiration, or (iii) an early renewal or workout, which ultimately does extend the original term for 12 months or more.

"SL Rent Change" means the percentage change in the average monthly base rent over the term of the lease that commenced during the period compared to the Comparable Lease for assets included in the Operating Portfolio. Rent under gross or similar type leases are converted to a net rent based on an estimate of the applicable recoverable expenses, and this calculation excludes the impact of any holdover rent.

"Stabilization" for properties under development or being redeveloped means the earlier of achieving 90% occupancy or 12 months after completion. With respect to properties acquired and immediately added to the Value Add Portfolio, (i) if acquired with less than 75% occupancy as of the acquisition date, Stabilization will occur upon the earlier of achieving 90% occupancy or 12 months from the acquisition date; or (ii) if acquired and will be less than 75% occupied due to known move-outs within two years of the acquisition date, Stabilization will occur upon the earlier of achieving 90% occupancy after the known move-outs have occurred or 12 months after the known move-outs have occurred.

"Total annualized base rental revenue" means the contractual monthly base rent as of March 31, 2023 June 30, 2023 (which differs from rent calculated in accordance with GAAP) multiplied by 12. If a tenant is in a free rent period as of March 31, 2023 June 30, 2023, the total annualized base rental revenue is calculated based on the first contractual monthly base rent amount multiplied by 12.

"Value Add Portfolio" means our properties that meet any of the following criteria: (i) less than 75% occupied as of the acquisition date (ii) will be less than 75% occupied due to known move-outs within two years of the acquisition date; (iii) out of service with significant physical renovation of the asset; or (iv) development.

"Weighted Average Lease Term" means the contractual lease term in years, assuming that tenants exercise no renewal options, purchase options, or early termination rights, weighted by square footage.

Overview

We are a REIT focused on the acquisition, ownership, and operation of industrial properties throughout the United States. We seek to (i) identify properties that offer relative value across all locations, industrial property types, and tenants through the principled application of our proprietary risk assessment model, (ii) operate our properties in an efficient, cost-effective manner, and (iii) capitalize our business appropriately given the characteristics of our assets. We are a Maryland corporation and our common stock is publicly traded on the New York Stock Exchange under the symbol "STAG."

We are organized and conduct our operations to maintain our qualification as a REIT under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended, and generally are not subject to federal income tax to the extent we currently distribute our income to our stockholders and maintain our qualification as a REIT. We remain subject to state and local taxes on our income and property and to U.S. federal income and excise taxes on our undistributed income.

Factors That May Influence Future Results of Operations

Our ability to increase revenues or cash flow will depend in part on our (i) external growth, specifically our acquisition activity, and (ii) internal growth, specifically our portfolio occupancy and rental rates. A variety of other factors, including those noted below, also may affect our future results of operations.

Outlook

Out The industrial real estate business is affected by the uncertainty regarding the current high inflationary, rising interest rate environment, disruption in the banking industry, and geopolitical tensions in Europe. These factors are key drivers of recent financial market volatility and growing concerns of a global recession. In While U.S. gross domestic product ("GDP") declined during the first two quarters of 2022, U.S. GDP declined before posting gains increased more than 2% during each of 3.2% and 2.7% in the third quarter

and fourth next three quarters of 2022, respectively, ended March 31, 2023. Labor conditions also remained strong with a 3.6% unemployment rate as of February May 2023. Going forward, the general consensus among economists is to expect an elevated risk of recession over the near term. While the macro-economic conditions continue to evolve and could result in tighter credit conditions, weakening tenant cash flows, and rising vacancy rates, we believe we will continue to benefit from having a well-diversified portfolio across various markets, tenant industries, and lease terms. Additionally, we believe that the COVID-19 pandemic recent moves toward more regional supply chains and geopolitical tensions have accelerated a number of trends that positively impact U.S. industrial demand. However, given the current uncertainty and events discussed above, our acquisition activity slowed in 2022 and so far in 2023 has been significantly slower than our historical acquisition pace.

We believe that the current economic environment, while volatile, will provide us with an opportunity to demonstrate the diversification of our portfolio. Specifically, we believe our existing portfolio should benefit from competitive rental rates and strong occupancy. In addition to our diversified portfolio, we believe that certain characteristics of our business and capital structure should position us well in an uncertain environment, including our minimal floating rate debt exposure (taking into account our hedging activities), strong banking relationships, strong liquidity, access to capital, and the fact that many of our competitors for the assets we purchase tend to be smaller local and regional investors who may be more heavily impacted by rising interest rates and the lack of available capital.

Due to the COVID-19 pandemic, geopolitical uncertainty, and recent legislative bills supporting U.S. infrastructure, we expect acceleration in a number of industrial specific trends to support stronger long term demand, including:

- the rise of e-commerce (as compared to the traditional retail store distribution model) and the concomitant demand by e-commerce industry participants for well-located, functional distribution space;
- the increasing attractiveness of the United States as a manufacturing and distribution location because of the size of the U.S. consumer market, an increase in overseas labor costs, a desire for greater supply chain resilience and redundancy which is driving higher inventory to sales ratios and greater domestic warehouse demand over the long term (i.e. the shortening and fattening of the supply chain); and
- the overall quality of the transportation infrastructure in the United States.

Our portfolio continues to benefit from historically low availability throughout the national industrial market. The COVID-19 pandemic has caused both positive moderation in 2023 relative to recent peaks, but remains solid across a broad array of our markets and negative impacts at varying levels across different industries, vacancy and geographies. Ultimately, the acceleration in e-commerce brought on availability rates remains low by the COVID-19 pandemic, initial actions taken by federal and state governments and the Federal Reserve in response to the pandemic, and the growing desire for greater supply chain resilience has helped industrial space demand remain relatively strong to start 2023, historic standards. The weakening global and U.S. economic trends could be a notable headwind and may result in relatively less demand for space and higher vacancy. We believe that the diversification of our portfolio by market, tenant industry, and tenant credit will prove to be a strength in this environment.

Conditions in Our Markets

The buildings in our portfolio are located in markets throughout the United States. Positive or negative changes in economic or other conditions, new supply, adverse weather conditions, natural disasters, epidemics, and other factors in these markets may affect our overall performance.

Rental Income

We receive income primarily in the form of rental income from the tenants who occupy our buildings. The amount of rental income generated by the buildings in our portfolio depends principally on occupancy and rental rates.

Future economic downturns or regional downturns affecting our submarkets that impair our ability to renew or re-lease space and the ability of our tenants to fulfill their lease commitments, as in the case of tenant bankruptcies, could adversely affect our ability to maintain or increase rental rates at our buildings. Our ability to lease our properties and the attendant rental rate is dependent upon, among other things, (i) the overall economy, (ii) the supply/demand dynamic in our markets, (iii) the quality of our properties, including age, clear height, and configuration, and (iv) our tenants' ability to meet their contractual obligations to us.

The following table summarizes the Operating Portfolio leases that commenced during the three and six months ended March 31, 2023 June 30, 2023. Any rental concessions in such leases are accounted for on a straight-line basis over the term of the lease.

Operating Portfolio	Operating Portfolio	Cash										Cash											
		Basis			SL		Total		Weighted Average			Rental Concessions		Basis			SL		Total		Weighted Average		
		Rent	Rent	Costs	Per	Per	Per	Cash	Rent	SL	Rent	Concessions	Per	Per	Per	Cash	Rent	SL	Rent	Concessions	Per	Per	
		Square Feet	Square Foot	Foot ⁽¹⁾	Change	SL	Rent	Foot ⁽²⁾	Operating Portfolio	Square Feet	Square Foot	Square Foot	Foot ⁽¹⁾	Change	SL	Rent	Foot ⁽²⁾						
Three months ended March 31, 2023																							

Three months ended June 30, 2023												Three months ended June 30, 2023																									
New Leases	New Leases	775,324	\$ 7.48	\$ 7.79	\$ 3.22	47.3 %	55.6 %	3.8	\$ 0.50	New Leases	702,961	\$ 5.95	\$ 6.21	\$ 2.42	27.1 %	35.8 %	4.4	\$ 0.40	Renewal Leases	Renewal Leases	4,025,974	\$ 4.92	\$ 5.17	\$ 0.94	20.1 %	30.4 %	4.5	\$ 0.06	Renewal Leases	2,852,761	\$ 5.43	\$ 5.70	\$ 1.11	28.3 %	44.5 %	3.8	\$ 0.30
Total/weighted average	Total/weighted average	4,801,298	\$ 5.34	\$ 5.60	\$ 1.31	25.3 %	35.3 %	4.4	\$ 0.13	Total/weighted average	3,555,722	\$ 5.53	\$ 5.80	\$ 1.37	28.0 %	42.6 %	3.9	\$ 0.00																			
Six months ended June 30, 2023										Six months ended June 30, 2023																											
New Leases										New Leases	1,478,285	\$ 6.76	\$ 7.04	\$ 2.84	38.1 %	46.7 %	4.1	\$ 0.00	Renewal Leases																		
Renewal Leases										Renewal Leases	6,878,735	\$ 5.13	\$ 5.39	\$ 1.01	23.5 %	36.2 %	4.2	\$ 0.00	Total/weighted average	8,357,020	\$ 5.42	\$ 5.68	\$ 1.33	26.5 %	38.4 %	4.2	\$ 0.00										

(1) "Total Costs" means the costs for improvements of vacant and renewal spaces, as well as the contingent-based legal fees and commissions for leasing transactions. Total Costs per square foot represent the total costs expected to be incurred on the leases that commenced during the period and do not reflect actual expenditures for the period.

(2) Represents the total rental concessions for the entire lease term.

Additionally, for the three and six months ended **March 31, 2023** **June 30, 2023**, leases commenced totaling **708,432** **341,927** and **1,050,359** square feet related to Value Add assets and first generation leasing. These are excluded from the Operating Portfolio statistics above.

Property Operating Expenses

Our property operating expenses generally consist of utilities, real estate taxes, management fees, insurance, and site repair and maintenance costs. For the majority of our tenants, our property operating expenses are controlled, in part, by the triple net provisions in tenant leases. In our triple net leases, the tenant is responsible for all aspects of and costs related to the building and its operation during the lease term, including utilities, taxes, insurance, and maintenance costs, but typically excluding roof and building structure. However, we also have modified gross leases and gross leases in our building portfolio, which may require us to absorb certain building related expenses of our tenants. In our modified gross leases, we are responsible for certain building related expenses during the lease term, but most of the expenses are passed through to the tenant for reimbursement to us. In our gross leases, we are responsible for all expenses related to the building and its operation during the lease term. Our

overall performance will be affected by the extent to which we are able to pass-through property operating expenses to our tenants.

Scheduled Lease Expirations

Our ability to re-lease space subject to expiring leases will impact our results of operations and is affected by economic and competitive conditions in our markets and by the desirability of our individual buildings. Leases that comprise approximately **7.3%** **7.5%** of our total annualized base rental revenue will expire during the period from **April 1, 2023** **July 1, 2023** to **March 31, 2024** **June 30, 2024**, excluding month-to-month leases. We assume, based upon internal renewal probability estimates, that some of our tenants will renew and others will vacate and the associated space will be re-let subject to downtime assumptions. Using the aforementioned assumptions, we expect that the rental rates on the respective new leases will be greater than the rates under existing leases expiring during the period **April 1, 2023** **July 1, 2023** to **March 31, 2024** **June 30, 2024**, thereby resulting in an increase in revenue from the same space.

The following table summarizes lease expirations for leases in place as of **March 31, 2023** **June 30, 2023**, plus available space, for each of the ten calendar years beginning with 2023 and thereafter in our portfolio. The information in the table assumes that tenants do not exercise renewal options or early termination rights.

Lease Expiration Year	Lease Expiration Year	Number of Leases Expiring	Total Rentable Square Feet	Percentage of Total Occupied Square Feet	Total Annualized Rental Revenue (in thousands)	Annualized Base Rental Revenue	Percentage of Total Lease Expiration Year	Number of Leases Expiring	Total Rentable Square Feet	Percentage of Total Occupied Square Feet	Total Annualized Rental Revenue (in thousands)	Annualized Base Rental Revenue	Percentage of Total						
													Lease Expiration Year	Number of Leases Expiring	Total Rentable Square Feet	Percentage of Total Occupied Square Feet	Total Annualized Rental Revenue (in thousands)	Annualized Base Rental Revenue	
Available	Available	—	2,679,458	—	—	—	—	Available	—	2,519,415	—	—	—	—	—	—	—	—	
Month-to-month leases ⁽¹⁾	Month-to-month leases ⁽¹⁾	—	60,000	0.1 %	\$ 471	0.1 %	leases ⁽¹⁾	Month-to-month leases ⁽¹⁾	—	60,000	0.1 %	\$ 471	0.1 %	—	—	—	—	—	
Remainder of 2023 ⁽²⁾	Remainder of 2023 ⁽²⁾	38	4,680,993	4.3 %	22,627	4.2 % of 2023 ⁽²⁾	17	Remainder	2,121,767	1.9 %	9,861	1.8 %	—	—	—	—	—	—	—

2024	2024	98	13,364,749	12.3	%	65,239	12.0	%	2024	90	12,072,287	11.1	%	61,556	11.2	%
2025	2025	106	14,856,734	13.6	%	69,084	12.7	%	2025	103	14,295,168	13.2	%	67,366	12.2	%
2026	2026	127	18,963,488	17.4	%	95,037	17.4	%	2026	129	18,841,184	17.4	%	97,285	17.6	%
2027	2027	94	14,110,659	13.0	%	71,077	13.0	%	2027	100	15,154,427	14.0	%	75,813	13.8	%
2028	2028	76	10,125,841	9.3	%	49,256	9.0	%	2028	89	11,641,635	10.7	%	58,436	10.6	%
2029	2029	49	8,294,915	7.6	%	40,879	7.5	%	2029	55	9,336,732	8.6	%	45,093	8.2	%
2030	2030	32	4,233,184	3.9	%	24,519	4.5	%	2030	34	4,640,195	4.3	%	27,050	4.9	%
2031	2031	41	7,312,872	6.7	%	35,403	6.5	%	2031	41	7,312,872	6.7	%	35,552	6.4	%
2032	2032	18	2,542,575	2.3	%	17,885	3.3	%	2032	18	2,542,575	2.3	%	17,945	3.3	%
Thereafter	Thereafter	36	10,328,555	9.5	%	53,317	9.8	%	Thereafter	40	10,543,626	9.7	%	54,671	9.9	%
Total	Total	715	111,554,023	100.0	%	\$ 544,794	100.0	%	Total	716	111,081,883	100.0	%	\$ 551,099	100.0	%

(1) The number of month-to-month leases is zero. The month-to-month total rentable square footage refers to a secondary short-term lease occupied by a tenant whose lease count is included in their original long-term long term suite.

(2) Leases previously scheduled to expire in 2023, totaling approximately 8.5 million 10.2 million square feet, have been executed as of March 31, 2023 June 30, 2023. These leases are excluded from 2023 expirations and are reflected in the new year of expiration.

Portfolio Acquisitions

There were no assets acquired The following table summarizes our acquisitions during the three and six months ended March 31, 2023, compared to eight acquisitions for a purchase price of approximately \$166.4 million during the three months ended March 31, 2022 June 30, 2023.

Market ⁽¹⁾	Date Acquired	Square Feet	Number of Buildings	Purchase Price (in thousands)
Central New Jersey, NJ	April 24, 2023	101,381	1	\$ 26,660
Greensboro, NC	May 5, 2023	133,622	1	14,004
Three and six months ended June 30, 2023		235,003	2	\$ 40,664

(1) As defined by CBRE-EA industrial market geographies. If the building is located outside of a CBRE-EA defined market, the city and state is reflected.

Portfolio Dispositions

During the three six months ended March 31, 2023 June 30, 2023, we sold two seven buildings comprised of approximately 0.4 million 1.2 million rentable square feet with a net book value of approximately \$16.2 million \$31.7 million to third parties. Net proceeds from the sales of rental property were approximately \$36.3 million \$69.3 million and we recognized the full gain on the sales of rental property, net, of approximately \$20.1 million \$37.7 million for the three six months ended March 31, 2023 June 30, 2023.

Top Markets

The following table summarizes information about the 20 largest markets in our portfolio based on total annualized base rental revenue as of March 31, 2023 June 30, 2023.

Top 20 Markets ⁽¹⁾	% of Total Annualized Base Rental Revenue	
	Revenue	%
Chicago, IL		7.0 %
Greenville, SC		5.3 %
Pittsburgh, PA		4.3 %
Detroit, MI		4.2 %
Columbus, OH	3.7 %	
Minneapolis, MN	3.7 %	
Minneapolis, MN	3.7 %	
Columbus, OH	3.7 %	
South Central PA		3.3 %
Houston, TX		2.7 %
El Paso, TX		2.5 %
Philadelphia, PA		2.3 %
Milwaukee, WI		2.2 %
Charlotte, NC		2.1 %
Indianapolis, IN		1.9 %
Cleveland, OH		1.9 %
Philadelphia, PA		1.9 %
Sacramento, CA		1.9 %
Kansas City, KS		1.8 %
Boston, MA		1.7 %
Columbia, SC		1.6 %
Grand Rapids, MI		1.5 %
Raleigh, NC		1.4 %
Total	\$6.9	56.6 %

(1) Top markets Market classification based on CBRE-EA industrial market geographies.

Top Industries

The following table summarizes information about the 20 largest tenant industries in our portfolio based on total annualized base rental revenue as of **March 31, 2023** **June 30, 2023**.

Top 20 Tenant Industries ⁽¹⁾	% of Total Annualized Base Rental Revenue	
	Revenue	Revenue
Air Freight & Logistics	11.3	11.4 %
Containers & Packaging	8.2	8.3 %
Automobile Components	7.3	7.4 %
Machinery	5.9	6.1 %
Commercial Services & Supplies	5.5	5.6 %
Trading Companies & Distribution (Industrial Goods)	5.1	5.1 %
Household Durables	4.4	5.2 %
Distributors (Consumer Goods)	4.2	4.2 %
Household Durables	3.8	3.8 %
Consumer Staples Distribution	3.7	3.7 %
Broadline Retail Building Products	3.6	3.7 %
Building Products Broadline Retail	3.6	3.6 %
Media	3.3	3.3 %
Specialty Retail	2.8	2.8 %
Beverages	2.4	2.4 %
Ground Transportation	2.4	2.4 %
Food Products	2.4	2.4 %
Chemicals	2.2	2.2 %
Beverages	2.2	2.3 %
Electronic Equip, Instruments	2.1	2.0 %
Chemicals	2.0	2.0 %
Health Care Equipment & Supplies	1.9	1.9 %
Textiles, Apparel, Luxury Goods	1.9	1.9 %
Health Care Equipment & Supplies	1.8	1.8 %
Total	83.9	84.0 %

(1) Industry classification based on Global Industry Classification Standard methodology.

Top Tenants

The following table summarizes information about the 20 largest tenants in our portfolio based on total annualized base rental revenue as of **March 31, 2023** **June 30, 2023**.

Top 20 Tenants ⁽¹⁾	Top 20 Tenants ⁽¹⁾	% of Total Annualized Base Rental Revenue			Top 20 Tenants ⁽¹⁾	Number of Leases	% of Total Annualized Base Rental Revenue
		Number of Leases	Annualized Base Rental Revenue	Top 20 Tenants ⁽¹⁾			
Amazon	Amazon	6	2.8	% Amazon	Amazon	6	2.8 %
Eastern Metal Supply, Inc.	Eastern Metal Supply, Inc.	5	0.9	% Eastern Metal Supply, Inc.	Eastern Metal Supply, Inc.	5	0.9 %
American Tire Distributors, Inc.	American Tire Distributors, Inc.	7	0.9	% American Tire Distributors, Inc.	American Tire Distributors, Inc.	7	0.9 %
Tempur Sealy International, Inc.	Tempur Sealy International, Inc.	2	0.9	% Tempur Sealy International, Inc.	Tempur Sealy International, Inc.	2	0.8 %
Hachette Book Group, Inc.	Hachette Book Group, Inc.	1	0.8	% Hachette Book Group, Inc.	Hachette Book Group, Inc.	1	0.8 %
Kenco Logistic Services, LLC	Kenco Logistic Services, LLC	3	0.8	% Kenco Logistic Services, LLC	Kenco Logistic Services, LLC	3	0.8 %
WestRock Company	WestRock Company	7	0.7	% WestRock Company	WestRock Company	7	0.8 %
FedEx Corporation	FedEx Corporation	3	0.7	% FedEx Corporation	FedEx Corporation	3	0.7 %
Penguin Random House, LLC	Penguin Random House, LLC	1	0.7	% Penguin Random House, LLC	Penguin Random House, LLC	1	0.7 %

Lippert Component	Lippert Component			Lippert Component			
Manufacturing	Manufacturing	4	0.7	% Manufacturing	4	0.7	%
DS Smith North America	DS Smith North America	2	0.7	% DS Smith North America	2	0.7	%
GXO Logistics, Inc.	GXO Logistics, Inc.	2	0.7	% GXO Logistics, Inc.	2	0.7	%
Yanfeng US Automotive	Yanfeng US Automotive			Yanfeng US Automotive			
Interior	Interior	2	0.7	% Interior	2	0.7	%
DHL Supply Chain	DHL Supply Chain	4	0.7	% DHL Supply Chain	4	0.7	%
AFL Telecommunications	AFL Telecommunications			AFL Telecommunications			
LLC	LLC	2	0.7	% LLC	2	0.7	%
Carolina Beverage Group	Carolina Beverage Group	3	0.7	% Carolina Beverage Group	3	0.7	%
Packaging Corp of America				Packaging Corp of America			
Ford Motor Company				Ford Motor Company			
Berlin Packaging L.L.C.	Berlin Packaging L.L.C.	4	0.6	% Berlin Packaging L.L.C.	4	0.6	%
Iron Mountain Information Management	Iron Mountain Information Management	5	0.6	% Management	5	0.6	%
Ford Motor Company		1	0.6	%			
Schneider Electric USA, Inc.		3	0.6	%			
Total	Total	67	16.5	% Total	69	16.5	%

(1) Includes tenants, guarantors, and/or non-guarantor parents.

Critical Accounting Policies

See "Critical Accounting Policies" in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2022 for a discussion of our critical accounting policies and estimates.

Results of Operations

The following discussion of the results of our same store (as defined below) net operating income ("NOI") should be read in conjunction with our consolidated financial statements included in this report. For a detailed discussion of NOI, including the reasons management believes NOI is useful to investors, see "Non-GAAP Financial Measures" below. Same store results are considered to be useful to investors in evaluating our performance because they provide information relating to changes in building-level operating performance without taking into account the effects of acquisitions or dispositions. We encourage the reader to not only look at our same store results, but also our total portfolio results, due to historic and future growth.

We define same store properties as properties that were in the Operating Portfolio for the entirety of the comparative periods presented. The results for same store properties exclude termination fees, solar income, and other income adjustments. Same store properties exclude Operating Portfolio properties with expansions placed into service after December 31, 2021. On **March 31, 2023** June 30, 2023, we owned **522** **518** industrial buildings consisting of approximately **103.4 million** **102.9 million** square feet and representing approximately **92.7%** **92.6%** of our total portfolio, that are considered our same store portfolio in the analysis below. Same store occupancy **increased** **decreased** approximately **0.6%** **0.7%** to **98.1%** **97.9%** as of **March 31, 2023** **June 30, 2023** compared to **97.5%** **98.6%** as of **March 31, 2022** **June 30, 2022**.

Comparison of the three months ended **March 31, 2023** **June 30, 2023** to the three months ended **March 31, 2022** **June 30, 2022**

The following table summarizes selected operating information for our same store portfolio and our total portfolio for the three months ended **March 31, 2023** **June 30, 2023** and 2022 (dollars in thousands). This table includes a reconciliation from our same store portfolio to our total portfolio by also providing information for the three months ended **March 31, 2023** **June 30, 2023** and 2022 with respect to the buildings acquired and sold after December 31, 2021, Operating Portfolio buildings with expansions placed into service or transferred from the Value Add Portfolio to the Operating Portfolio after December 31, 2021, flex/office buildings, Value Add buildings, and buildings classified as held for sale.

Revenue	Revenue	Same Store Portfolio				Acquisitions/Dispositions				Other				Total Portfolio				Same Store Portfolio				Acquisitions/Dispositions				
		Three months ended		Three months ended		Three months ended		Three months ended		Three months ended		Three months ended		Three months ended		Three months ended		Three months ended		Three months ended		Three months ended		Three months ended		
		March 31,		Change		March 31,		March 31,		March 31,		March 31,		March 31,		March 31,		March 31,		March 31,		March 31,		March 31,		
		2023	2022	\$	%	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2023	2022	2023	2022
Operating revenue	Operating revenue																									

Rental income	Rental income	\$158,145	\$150,774	\$7,371	4.9 %	\$ 8,211	\$ 3,459	\$ 6,912	\$ 4,368	\$ 173,268	\$ 158,601	\$ 14,667	9.2 %	Rental income	\$157,034	\$149,124	\$ 7,910	5.3 %	\$ 7,987
Other income	Other income	136	163	(27)	(16.6)%	13	110	136	335	285	608	(323)	(53.1)%	Other income	62	58	4	6.9 %	13
<i>Total operating revenue</i>	<i>Total operating revenue</i>	<i>158,281</i>	<i>150,937</i>	<i>7,344</i>	<i>4.9 %</i>	<i>8,224</i>	<i>3,569</i>	<i>7,048</i>	<i>4,703</i>	<i>173,553</i>	<i>159,209</i>	<i>14,344</i>	<i>9.0 %</i>	<i>Total operating revenue</i>	<i>157,096</i>	<i>149,182</i>	<i>7,914</i>	<i>5.3 %</i>	<i>8,000</i>
Expenses	Expenses													Expenses					
Property	Property	31,750	30,352	1,398	4.6 %	2,131	544	2,000	879	35,881	31,775	4,106	12.9 %	Property	29,705	26,794	2,911	10.9 %	1,584
Net operating income ⁽¹⁾	Net operating income ⁽¹⁾	\$126,531	\$120,585	\$5,946	4.9 %	\$ 6,093	\$ 3,025	\$ 5,048	\$ 3,824	137,672	127,434	10,238	8.0 %	Net operating income ⁽¹⁾	\$127,391	\$122,388	\$ 5,003	4.1 %	\$ 6,416
Other expenses	Other expenses													Other expenses					
General and administrative	General and administrative													General and administrative					
Depreciation and amortization	Depreciation and amortization													Depreciation and amortization					
Other expenses	Other expenses													Other expenses					
Total other expenses	Total other expenses													Total other expenses					
Total expenses	Total expenses													Total expenses					
Other income (expense)	Other income (expense)													Other income (expense)					
Interest and other income	Interest and other income													Interest and other income					
Interest expense	Interest expense													Interest expense					
Gain on the sales of rental property, net	Gain on the sales of rental property, net													Gain on the sales of rental property, net					
Total other income (expense)	Total other income (expense)													Total other income (expense)					
Net income	Net income													Net income					
		\$ 50,608	\$ 53,988	\$ (3,380)	(6.3)%														

(1) For a detailed discussion of NOI, including the reasons management believes NOI is useful to investors, see "Non-GAAP Financial Measures" below.

Net Income

Net income for our total portfolio decreased increased by approximately \$3.4 million \$19.7 million, or 6.3% 59.6%, to approximately \$50.6 million \$52.8 million for the three months ended **March 31, 2023**, **June 30, 2023** compared to approximately \$54.0 million \$33.1 million for the three months ended **March 31, 2022**, **June 30, 2022**.

Same Store Total Operating Revenue

Same store total operating revenue consists primarily of rental income from (i) fixed lease payments, variable lease payments, straight-line rental income, and above and below market lease amortization from our properties ("lease income"), and (ii) other tenant billings for insurance, real estate taxes and certain other expenses ("other billings").

For a detailed reconciliation of our same store total operating revenue to net income, see the table above.

Same store rental income, which includes lease income and other billings as discussed below, increased by approximately \$7.4 million \$7.9 million, or 4.9% 5.3%, to approximately \$158.1 million \$157.0 million for the three months ended **March 31, 2023**, **June 30, 2023** compared to approximately \$150.8 million \$149.1 million for the three months ended **March 31, 2022**, **June 30, 2022**.

Same store lease income increased by approximately \$5.3 million \$5.4 million, or 4.3%, to approximately \$129.2 million \$129.8 million for the three months ended March 31, 2023 June 30, 2023 compared to approximately \$123.9 million \$124.4 million for the three months ended March 31, 2022 June 30, 2022. The increase was primarily due to an increase in rental income of approximately \$6.9 million \$7.1 million from the execution of new leases and lease renewals with existing tenants. This increase was partially offset by the reduction of base rent of approximately \$1.4 million due to tenant vacancies, and a net increase in the amortization of net above market leases of approximately \$0.1 million. Additionally, there was a decrease in same store lease income of approximately \$0.2 million, due to certain tenants that are on the cash basis of accounting due to the future collectability not being reasonably assured.

Same store other billings increased by approximately \$2.1 million \$2.5 million, or 7.8% 10.1%, to approximately \$29.0 million \$27.2 million for the three months ended March 31, 2023 June 30, 2023 compared to approximately \$26.9 million \$24.7 million for the three months ended March 31, 2022 June 30, 2022. The increase was attributable to an increase of approximately \$1.6 million of real estate tax reimbursements due to an increase in real estate taxes levied by the taxing authority for certain tenants in which we pay the real estate taxes on behalf of those tenants, changes to lease terms where we began paying the real estate taxes on behalf of tenants that had previously paid its taxes directly to the taxing authority, and occupancy of previously vacant buildings. The increase in other billings was also attributable to an increase of approximately \$0.5 million \$0.9 million in other expense reimbursements due to changes to lease terms where we began paying the operating expenses on behalf of tenants that had previously paid its operating expenses directly to respective vendors, an increase in corresponding expenses, and occupancy of previously vacant buildings.

Same Store Operating Expenses

Same store operating expenses consist primarily of property operating expenses and real estate taxes and insurance.

For a detailed reconciliation of our same store operating expenses to net income, see the table above.

Total same store property operating expenses increased by approximately \$1.4 million \$2.9 million, or 4.6% 10.9%, to approximately \$31.8 million \$29.7 million for the three months ended March 31, 2023 June 30, 2023 compared to approximately \$30.4 million \$26.8 million for the three months ended March 31, 2022 June 30, 2022. This increase was due to increases in real estate tax, insurance, repairs and maintenance, insurance, utility, and real estate taxes other expenses of approximately \$0.5 million \$1.1 million, \$0.4 million \$0.7 million, \$0.3 million \$0.7 million, and \$0.2 million \$0.4 million, respectively.

Acquisitions and Dispositions Net Operating Income

For a detailed reconciliation of our acquisitions and dispositions NOI to net income, see the table above.

Subsequent to December 31, 2021, we acquired 24 25 buildings consisting of approximately 4.0 million 4.1 million square feet (excluding two three buildings that were included in the Value Add Portfolio at March 31, 2023 June 30, 2023 or transferred from the Value Add Portfolio to the Operating Portfolio after December 31, 2021), and sold 10 15 buildings consisting of approximately 2.2 million 3.0 million square feet. For the three months ended March 31, 2023 June 30, 2023 and 2022, the buildings acquired after December 31, 2021 contributed approximately \$5.9 million \$6.2 million and \$1.1 million \$3.5 million to NOI, respectively. For the years ended March 31, 2023 June 30, 2023 and March 31, 2022 June 30, 2022, the buildings sold after December 31, 2021 contributed approximately \$0.2 million and \$1.9 million \$2.1 million to NOI, respectively. Refer to Note 3 in the accompanying Notes to consolidated Financial Statements for additional discussion regarding buildings acquired or sold.

Other Net Operating Income

Other assets include our flex/office buildings, Value Add Portfolio, buildings classified as held for sale, and Operating Portfolio buildings with expansions placed in service or transferred from the Value Add Portfolio to the Operating Portfolio after December 31, 2021. Other NOI also includes termination, solar, and other income adjustments from buildings in our same store portfolio.

For a detailed reconciliation of our other NOI to net income, see the table above.

These buildings contributed approximately \$4.1 million \$4.7 million and \$2.9 million to NOI for the three months ended March 31, 2023 June 30, 2023 and 2022, respectively. Additionally, there was approximately \$0.9 million \$0.5 million and \$0.9 million \$1.7 million of termination, solar, and other income adjustments from certain buildings in our same store portfolio for the three months ended March 31, 2023 June 30, 2023 and 2022, respectively.

Total Other Expenses

Total other expenses consist of general and administrative expenses, depreciation and amortization, and other expenses.

Total other expenses increased decreased approximately \$4.4 million \$1.1 million, or 5.5% 1.4%, to approximately \$80.9 million for the three months ended March 31, 2023 to approximately \$84.6 million June 30, 2023 compared to approximately \$80.2 million \$82.0 million for the three months ended March 31, 2022 June 30, 2022. The increase decrease was primarily attributable to an increase decrease in other expenses depreciation and amortization expense of approximately \$2.5 million during the three months ended March 31, 2022 \$0.8 million, which was primarily attributed attributable to the relinquishment of an acquisition deposit decrease in amortization expense of approximately \$2.5 million related \$2.2 million due to previously acquired deferred leasing intangibles reaching the termination end of their amortization periods. This increase was partially offset by an acquisition contract increase in January 2023. Depreciation and amortization also increased depreciation expense of approximately \$1.6 million \$1.4 million due to an increase in of net acquisitions after June 30, 2022 that increased the depreciable asset base from net acquisitions that occurred after March 31, 2022, and other capital expenditures, whose depreciation periods are typically longer than deferred leasing intangibles' amortization periods.

Total Other Income (Expense)

Total other income (expense) consists of interest and other income, interest expense, and gain on the sales of rental property, net. Interest expense includes interest incurred during the period as well as adjustments related to amortization of financing fees and debt issuance costs, and amortization of fair market value adjustments associated with the assumption of debt.

Total other income (expense) decreased approximately \$9.2 million \$12.2 million, or 136.6% 69.6%, to approximately \$5.3 million total other expense for the three months ended March 31, 2023 June 30, 2023 compared to approximately \$2.5 million \$17.5 million total other expense compared approximately \$6.7 million total other income for the three months ended March 31, 2022 June 30, 2022. This decrease was attributable to primarily a result of an increase in the gain on the sales of rental property, net of approximately \$17.2 million. This decrease was partially offset by an increase in interest expense of approximately \$5.4 million \$5.0 million which is primarily attributable to the issuance of \$400.0 million of unsecured notes on June 28, 2022 and an additional \$50.0 million of unsecured term loans on July 26, 2022.

Comparison of the six months ended June 30, 2023 to the six months ended June 30, 2022

The following table summarizes selected operating information for our same store portfolio and our total portfolio for the six months ended June 30, 2023 and 2022 (dollars in thousands). This table includes a reconciliation from our same store portfolio to our total portfolio by also providing information for the six months ended June 30, 2023 and 2022 with respect to the buildings acquired and disposed of and Operating Portfolio buildings with expansions placed into service or transferred from the Value Add Portfolio to the Operating Portfolio after December 31, 2021 and our flex/office buildings, Value Add Portfolio and buildings classified as held for sale.

	Same Store Portfolio				Acquisitions/Dispositions				Other				Total Portfolio			
	Six months ended June 30,		Change		Six months ended June 30,		Six months ended June 30,		Six months ended June 30,		Six months ended June 30,		Six months ended June 30,		Change	
	2023	2022	\$	%	2023	2022	2023	2022	2023	2022	2023	2022	\$	%		
Revenue																
<i>Operating revenue</i>																
Rental income	\$ 314,603	\$ 299,158	\$ 15,445	5.2 %	\$ 16,823	\$ 11,057	\$ 13,281	\$ 9,443	\$ 344,707	\$ 319,658	\$ 25,049			7.8 %		
Other income	178	221	(43)	(19.5)%	46	110	316	720	540	1,051	(511)			(48.6)%		
<i>Total operating revenue</i>	<u>314,781</u>	<u>299,379</u>	<u>15,402</u>	<u>5.1 %</u>	<u>16,869</u>	<u>11,167</u>	<u>13,597</u>	<u>10,163</u>	<u>345,247</u>	<u>320,709</u>	<u>24,538</u>			<u>7.7 %</u>		
Expenses																
Property	61,261	56,997	4,264	7.5 %	4,102	1,788	3,193	1,864	68,556	60,649	7,907			13.0 %		
<i>Net operating income</i> (1)	<u>\$ 253,520</u>	<u>\$ 242,382</u>	<u>\$ 11,138</u>	<u>4.6 %</u>	<u>\$ 12,767</u>	<u>\$ 9,379</u>	<u>\$ 10,404</u>	<u>\$ 8,299</u>	<u>276,691</u>	<u>260,060</u>	<u>16,631</u>			<u>6.4 %</u>		
<i>Other expenses</i>																
General and administrative									24,736	24,547	189			0.8 %		
Depreciation and amortization									137,438	136,645	793			0.6 %		
Other expenses									3,336	1,029	2,307			224.2 %		
<i>Total other expenses</i>									<u>165,510</u>	<u>162,221</u>	<u>3,289</u>			<u>2.0 %</u>		
Total expenses									234,066	222,870	11,196			5.0 %		
<i>Other income (expense)</i>																
Interest and other income									36	57	(21)			(36.8)%		
Interest expense									(45,472)	(35,155)	(10,317)			29.3 %		
Gain on the sales of rental property, net									37,660	24,331	13,329			54.8 %		
<i>Total other income (expense)</i>									<u>(7,776)</u>	<u>(10,767)</u>	<u>2,991</u>			<u>(27.8)%</u>		
<i>Net income</i>									<u>\$ 103,405</u>	<u>\$ 87,072</u>	<u>\$ 16,333</u>			<u>18.8 %</u>		

(1) For a detailed discussion of NOI, including the reasons management believes NOI is useful to investors, see "Non-GAAP Financial Measures" below.

Net Income

Net income for our total portfolio increased by \$16.3 million, or 18.8%, to \$103.4 million for the six months ended June 30, 2023 compared to \$87.1 million for the six months ended June 30, 2022.

Same Store Total Operating Revenue

Same store total operating revenue consists primarily of rental income consisting of (i) fixed lease payments, variable lease payments, straight-line rental income, and above and below market lease amortization from our properties ("lease income"), and (ii) other tenant billings for insurance, real estate taxes and certain other expenses ("other billings").

For a detailed reconciliation of our same store total operating revenue to net income, see the table above.

Same store rental income, which is comprised of lease income and other billings as discussed below, increased by approximately \$15.4 million, or 5.2%, to approximately \$314.6 million for the six months ended June 30, 2023 compared to approximately \$299.2 million for the six months ended June 30, 2022.

Same store lease income increased by approximately \$10.8 million, or 4.4%, to approximately \$258.5 million for the six months ended June 30, 2023 compared to approximately \$247.7 million for the six months ended June 30, 2022. The increase was primarily due to an increase in rental income of approximately \$14.3 million from the execution of new leases and lease renewals with existing tenants. This increase was partially offset by the reduction of base rent of approximately \$3.0 million due to tenant vacancies, and a net increase in the amortization of net above market leases of approximately \$0.3 million. Additionally, there was a decrease in same store lease income of approximately \$0.2 million due to certain tenants that are on the cash basis of accounting due to the future collectability not being reasonably assured.

Same store other billings increased by approximately \$4.7 million, or 9.1%, to approximately \$56.2 million for the six months ended June 30, 2023 compared to approximately \$51.5 million for the six months ended June 30, 2022. The increase was attributable to an increase of approximately \$3.2 million of real estate tax reimbursements due to an increase in real estate taxes levied by the taxing authority for certain tenants in which we pay the real estate taxes on behalf of those tenants, changes to lease terms where we began paying the real estate taxes on behalf of tenants that had previously paid its taxes directly to the taxing authority, and occupancy of previously vacant buildings. The increase in other billings was also attributable to an increase of approximately \$1.5 million in other expense reimbursements due to changes to lease terms where we began paying the operating expenses on behalf of tenants that had previously paid its operating expenses directly to respective vendors, an increase in corresponding expenses, and occupancy of previously vacant buildings.

Same Store Operating Expenses

Same store operating expenses consist primarily of property operating expenses and real estate taxes and insurance.

For a detailed reconciliation of our same store operating expenses to net income, see the table above.

Total same store operating expenses increased by approximately \$4.3 million or 7.5% to approximately \$61.3 million for the six months ended June 30, 2023 compared to approximately \$57.0 million for the six months ended June 30, 2022. This increase was due to increases in real estate tax, repairs and maintenance, insurance, utility, and other expenses of approximately \$1.3 million, \$1.2 million, \$1.1 million, \$0.4 million, and \$0.6 million, respectively. These increases were partially offset by a reduction of snow removal expense of approximately \$0.3 million.

Acquisitions and Dispositions Net Operating Income

For a detailed reconciliation of our acquisitions and dispositions NOI to net income, see the table above.

Subsequent to December 31, 2021, we acquired 25 buildings consisting of approximately 4.1 million square feet (excluding three buildings that were included in the Value Add Portfolio at June 30, 2023 or transferred from the Value Add Portfolio to the Operating Portfolio after December 31, 2021), and sold 15 buildings consisting of approximately 3.0 million square feet. For the six months ended June 30, 2023 and June 30, 2022, the buildings acquired after December 31, 2021 contributed approximately \$12.2 million and \$4.7 million to NOI, respectively. For the six months ended June 30, 2023 and June 30, 2022, the buildings sold after December 31, 2021 contributed approximately \$0.6 million and \$4.7 million to NOI, respectively. Refer to Note 3 in the accompanying Notes to Consolidated Financial Statements for additional discussion regarding buildings acquired or sold.

Other Net Operating Income

Our other assets include our flex/office buildings, Value Add Portfolio, buildings classified as held for sale, and Operating Portfolio buildings with expansions placed in service or transferred from the Value Add Portfolio to the Operating Portfolio after December 31, 2021. Other NOI also includes termination, solar, and other income adjustments from buildings in our same store portfolio.

For a detailed reconciliation of our other NOI to net income, see the table above.

These buildings contributed approximately \$9.0 million and \$5.7 million to NOI for the six months ended June 30, 2023 and June 30, 2022, respectively. Additionally, there was approximately \$1.4 million and \$2.6 million of termination, solar, and other income adjustments from certain buildings in our same store portfolio for the six months ended June 30, 2023 and June 30, 2022, respectively.

Total Other Expenses

Total other expenses consist of general and administrative expenses, depreciation and amortization, and other expenses.

Total other expenses increased approximately \$3.3 million, or 2.0%, to approximately \$165.5 million for the six months ended June 30, 2023 compared to approximately \$162.2 million for the six months ended June 30, 2022. The increase was attributable to an increase in other expenses of approximately \$2.3 million, which was primarily attributed to the relinquishment of an acquisition deposit of approximately \$2.5 million related to the termination of an acquisition contract in January 2023. Depreciation and amortization also increased approximately \$0.8 million, which was primarily attributable to an increase in depreciation expense of approximately \$3.8 million due to an increase of net acquisitions

after June 30, 2022 that increased the depreciable asset base and other capital expenditures. The depreciation and amortization increase was partially offset by a decrease in amortization expense of approximately \$3.0 million due to previously acquired deferred leasing intangibles reaching the end of their amortization periods, which are typically shorter than depreciation periods.

Total Other Income (Expense)

Total other income (expense) consists of interest and other income, interest expense, and gain on the sales of rental property, net. Interest expense includes interest incurred during the period as well as adjustments related to amortization of financing fees and debt issuance costs, and amortization of fair market value adjustments associated with the assumption of debt.

Total other income (expense) decreased approximately \$3.0 million, or 27.8%, to a total other expense of approximately \$7.8 million for the six months ended June 30, 2023 compared to approximately \$10.8 million total other expense for the six months ended June 30, 2022. This decrease was also primarily a result of decrease an increase in the gain on the sales of rental property, net of approximately \$3.8 million \$13.3 million. This decrease was partially offset by an increase in interest expense of approximately \$10.3 million which is primarily attributable to the issuance of \$400.0 million of unsecured notes on June 28, 2022 and an additional \$50.0 million of unsecured term loans on July 26, 2022.

Non-GAAP Financial Measures

In this report, we disclose funds from operations ("FFO") and NOI, which meet the definition of "non-GAAP financial measures" as set forth in Item 10(e) of Regulation S-K promulgated by the Securities and Exchange Commission ("SEC"). As a result, we are required to include in this report a statement of why management believes that presentation of these measures provides useful information to investors.

Funds From Operations

FFO should not be considered as an alternative to net income (determined in accordance with GAAP) as an indication of our performance, and we believe that to understand our performance further, FFO should be compared with our reported net income (loss) in accordance with GAAP, as presented in our consolidated financial statements included in this report.

We calculate FFO in accordance with the standards established by the National Association of Real Estate Investment Trusts ("Nareit"). FFO represents GAAP net income (loss), excluding gains (or losses) from sales of depreciable operating buildings, land sales, impairment write-downs of depreciable real estate, real estate related depreciation and amortization (excluding amortization of deferred financing costs and fair market value of debt adjustment) and after adjustments for unconsolidated partnerships and joint ventures.

Management uses FFO as a supplemental performance measure because it is a widely recognized measure of the performance of REITs. FFO may be used by investors as a basis to compare our operating performance with that of other REITs.

However, because FFO excludes depreciation and amortization and captures neither the changes in the value of our buildings that result from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of our buildings, all of which have real economic effects and could materially impact our results from operations, the utility of FFO as a measure of our performance is limited. In addition, other REITs may not calculate FFO in accordance with the Nareit definition, 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.

The following table sets forth a reconciliation of our FFO attributable to common stockholders and unit holders for the periods presented to net income, the nearest GAAP equivalent.

Reconciliation of Net Income to FFO (in thousands)	Three months ended March 31,		Reconciliation of Net Income to FFO (in thousands)	Three months ended June 30,		Six months ended June 30,	
	2023	2022		2023	2022	2023	2022
Net income	Net income	\$ 50,608	Net income	\$ 52,797	\$ 33,084	\$ 103,405	\$ 87,072
Rental property depreciation and amortization	Rental property depreciation and amortization	68,889	Rental property depreciation and amortization	68,439	69,225	137,328	136,538
Gain on the sales of rental property, net	Gain on the sales of rental property, net	(20,128)	Gain on the sales of rental property, net	(17,532)	(376)	(37,660)	(24,331)
FFO	FFO	99,369	FFO	103,704	101,933	203,073	199,279

Amount allocated to restricted shares of common stock and unvested units	Amount allocated to restricted shares of common stock and unvested units	(147)	(157)	Amount allocated to restricted shares of common stock and unvested units	(144)	(145)	(291)	(302)
FFO attributable to common stockholders and unit holders	FFO attributable to common stockholders and unit holders	\$ 99,222	\$ 97,189	\$ 103,560	\$ 101,788	\$ 202,782	\$ 198,977	

Net Operating Income

We consider NOI to be an appropriate supplemental performance measure to net income (loss) because we believe it helps investors and management understand the core operations of our buildings. NOI is defined as rental income, which includes billings for common area maintenance, real estate taxes and insurance, less property expenses and real estate taxes and insurance. NOI should not be viewed as an alternative measure of our financial performance since it excludes expenses which could materially impact our results of operations. Further, our NOI may not be comparable to that of other real estate companies, as they may use different methodologies for calculating NOI.

The following table sets forth a reconciliation of our NOI for the periods presented to net income, the nearest GAAP equivalent.

Reconciliation of Net Income to NOI (in thousands)	Three months ended March 31,			Three months ended June 30,			Six months ended June 30,		
	Reconciliation of Net Income to NOI (in thousands)		2023	2022	Reconciliation of Net Income to NOI (in thousands)		2023	2022	2023
	Net income	Net income	\$ 50,608	\$ 53,988	Net income	\$ 52,797	\$ 33,084	\$ 103,405	\$ 87,072
General and administrative	General and administrative	12,676	12,313	General and administrative	12,060	12,234	24,736	24,547	
Depreciation and amortization	Depreciation and amortization	68,944	67,366	Depreciation and amortization	68,494	69,279	137,438	136,645	
Interest and other income	Interest and other income	(19)	(34)	Interest and other income	(17)	(23)	(36)	(57)	
Interest expense	Interest expense	22,612	17,259	Interest expense	22,860	17,896	45,472	35,155	
Other expenses	Other expenses	2,979	497	Other expenses	357	532	3,336	1,029	
Gain on the sales of rental property, net	Gain on the sales of rental property, net	(20,128)	(23,955)	Gain on the sales of rental property, net	(17,532)	(376)	(37,660)	(24,331)	
Net operating income	Net operating income	\$ 137,672	\$ 127,434	Net operating income	\$ 139,019	\$ 132,626	\$ 276,691	\$ 260,060	

Cash Flows

Comparison of the three six months ended March 31, 2023 June 30, 2023 to the three six months ended March 31, 2022 June 30, 2022

The following table summarizes our cash flows for the three six months ended March 31, 2023 June 30, 2023 compared to the three six months ended March 31, 2022 June 30, 2022.

Cash Flows	Cash Flows (dollars in thousands)	Three months ended March 31,		Change		Cash Flows (dollars in thousands)	Six months ended June 30,		Change	
		2023	2022	\$	%		2023	2022	\$	%
Net cash provided by operating activities	Net cash provided by operating activities	\$ 86,421	\$ 88,879	\$ (2,458)	(2.8) %	Net cash provided by operating activities	\$ 196,223	\$ 191,188	\$ 5,035	2.6 %
Net cash provided by (used in) investing activities		\$ 9,833	\$ (148,797)	\$ 158,630	106.6 %					

Net cash used in investing activities		Net cash used in investing activities			
Net cash provided by (used in) financing activities	Net cash provided by (used in) financing activities	\$ (104,870)	\$ 74,727	\$ (179,597)	(240.3) %

Net cash used in investing activities		Net cash used in investing activities			
Net cash provided by (used in) financing activities	Net cash provided by (used in) financing activities	\$ 25,606	\$ 334,909	\$ (309,303)	(92.4) %

Net cash provided by operating activities decreased increased approximately \$2.5 million \$5.0 million to approximately \$86.4 million \$196.2 million for the three six months ended March 31, 2023 June 30, 2023 compared to approximately \$88.9 million \$191.2 million for the three six months ended March 31, 2022 June 30, 2022. The decrease increase was primarily attributable to incremental operating cash flows from property acquisitions completed after June 30, 2022, and operating performance at existing properties. These increases were partially offset by the loss of cash flows from property dispositions completed after March 31, 2022 June 30, 2022 and fluctuations in working capital due to the timing of payments and rental receipts. The decrease was partially offset by the incremental operating cash flows from property acquisitions completed after March 31, 2022, and operating performance at existing properties.

Net cash provided by (used in) investing activities increased approximately \$158.6 million to approximately \$9.8 million net cash provided by investing activities for the three months ended March 31, 2023 compared to approximately \$148.8 million net cash used in investing activities decreased approximately \$309.3 million to approximately \$25.6 million for the three six months ended March 31, 2022 June 30, 2023 compared to approximately \$334.9 million for the six months ended June 30, 2022. The increase decrease was primarily attributable to the acquisition of 8 two buildings for a total cash consideration of approximately \$166.4 million \$40.7 million during the six months ended June 30, 2023, compared to the acquisition of 17 buildings for a total cash consideration of approximately \$337.3 million for the three six months ended March 31, 2022, whereas there were no acquisitions during the three months ended March 31, 2023 June 30, 2022. Additionally, the increase decrease was attributable to an increase in proceeds from sales of rental property, net of approximately \$1.0 million \$30.9 million during the three six months ended March 31, 2023 June 30, 2023 compared to the three six months ended March 31, 2022 June 30, 2022. These increases decreases were partially offset by an increase of approximately \$10.6 million \$18.7 million in cash paid for the additions of land and buildings and improvements related to development and other capital expenditures.

Net cash provided by (used in) financing activities decreased approximately \$179.6 million \$319.2 million to approximately \$104.9 million \$182.9 million net cash used in financing activities for the three six months ended March 31, 2023 June 30, 2023 compared to approximately \$74.7 million \$136.4 million net cash provided by financing activities for the three six months ended March 31, 2022 June 30, 2022. This decrease was primarily attributable to the funding of the \$400.0 million unsecured note on June 28, 2022 that did not occur during the six months ended June 30, 2023, as well as the redemption of \$100.0 million of unsecured notes on January 5, 2023 that did not occur during the three six months ended March 31, 2022 June 30, 2022. This decrease was also attributable to a decrease in net proceeds received from the sale of common stock of approximately \$55.2 million \$46.3 million during the three six months ended March 31, 2023 June 30, 2023 compared to the three six months ended March 31, 2022, as well as a decrease in net cash inflow of approximately \$28.0 million from our unsecured credit facility June 30, 2022. These decreases were partially offset by a decrease in net borrowings of approximately \$2.3 million in dividends paid \$221.0 million under our unsecured credit facility during the three six months ended March 31, 2023 compared to the three months ended March 31, 2022 June 30, 2022.

Liquidity and Capital Resources

We believe that our liquidity needs will be satisfied through cash flows generated by operations, disposition proceeds, and financing activities. Operating cash flow from rental income, expense recoveries from tenants, and other income from operations is our principal source of funds to pay operating expenses, debt service, recurring capital expenditures, and the distributions required to maintain our REIT qualification. We primarily rely on the capital markets (common and preferred equity and debt securities) to fund our acquisition activity. We seek to increase cash flows from our properties by maintaining quality building standards that promote high occupancy rates and permit increases in rental rates, while reducing tenant turnover and controlling operating expenses. We believe that our revenue, together with proceeds from building sales and equity and debt financings, will continue to provide funds for our short-term and medium-term liquidity needs.

Our short-term liquidity requirements consist primarily of funds necessary to pay for operating expenses and other expenditures directly associated with our buildings, including interest expense, interest rate swap payments, scheduled principal payments on outstanding indebtedness, property acquisitions under contract, general and administrative expenses, and capital expenditures including development projects, tenant improvements and leasing commissions.

Our long term liquidity needs, in addition to recurring short-term liquidity needs as discussed above, consist primarily of funds necessary to pay for property acquisitions and scheduled debt maturities. We intend to satisfy our long term liquidity needs through cash flow from operations, the issuance of equity or debt securities, other borrowings, property dispositions, or, in connection with acquisitions of certain additional buildings, the issuance of common units in the Operating Partnership.

As of March 31, 2023 June 30, 2023, we had total immediate liquidity of approximately \$778.9 million \$794.2 million, comprised of \$17.2 million \$13.5 million of cash and cash equivalents and \$761.7 million \$780.7 million of immediate availability on our unsecured credit facility. When incorporating our total immediate liquidity of approximately \$794.2 million, the approximately \$25.2 million and \$35.8 million of forward sale proceeds available under the ATM common stock offering program (as defined below) through May 6, 2024 and June 21, 2024, respectively, our total liquidity was approximately \$855.2 million as of June 30, 2023.

In addition, we require funds to pay dividends to holders of our common stock and common units in the Operating Partnership. Any future dividends on our common stock are declared in the sole discretion of our board of directors, subject to the distribution requirements to maintain our REIT status for federal income tax purposes, and may be reduced or stopped for any reason, including to use funds for other liquidity requirements.

Indebtedness Outstanding

The following table summarizes certain information with respect to our indebtedness outstanding as of **March 31, 2023** **June 30, 2023**.

Indebtedness (dollars in thousands)	Indebtedness (dollars in thousands)	March 31, 2023	Interest Rate ⁽¹⁾⁽²⁾	Maturity Date	Prepayment Terms ⁽³⁾	Indebtedness (dollars in thousands)	June 30, 2023	Interest Rate ⁽¹⁾⁽²⁾	Maturity Date	Prepayment Terms ⁽³⁾
Unsecured credit facility:	Unsecured credit facility:					Unsecured credit facility:				
Unsecured Credit Facility ⁽⁴⁾	Unsecured Credit Facility ⁽⁴⁾	\$ 235,000	Term SOFR + 0.855%	October 23, 2026	i	Unsecured Credit Facility ⁽⁴⁾	\$ 216,000	Term SOFR + 0.855%	October 23, 2026	i
Total unsecured credit facility	Total unsecured credit facility	235,000				Total unsecured credit facility	216,000			
Unsecured term loans:	Unsecured term loans:					Unsecured term loans:				
Unsecured Term Loan F	Unsecured Term Loan F	200,000	2.94 %	January 12, 2025	i	Unsecured Term Loan F	200,000	2.94 %	January 12, 2025	i
Unsecured Term Loan G	Unsecured Term Loan G	300,000	1.09 %	February 5, 2026	i	Unsecured Term Loan G	300,000	1.78 %	February 5, 2026	i
Unsecured Term Loan A	Unsecured Term Loan A	150,000	2.14 %	March 15, 2027	i	Unsecured Term Loan A	150,000	2.14 %	March 15, 2027	i
Unsecured Term Loan H	Unsecured Term Loan H	187,500	3.73 %	January 25, 2028	i	Unsecured Term Loan H	187,500	3.73 %	January 25, 2028	i
Unsecured Term Loan I	Unsecured Term Loan I	187,500	3.49 %	January 25, 2028	i	Unsecured Term Loan I	187,500	3.49 %	January 25, 2028	i
Total unsecured term loans	Total unsecured term loans	1,025,000				Total unsecured term loans	1,025,000			
Total unamortized deferred financing fees and debt issuance costs	Total unamortized deferred financing fees and debt issuance costs	(4,228)				Total unamortized deferred financing fees and debt issuance costs	(3,894)			
Total carrying value unsecured term loans, net	Total carrying value unsecured term loans, net	1,020,772				Total carrying value unsecured term loans, net	1,021,106			
Unsecured notes:	Unsecured notes:					Unsecured notes:				
Series A Notes	Series A Notes	50,000	4.98 %	October 1, 2024	ii	Series A Notes	50,000	4.98 %	October 1, 2024	ii
Series D Notes	Series D Notes	100,000	4.32 %	February 20, 2025	ii	Series D Notes	100,000	4.32 %	February 20, 2025	ii
Series G Notes	Series G Notes	75,000	4.10 %	June 13, 2025	ii	Series G Notes	75,000	4.10 %	June 13, 2025	ii
Series B Notes	Series B Notes	50,000	4.98 %	July 1, 2026	ii	Series B Notes	50,000	4.98 %	July 1, 2026	ii

Series C Unsecured Notes	Series C Unsecured Notes	80,000	4.42	%	December 30, 2026	ii	Series C Unsecured Notes	80,000	4.42	%	December 30, 2026	ii
Series E Unsecured Notes	Series E Unsecured Notes	20,000	4.42	%	February 20, 2027	ii	Series E Unsecured Notes	20,000	4.42	%	February 20, 2027	ii
Series H Unsecured Notes	Series H Unsecured Notes	100,000	4.27	%	June 13, 2028	ii	Series H Unsecured Notes	100,000	4.27	%	June 13, 2028	ii
Series I Unsecured Notes	Series I Unsecured Notes	275,000	2.80	%	September 29, 2031	ii	Series I Unsecured Notes	275,000	2.80	%	September 29, 2031	ii
Series K Unsecured Notes	Series K Unsecured Notes	400,000	4.12	%	June 28, 2032	ii	Series K Unsecured Notes	400,000	4.12	%	June 28, 2032	ii
Series J Unsecured Notes	Series J Unsecured Notes	50,000	2.95	%	September 28, 2033	ii	Series J Unsecured Notes	50,000	2.95	%	September 28, 2033	ii
Total unsecured notes	Total unsecured notes	1,200,000					Total unsecured notes	1,200,000				
Total unamortized deferred financing fees and debt	Total unamortized deferred financing fees and debt						Total unamortized deferred financing fees and debt					
issuance costs	issuance costs	(4,381)					issuance costs	(4,210)				
Total carrying value unsecured notes, net	Total carrying value unsecured notes, net	1,195,619					Total carrying value unsecured notes, net	1,195,790				
Mortgage notes (secured debt):	Mortgage notes (secured debt):						Mortgage notes (secured debt):					
Thrivent Financial for Lutherans	Thrivent Financial for Lutherans	3,262	4.78	%	December 15, 2023	iii	Thrivent Financial for Lutherans	3,227	4.78	%	December 15, 2023	iii
United of Omaha Life Insurance Company	United of Omaha Life Insurance Company	4,692	3.71	%	October 1, 2039	ii	United of Omaha Life Insurance Company	4,641	3.71	%	October 1, 2039	ii
Total mortgage notes	Total mortgage notes	7,954					Total mortgage notes	7,868				
Net unamortized fair market value discount	Net unamortized fair market value discount	(138)					Net unamortized fair market value discount	(139)				
Total unamortized deferred financing fees and debt	Total unamortized deferred financing fees and debt						Total unamortized deferred financing fees and debt					
issuance costs	issuance costs	(3)					issuance costs	(2)				
Total carrying value mortgage notes, net	Total carrying value mortgage notes, net	7,813					Total carrying value mortgage notes, net	7,727				
Total / weighted average interest rate⁽⁵⁾	Total / weighted average interest rate⁽⁵⁾	\$ 2,459,204	3.49	%			Total / weighted average interest rate⁽⁵⁾	\$ 2,440,623	3.59	%		

(1) Interest rate as of **March 31, 2023** **June 30, 2023**, the one-month Term Secured Overnight Financing Rate ("Term SOFR") was **4.80247%** **5.14078%**. The current interest rate is not adjusted to include the amortization of deferred financing fees or debt issuance costs incurred in obtaining debt or any unamortized fair market value premiums or discounts. The spread over the applicable rate for our unsecured credit facility and unsecured term loans is based on **the our debt rating and leverage ratio**, as defined in the respective loan agreements.

(2) Our unsecured credit facility has a stated rate of one-month Term SOFR plus a 0.10% adjustment and a spread of 0.775%, less a sustainability-related interest rate adjustment of 0.02%. Our unsecured term loans have a stated interest rate of one-month Term SOFR plus a 0.10% adjustment and a spread of 0.85%, less a sustainability-related interest rate adjustment of 0.02%. As of **March 31, 2023** **June 30, 2023**, one-month Term SOFR for the Unsecured Term Loans A, F,

G, H, and I was swapped to a fixed rate of 1.31%, 2.11%, **0.26%** **0.95%**, 2.90%, and 2.66%, respectively (which includes the 0.10% adjustment). **One month Term SOFR for the Unsecured Term Loan G will be swapped to a fixed rate of 0.95% effective April 18, 2023**. One-month Term SOFR for the Unsecured Term Loan H will be swapped to a fixed rate of 2.50% effective January 12, 2024.

(3) Prepayment terms consist of (i) pre-payable with no penalty; (ii) pre-payable with penalty; (iii) pre-payable without penalty three months prior to the maturity date.

(4) The capacity of our unsecured credit facility is \$1.0 billion. The initial maturity date is October 24, 2025, or such later date which may be extended pursuant to two six-month extension options exercisable by us in our discretion upon advance written notice. Exercise of each six-month option is subject to the following conditions: (i) absence of a default immediately before the extension and immediately after giving effect to the extension, (ii) accuracy of representations and warranties as of the extension date (both immediately before and after the extension), as if made on the extension date, and (iii) payment of a fee. Neither extension option is subject to lender consent, assuming proper notice and satisfaction of the conditions. We are required to pay a facility fee on the aggregate commitment amount (currently \$1.0 billion) at a rate per annum of 0.1% to 0.3%, depending on our debt rating, as defined in the credit agreement. The facility fee is due and payable quarterly.

(5) The weighted average interest rate was calculated using the fixed interest rate swapped on the notional amount of \$1,025.0 million of debt and is not adjusted to include the amortization of deferred financing fees or debt issuance costs incurred in obtaining debt or any unamortized fair market value premiums or discounts.

The aggregate undrawn nominal commitments on our unsecured credit facility and unsecured term loans as of **March 31, 2023** **June 30, 2023** was approximately **\$761.7 million** **\$780.7 million**, including issued letters of credit. Our actual borrowing capacity at any given point in time may be less and is restricted to a maximum amount based on our debt covenant compliance.

Our unsecured credit facility, unsecured term loans, unsecured notes, and mortgage notes are subject to ongoing compliance with a number of financial and other covenants. As of **March 31, 2023** **June 30, 2023**, we were in compliance with the applicable financial covenants.

On January 5, 2023, we redeemed in full at maturity the \$100.0 million in aggregate principal amount of the Series F Unsecured Notes with a fixed interest rate of 3.98%.

On January 19, 2023, the sustainability-related interest rate adjustment for our Unsecured Term Loan H and Unsecured Term Loan I went into effect in connection with our 2022 public disclosure assessment score of "A" from the Global Real Estate Sustainability Benchmark (GRESB). The interest rate adjustment, a 0.02% interest rate reduction for each instrument, will end on June 29, 2024, in accordance with the respective loan agreements.

The following table summarizes our debt capital structure as of **March 31, 2023** **June 30, 2023**.

Debt Capital Structure	March 31, June 30, 2023	
Total principal outstanding (in thousands)	\$	2,467,954 2,448,868
Weighted average duration (years)		5.1 4.9
% Secured debt		0.3 %
% Debt maturing next 12 months		0.1 %
Net Debt to Real Estate Cost Basis ⁽¹⁾		35.5 35.1 %

(1) "Net Debt" means amounts outstanding under our unsecured credit facility, unsecured term loans, unsecured notes, and mortgage notes, less cash and cash equivalents. "Real Estate Cost Basis" means the book value of rental property and deferred leasing intangibles, exclusive of the related accumulated depreciation and amortization.

We regularly pursue new financing opportunities to ensure an appropriate balance sheet position. As a result of these dedicated efforts, we are confident in our ability to meet future debt maturities and fund acquisitions. We believe that our current balance sheet is in an adequate position at the date of this filing, despite possible volatility in the credit markets.

Our interest rate exposure on our floating rate debt is managed through the use of interest rate swaps, which fix the rate of our long term floating rate debt. For a detailed discussion on our use of interest rate swaps, see "Interest Rate Risk" below.

Equity

Preferred Stock

We are authorized to issue up to 20,000,000 shares of preferred stock, par value \$0.01 per share. As of **March 31, 2023** **June 30, 2023** and December 31, 2022, there were no shares of preferred stock issued or outstanding.

Common Stock

We are authorized to issue up to 300,000,000 shares of common stock, par value \$0.01 per share.

The following table summarizes our at-the-market ("ATM") common stock offering program as of **March 31, 2023** **June 30, 2023**. Pursuant to the equity distribution agreements for our ATM common stock offering program, we may from time to time sell common stock through sales agents and their affiliates, including shares sold on a forward basis under forward sale agreements. **There was no activity**

ATM Common Stock Offering Program	Date	Maximum Aggregate Offering Price (in thousands)	Aggregate Available as of June 30, 2023 (in thousands)
2022 \$750 million ATM	February 17, 2022	\$ 750,000	\$ 679,463

ATM Common Stock Offering Program	Three months ended June 30, 2023		
	Shares Sold	Weighted Average Price Per Share	Net Proceeds (in thousands)
2022 \$750 million ATM ⁽¹⁾	249,016	\$ 35.55	\$ 8,765
Total/weighted average	249,016	\$ 35.55	\$ 8,765

⁽¹⁾ Excludes shares sold on a forward basis under the ATM common stock offering program during the six months ended June 30, 2023, which are discussed below.

ATM Common Stock Offering Program	Date	Maximum Aggregate Offering Price (in thousands)	Aggregate Available as of March 31, 2023 (in thousands)
2022 \$750 million ATM	February 17, 2022	\$ 750,000	\$ 750,000

In addition, on May 5, 2023, we sold 725,698 shares on a forward basis under the ATM common stock offering program at a sale price of \$35.0458 per share (an aggregate of approximately \$25.4 million in gross sale price), or \$34.6953 per share net of commissions. We did not receive any proceeds from the sale of shares on a forward basis. We expect to fully physically settle the applicable forward sale agreement on one or more dates prior to the scheduled maturity date of May 6, 2024; provided, however, we may elect to cash settle or net share settle such forward sale agreement at any time through the scheduled maturity date.

On June 16, 2023, we also sold 992,295 shares on a forward basis under the ATM common stock offering program at a weighted average sale price of \$36.5319 per share (an aggregate of approximately \$36.3 million in gross sale price), or \$36.1820 per share net of commissions. We did not initially receive any proceeds from the sale of shares on a forward basis. We expect to fully physically settle the applicable forward sale agreement on one or more dates prior to the scheduled maturity date of June 21, 2024; provided, however, we may elect to cash settle or net share settle the forward sale agreement at any time through the scheduled maturity date.

Noncontrolling Interest

We own our interests in all of our properties and conduct substantially all of our business through the Operating Partnership. We are the sole member of the sole general partner of the Operating Partnership. As of **March 31, 2023** **June 30, 2023**, we owned approximately **97.7%** **97.8%** of the common units in the Operating Partnership, and our current and former executive officers, directors, senior employees and their affiliates, and third parties that contributed properties to us in exchange for common units in the Operating Partnership owned the remaining **2.3%** **2.2%**.

Interest Rate Risk

We use interest rate swaps to fix the rate of our variable rate debt. As of **March 31, 2023** **June 30, 2023**, all of our outstanding variable rate debt, with the exception of our unsecured credit facility, was fixed with interest rate swaps through maturity.

We recognize all derivatives on the balance sheet at fair value. If the derivative is designated as 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 (loss), which is a component of equity. Derivatives that are not designated as hedges must be adjusted to fair value and the changes in fair value must be reflected as income or expense.

We have established criteria for suitable counterparties in relation to various specific types of risk. We only use counterparties that have a credit rating of no lower than investment grade at swap inception from Moody's Investor Services, Standard & Poor's, or Fitch Ratings or other nationally recognized rating agencies.

The swaps are all designated as cash flow hedges of interest rate risk, and all are valued as Level 2 financial instruments. Level 2 financial instruments are defined as significant other observable inputs. As of **March 31, 2023** **June 30, 2023**, we had **25** **21** interest rate swaps outstanding that were in an asset position of approximately **\$56.2 million** **\$72.0 million**, including any adjustment for nonperformance risk related to these agreements.

As of **March 31, 2023** **June 30, 2023**, we had approximately **\$1,260.0 million** **\$1,241.0 million** of variable rate debt. As of **March 31, 2023** **June 30, 2023**, all of our outstanding variable rate debt, with the exception of our unsecured credit facility, was fixed with interest rate swaps through maturity. To the extent interest rates increase, interest costs on our floating rate debt not fixed with interest rate swaps will increase, which could adversely affect our cash flow and our ability to pay principal and interest on our debt and our ability to make distributions to our security holders. From time to time, we may enter into interest rate swap agreements and other interest rate hedging contracts, including swaps, caps and floors. In addition, an increase in interest rates could decrease the amounts third parties are willing to pay for our assets, thereby limiting our ability to change our portfolio promptly in response to changes in economic or other conditions.

Off-balance Sheet Arrangements

As of **March 31, 2023** **June 30, 2023**, we had letters of credit related to development projects and certain other agreements of approximately \$3.3 million. As of **March 31, 2023** **June 30, 2023**, we had no other material off-balance sheet arrangements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

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 our borrowings, primarily through interest rate swaps.

As of **March 31, 2023** **June 30, 2023**, we had **\$1,260.0 million** **\$1,241.0 million** of variable rate debt outstanding. As of **March 31, 2023** **June 30, 2023**, all of our outstanding variable rate debt, with the exception of our unsecured credit facility which had a balance of **\$235.0 million** **\$216.0 million**, was fixed with interest rate swaps through maturity. To the extent we undertake additional variable rate indebtedness, if interest rates increase, then so will the interest costs on our unhedged variable rate debt, which could adversely affect our cash flow and our ability to pay principal and interest on our debt and our ability to make distributions to our security holders. Further, rising interest rates could limit our ability to refinance existing debt when it matures or significantly increase our future interest expense. From time to time, we enter into interest rate swap agreements and other interest rate hedging contracts, including swaps, caps and floors. While these agreements are intended to lessen the impact of rising interest rates on us, they also expose us to the risk that the

other parties to the agreements will not perform, we could incur significant costs associated with the settlement of the agreements, the agreements will be unenforceable and the underlying transactions will fail to qualify as highly-effective cash flow hedges under GAAP. In addition, an increase in interest rates could decrease the amounts third parties are willing to pay for our assets, thereby limiting our ability to change our portfolio promptly in response to changes in economic or other conditions. If interest rates increased by 100 basis points and assuming we had an outstanding balance of **\$235.0 million** **\$216.0 million** on our unsecured credit facility for the **three** **six** months ended **March 31, 2023** **June 30, 2023**, our interest expense would have increased by approximately **\$0.6 million** **\$1.1 million** for the **three** **six** months ended **March 31, 2023** **June 30, 2023**.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As required by SEC Rule 13a-15(b), we have evaluated, under the supervision of and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act, as of **March 31, 2023** **June 30, 2023**. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures for the periods covered by this report were effective to provide reasonable assurance that information required to be disclosed by our Company in reports that 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 our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Controls

There was no change to our internal control over financial reporting during the quarter ended **March 31, 2023** **June 30, 2023** that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. Other Information

Item 1. Legal Proceedings

From time to time, we are a party to various lawsuits, claims and other legal proceedings that arise in the ordinary course of our business. We are not currently a party, as plaintiff or defendant, to any legal proceedings which, that, individually or in the aggregate, would be expected to have a material effect on our business, financial condition or results of operations if determined adversely to our company.

Item 1A. Risk Factors

Other than the following, there have been no material changes from 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 15, 2023.

Recent macroeconomic trends, including inflation and rising interest rates, and adverse developments affecting the financial services industry may adversely affect our business, financial condition and results of operations.

During the year ended December 31, 2022, inflation in the United States accelerated and is currently expected to continue at an elevated level in the near-term. Beginning in 2022, in an effort to combat inflation and restore price stability, the Federal Reserve significantly raised its benchmark federal funds rate, which led to increases in interest rates in the credit markets. The Federal Reserve may continue to raise the federal funds rate, which will likely lead to higher interest rates in the credit markets and the possibility of slowing economic growth and/or a recession. Additionally, U.S. government policies implemented to address inflation, including actions by the Federal Reserve to increase interest rates, could negatively impact consumer spending, our tenants' businesses, and/or future demand for industrial space.

Rising inflation could also have an adverse impact on our financing costs (either through near-term borrowings on our variable rate debt, including our unsecured credit facility, or refinancing of existing debt at higher interest rates), and general and administrative expenses and property operating expenses, as these costs could increase at a rate higher than our rental and other revenue. To the extent our exposure to increases in interest rates is not eliminated through interest rate swaps or other protection agreements, such increases may also result in higher debt service costs, which will adversely affect our cash flows. Historically, during periods of increasing interest rates, real estate valuations have generally decreased due to rising capitalization rates, which tend to move directionally with interest rates. Consequently, prolonged periods of higher interest rates may negatively impact the valuation of our real estate assets and could result in the decline of the market price of our common stock, which may adversely impact our ability and willingness to raise equity capital on favorable terms, including through our at-the-market ("ATM") common stock offering program. Although the extent of any prolonged periods of higher interest rates remains unknown at this time, negative impacts to our cost of capital may adversely affect our future business plans and growth, at least in the near term.

Actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. For example, on March 10, 2023, Silicon Valley Bank was closed by the California Department of Financial Protection and Innovation, which appointed the FDIC as receiver. Similarly, on March 12, 2023, Signature Bank and Silvergate Capital Corp. were each swept into receivership. In addition, if any parties with whom we conduct business are unable to access funds pursuant to such instruments or lending arrangements with such a financial institution, such parties' ability to pay their obligations to us or to enter into new commercial arrangements requiring additional payments to us could be adversely affected. Although we assess our banking relationships as we believe necessary or appropriate, our access to funding sources and other credit arrangements in amounts adequate to finance or capitalize our current and projected future business operations could be significantly impaired by factors that affect us, the financial services industry or economy in general. These factors could include, among others, events such as liquidity constraints or failures, the ability to perform obligations under various types of financial, credit or liquidity agreements or arrangements, disruptions or instability in the financial services industry or financial markets, or concerns or negative expectations about the prospects for companies in the financial services industry.

If debt is unavailable at reasonable rates, we may not be able to finance acquisitions or refinance our existing debt.

If debt is unavailable at reasonable rates, we may not be able to finance acquisitions or refinance existing debt when the loans come due on favorable terms, or at all. Most of our financing arrangements require us to make a lump-sum or "balloon" payment at maturity. Our ability to make a payment at maturity is uncertain and, in the event that we do not have sufficient funds, we will need to refinance this debt. If interest rates are higher when we refinance such debt, our net income, cash flow, and, consequently, our cash available for distribution to stockholders could be reduced. If the credit environment is constrained at the time a payment is due, we may not be able to refinance the existing debt on acceptable terms and may be forced to choose from a number of unfavorable options, including accepting unfavorable financing terms, selling properties on disadvantageous terms or defaulting and permitting the lender to foreclose.

In addition, adverse developments affecting the financial services industry or investor concerns regarding the U.S. or international financial systems could result in less favorable commercial financing terms, including higher interest rates or costs and tighter financial and operating covenants, or systemic limitations on access to credit and liquidity sources, thereby making it more difficult for us to acquire financing on acceptable terms or at all. Any decline in available funding or access to our cash and liquidity resources could, among other risks, adversely impact our ability to meet our financial or other obligations or reduce our net income and cash available for distribution to stockholders.

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

Recent Sales of Unregistered Equity Securities

During the quarter ended **March 31, 2023** June 30, 2023, the Operating Partnership issued **43,834** 35,000 common units in the Operating Partnership upon exchange of outstanding long term incentive plan units issued pursuant to the STAG Industrial, Inc. 2011 Equity Incentive Plan, as amended and restated (the "2011 Plan"). Subject to certain restrictions, common units in the Operating Partnership may be redeemed for cash in an amount equal to the value of a share of common stock or, at our election, for a share of common stock on a one-for-one basis.

During the quarter ended **March 31, 2023** June 30, 2023, we issued **43,834** 35,000 shares of common stock upon redemption of **43,834** 35,000 common units in the Operating Partnership held by various limited partners. The issuance of such shares of common stock was either registered under the Securities Act or effected in reliance upon an exemption

from registration provided by Section 4(a)(2) under the Securities Act and the rules and regulations promulgated thereunder. We relied on the exemption based on representations given by the holders of the common units.

All other issuances of unregistered securities during the quarter ended **March 31, 2023** **June 30, 2023**, if any, have previously been disclosed in filings with the SEC.

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share ⁽¹⁾	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs
			Plans or Programs	Under the Plans or Programs
January 1, 2023 - January 31, 2023	25,085	\$ 32.39	—	\$ —
February 1, 2023 - February 28, 2023	—	—	—	\$ —
March 1, 2023 - March 31, 2023	—	—	—	\$ —
Total/weighted average	25,085	\$ 32.39	—	\$ —

(1) Reflects shares surrendered to the Company for payment of tax withholdings obligations in connection with the vesting of shares of common stock issued pursuant to the 2011 Plan. The average price paid reflects the average market value of shares withheld for tax purposes.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None. During the three months ended June 30, 2023, none of the Company's directors or officers adopted or terminated any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act of 1933).

Item 6. Exhibits

Exhibit Number	Description of Document
10.1	Second Amended and Restated Agreement of Limited Partnership, Amendment to the 2011 Equity Incentive Plan, dated as of February 15, 2023 April 25, 2023 (incorporated by reference to the Annual Current Report on Form 10-K 8-K filed with the SEC on February 15, 2023 April 28, 2023).
10.2 *	Executive Employment Agreement with Steven T. Kimball, effective as of March 31, 2023
31.1 *	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2 *	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1 **	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS *	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH *	Inline XBRL Taxonomy Extension Schema Document
101.CAL *	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF *	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB *	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE *	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104 *	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Furnished herewith.

SIGNATURES

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Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

STAG INDUSTRIAL, INC.

Date: **April 26, 2023** July 26, 2023

BY: **/s/ MATTS S. PINARD**
Matts S. Pinard
Chief Financial Officer, Executive Vice President and Treasurer (Principal Financial Officer)

BY: **/s/ JACLYN M. PAUL**
Jaclyn M. Paul
Chief Accounting Officer (Principal Accounting Officer)

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Exhibit 10.2

EXECUTIVE EMPLOYMENT AGREEMENT

This **EXECUTIVE EMPLOYMENT AGREEMENT** ("Agreement") is made effective as of March 31, 2023 (the "Effective Date"), by and among **STAG INDUSTRIAL, INC.**, a Maryland corporation (the "Company"), **STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P.** (the "Partnership"), a Delaware limited partnership, and **STEVEN T. KIMBALL** ("Executive") to affirm the terms and conditions of Executive's employment.

The parties agree as follows:

1. Employment. As of the Effective Date, Employer (as defined below) hereby employs Executive, and Executive hereby accepts such employment, upon the terms and conditions set forth herein.

2. Duties.

2.1 Position. Executive is employed on a full-time basis from the Effective Date through December 31, 2024 (the "Initial Term"), as Executive Vice President—Real Estate Operations, shall report directly to the President of the Company, and shall have the duties and responsibilities commensurate with such position as shall be reasonably and in good faith determined from time to time by the President with respect to the Company, the Partnership and/or a subsidiary of either (collectively, "Employer").

2.2 Duties. Executive shall: (a) abide by all applicable federal, state and local laws, regulations and ordinances, and (b) except for vacation and illness periods, devote substantially all of his business time, energy, skill and efforts to the performance of his duties hereunder in a manner that will faithfully and diligently further the business interests of Employer; provided, that, notwithstanding the foregoing, Executive may (i) make and manage personal business investments of his choice, subject to the limitations set forth in Section 8 hereof, including those described on **Exhibit A** to this Agreement, (ii) serve as a director or in any other capacity of any business enterprise, including an enterprise whose activities may involve or relate to the Employer Business (as defined below), provided that such service is expressly approved in advance by the Board of Directors of the Company (the "Board"), and (iii) serve in any capacity with any civic, educational, religious or charitable organization, or any governmental entity or trade association; provided that all such other activities do not materially interfere with the performance of Executive's duties hereunder.

3. Term of Employment. The term of this Agreement shall commence on the Effective Date and shall continue until the expiration of the Initial Term unless earlier terminated as herein provided. The Initial Term shall be automatically renewed for successive one-year periods (each an "Extended Term") unless either party gives written notice of non-renewal at least sixty (60) days prior to the end of the Initial Term or any Extended Term. As used herein, "Term" shall include the Initial Term and any Extended Term, but the Term shall end upon any lawful termination of Executive's employment with Employer as herein provided.

4. Compensation.

4.1 Base Salary. As compensation for Executive's performance of Executive's duties as set forth herein and as hereafter determined by the compensation committee of the Board from time to time, effective as of the Effective Date, Employer shall pay to Executive a base salary of three hundred seventy-five thousand dollars (\$375,000) per year ("Base Salary"), payable in accordance with the normal payroll practices of Employer, less all legally required or authorized payroll deductions and tax withholdings. Base Salary shall be reviewed annually, and may be increased, at the sole discretion of the compensation committee of the Board, in light of Executive's performance and Employer's financial performance and other economic conditions and relevant factors determined by the compensation committee of the Board.

4.2 LTIP Units and Other Equity Awards.

(a) As part of the consideration for employment, Executive shall be eligible to receive grants of LTIP Units (as defined the Partnership's agreement of limited partnership) and other equity awards, in such amount and in such form as the compensation committee of the Board deems appropriate, should it determine that such a grant is advisable in its sole discretion. Such grants shall be subject to the terms and conditions of the STAG Industrial, Inc. 2011 Equity Incentive Plan, as amended (the "2011 Equity Plan") (or such subsequent equity plan as may be in place from time to time), and the applicable award agreement determined by the compensation committee of the Board.

(b) Upon the Effective Date, Employer shall cause to be granted to Executive LTIP Units equal in fair value (as determined by the compensation committee of the Board in its discretion) at the time of such grant to six hundred twenty-eight thousand one hundred twenty-five dollars (\$628,125). Such LTIP Units shall be evidenced by, and subject to, an LTIP Unit Agreement substantially in the form used for the most recent grants of LTIP Units made to the other executive officers of the Company and shall vest ratably each calendar quarter over the four year-period ending December 31, 2026.

(c) Upon the Effective Date, Employer shall cause to be granted to Executive Performance Award Share Units equal in fair value (as determined by the compensation committee of the Board in its discretion) at the time of such grant to six hundred nine thousand three hundred seventy-five dollars (\$609,375). Such Performance Award Share Units shall be evidenced by, and subject to, a Performance Award Agreement substantially in the form used for the most recent grants of Performance Award Share Units made to the other executive officers of the Company and shall have a three-year measuring period ending December 31, 2025.

(d) Any LTIP Units granted to Executive during the term of this Agreement shall be deemed to have been granted to Executive in consideration of services rendered or to be rendered in Executive's capacity as a partner of the Partnership. During the Term, the Company and the Partnership shall (and shall cause each subsidiary that is a component Employer to) allocate the services provided by Executive to each component Employer and compensate Executive from the respective component Employer on a basis proportionate to the services provided by Executive to each component Employer. The parties confirm that Employer shall (and intends to) require that a sufficient amount of services be provided hereunder to the Partnership by Executive in his capacity as a partner of the Partnership to constitute full and adequate consideration for the issuance of any LTIP Units to Executive.

4.3 **Bonus.** At the sole discretion of the Board's compensation committee, Executive may be paid a cash bonus ("Bonus") relating to each calendar year during the Term, subject to the satisfaction of the terms and conditions set forth in the executive compensation program approved by the Board's compensation committee. Such discretionary Bonus, if any, shall be paid on or before March 15 of the following calendar year. Executive's bonus for the calendar year 2023, as determined by the Board's compensation committee in its discretion and calculated pursuant to the executive compensation program, will not be prorated and instead will be calculated as if Executive had been employed by the Company for the full year 2023. Executive's target bonus for calendar year 2023 for purposes of the executive compensation program will be three hundred seventy-five thousand dollars (\$375,000).

5. **Customary Fringe Benefits.** Executive shall be eligible for all customary and usual fringe benefits generally available to full-time employees of Employer, subject to the terms and conditions of Employer's policies and benefit plan documents, as the same may be amended from time to time. As of the date hereof, Employer provides the following fringe benefits: group health insurance, group dental insurance, life insurance, short-term disability insurance and a flexible health spending program. Employer reserves the right to change or eliminate the fringe benefits on a prospective basis, at any time, effective upon written notice to Executive (which written notice may be delivered electronically by e-mail to Executive's Company email account). In addition, Executive shall receive an allowance for reasonable commuting and parking costs. Notwithstanding the Company's vacation accrual rates in its vacation policy provisions, Executive shall be entitled to accrue vacation of four (4) weeks per year or, if greater, the amount provided under the Company's vacation policy provisions. Employer agrees that for purposes of the STAG Industrial, Inc. Employee Retirement Vesting Program, so long as the program remains the policy of the Company in its current form in the sole discretion of the compensation committee of the Board, and without changing or waiving any other term or condition of the program, Executive will not be required to have a minimum of 10 years of service to satisfy the "Rule of 70."

6. **Business Expenses.** Executive shall be reimbursed for all reasonable, out-of-pocket business expenses incurred in the performance of Executive's duties on behalf of Employer. To obtain reimbursement, expenses must be submitted within one (1) month of being incurred with appropriate supporting documentation in accordance with Employer's policies. All such expenses shall be reimbursed within one (1) month of submission and, in any event, in the same fiscal year in which they were incurred or within one (1) month after the end of such year.

7. **Termination of Employment.** Subject to the terms and conditions of this Section 7, either the Company or Executive may terminate Executive's employment with Employer at any time, with or without Cause (as defined below), or Good Reason (as defined below), during the Term. Any termination of Executive's employment during the Term shall be communicated by written notice of termination from the terminating party to the other party (the "Notice of Termination"). The Notice of Termination shall indicate the specific provision(s) of this Agreement relied upon in effecting the termination and a written statement of the reason(s) for the termination. In the case of a Notice of Termination provided by Executive to Employer, such Notice of Termination shall not be

effective for a period of thirty (30) days after receipt of such Notice of Termination by Employer. In the case of a Notice of Termination provided by the Company to Executive, such Notice of Termination shall not be effective for a period of thirty (30) days after receipt of such Notice of Termination by Executive, except that the Company may, in its discretion, pay Executive Base Salary in lieu of the notice period or any portion thereof. If Executive's employment is terminated by either party, for any reason, during the Term, Employer shall pay to Executive the accrued and unpaid Base Salary, any awarded but unpaid Bonus for the most recently completed fiscal year and accrued but unused vacation as of the date of Executive's termination of employment. Except as otherwise provided in this Section 7 and its subsections, Employer shall have no further obligation to make or provide to Executive, and Executive shall have no further right to receive or obtain from Employer, any payments or benefits in respect of the termination of Executive's employment with Employer during the Term. In addition, effective immediately upon termination of employment, Executive shall no longer be eligible to contribute to or to be an active participant in any retirement or benefit plan covering employees of Employer; provided, however, Executive may effect a rollover or other transfer of his interests in any such retirement or benefit plan in accordance with the terms of such plan and applicable law. All other Employer obligations to Executive shall be automatically terminated and completely extinguished.

7.1 Severance Upon Involuntary Termination without Cause. If the Company terminates Executive's employment with Employer without Cause during the Term, such termination is not in connection with Executive's death or Disability (as defined below), and such termination qualifies as a "Separation from Service" under Section 409A (as defined below), Executive shall be entitled to a "Severance Package" that consists of the following:

- (a) an amount equal to the product of (i) the Bonus referenced in Section 7.1(b)(ii) of this Agreement multiplied by (ii) a fraction, the numerator of which is the number of days that have elapsed between the beginning of the fiscal year in which the termination occurs and the date of termination and the denominator of which is the number of days in the fiscal year in which the termination occurs;
- (b) a single cash lump-sum payment (together with the payment referenced in Section 7.1(a), the "Severance Payment") equal to two (2) times the sum of (i) Executive's annual rate of Base Salary in effect immediately prior to Executive's termination of employment and (ii) the Bonus (if any) actually paid to Executive for the most recently completed fiscal year for which the amount of Executive's Bonus was determined by the compensation committee of the Board and paid;
- (c) Employer's direct-to-insurer payment of any group health or other insurance premiums for a period of eighteen (18) months (subject to Executive's eligibility for, and proper and timely election of continued group health benefits under the Consolidated Omnibus Budget and Reconciliation Act ("COBRA")) to continue Executive's coverage under the Company's group health insurance plan, group dental plan and, if any, the Company's group life and disability insurance plans;
- (d) immediate vesting of all outstanding LTIP Units (which shall, in accordance with the applicable award agreement, remain subject to achieving parity with common units of limited partnership interest in the Partnership), stock options, and other equity awards granted to Executive under any of Employer's equity incentive plans, except that performance units, outperformance plan interests and other awards subject to achievement of performance criteria will vest only to the extent provided in the 2011 Equity Incentive Plan (or other applicable equity plan) and the applicable award agreement; and
- (d) continuation of coverage under the Company's liability insurance for directors and officers with respect to any of Executive's actions as an officer or director of the Company during the Term;

provided, however, that all of the following conditions are first satisfied:

- (i) Executive reaffirms Executive's commitment to comply with all surviving provisions of this Agreement, including Section 9 and Section 10 hereof; and
- (ii) Executive executes a Separation Agreement that includes a general release in favor of the Company, and all subsidiary and related entities, and their officers, directors, stockholders, employees and agents to the fullest extent permitted by law, drafted by the Company and in a form reasonably satisfactory to the Company, and the general release becomes effective in accordance

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with its terms no later than thirty (30) days following the date of termination of Executive's employment.

If the Company terminates Executive's employment pursuant to this Section 7.1 before Bonuses are determined and paid for calendar year 2023, then the Bonus referred to in Section 7.1(b)(ii) hereof shall be equal to three hundred seventy-five thousand dollars (\$375,000). The Severance Payment shall be subject to all legally required and authorized deductions and tax withholdings and shall be paid on the date that is the thirtieth (30th) day following the date of termination of Executive's employment, provided that Executive has complied with all of the above-referenced conditions to receiving the Severance Package.

7.2 Severance Upon Resignation for Good Reason. If Executive resigns from employment with Employer for Good Reason during the Term and such resignation qualifies as a "Separation from Service" under Section 409A, Executive shall be entitled to the "Severance Package" set forth in Section 7.1, on the same terms and conditions provided therein.

7.3 Severance Upon Change of Control. If during the last year of the Initial Term or during any Extended Term, a Change of Control (as defined in Section 7.10) occurs and the Company gives notice of non-renewal of this Agreement within twelve (12) months following such Change of Control, Executive shall be entitled to the "Severance Package" set forth in Section 7.1, on the same terms and conditions provided therein.

7.4 Beneficial Excise Tax Treatment. If any payment or benefit received or to be received by Executive pursuant to this Agreement or otherwise would subject Executive to any excise tax pursuant to Section 4999 of the Code due to the characterization of such payment or benefit as an excess parachute payment under Section 280G of the Code, Executive may elect, in his sole discretion, to reduce the amounts of any payments or benefits called for under this Agreement in order to avoid such characterization. To aid Executive in making any election called for under this Section 7.4, upon the occurrence of any event that might reasonably be anticipated to give rise to the application of this Section 7.4 (an "Event"), the Company shall promptly request a determination in writing by independent public accountants selected by Employer (the "Accountants"). Unless the Company and Executive otherwise agree in writing, the Accountants, within thirty (30) days after the date of the Event, shall determine and report to the Company and Executive whether any reduction in payments or benefits at the election of Executive would produce a greater after-tax benefit to Executive and shall provide to the Company and Executive a written report containing a sufficiently detailed quantitative substantiation of their analysis and presented in a manner that Executive can readily understand. For the purposes of such determination, the Accountants may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and Executive shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make their required determination. The Company shall bear all fees and expenses the Accountants may reasonably charge in connection with their services contemplated by this Section 7.4. Under no circumstances shall Executive be entitled to any tax reimbursement or tax gross-up payment by virtue of the occurrence of an Event or any additional payment or benefit under this Section 7.4.

7.5 Section 409A Compliance. The parties intend for this Agreement either to satisfy the requirements of Section 409A or to be exempt from the application of Section 409A, and this Agreement shall be construed and interpreted accordingly. If this Agreement either fails to satisfy the requirements of Section 409A or is not exempt from the application of Section 409A, then the parties hereby agree to amend or to clarify this Agreement in a timely manner so that this Agreement either satisfies the requirements of Section 409A or is exempt from the application of Section 409A.

(a) Notwithstanding any provision in this Agreement to the contrary, if Executive is a "specified employee" (as defined in Section 409A), any Severance Payment, severance benefits or other amounts payable under this Agreement that would be subject to the special rule regarding payments to "specified employees" under Section 409A(a)(2)(B) of the Code (together, "Specified Employee Payments") shall not be paid before the expiration of a period of six (6) months following the date of Executive's termination of employment (or before the date of Executive's death, if earlier). The Specified Employee Payments to which Executive would otherwise have been entitled during the six-month period following the date of Executive's termination of employment shall be accumulated and paid as soon as administratively practicable following the first date of the seventh month following the date of Executive's termination of employment.

(b) To ensure satisfaction of the requirements of Section 409A(b)(3) of the Code, assets shall not be set aside, reserved in a trust or other arrangement, or otherwise restricted for purposes of the payment of amounts payable under this Agreement.

(c) Notwithstanding anything herein to the contrary, the reimbursement of expenses or in-kind benefits provided pursuant to this Agreement shall be subject to the following conditions: (i) the expenses

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eligible for reimbursement or in-kind benefits in one taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits in any other taxable year; (ii) the reimbursement of eligible expenses or in-kind benefits shall be made promptly, subject to the Company's applicable policies, but in no event later than the end of the year after the year in which such expense was incurred; and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

(d) Employer hereby informs Executive that the federal, state, local, and/or foreign tax consequences (including without limitation those tax consequences implicated by Section 409A) of this Agreement are complex and subject to change. Executive acknowledges and understands that Executive should consult with his or her own personal tax or financial advisor in connection with this Agreement and its tax consequences. Executive understands and agrees that Employer has no obligation and no responsibility to provide Executive with any tax or other legal advice in connection with this Agreement and its tax consequences. Executive agrees that Executive shall bear sole and exclusive responsibility for any and all adverse federal, state, local, and/or foreign tax consequences (including without limitation any and all tax liability under Section 409A) of this Agreement to Executive.

7.6 Effect of Death or Disability. If Executive dies or his employment is terminated by the Company upon his experiencing a Disability during the Term, Executive (or his estate) shall be entitled to (a) payment of his accrued and unpaid Base Salary as of the date of Executive's death or termination of employment by the Company upon his experiencing a Disability; (b) payment of a single cash lump-sum payment equal to the product of (i) the Bonus referenced in Section 7.1(b)(ii) of this Agreement multiplied

by (ii) a fraction, the numerator of which is the number of days that have elapsed between the beginning of the fiscal year in which Executive's death or termination of his employment occurs and the date of Executive's death or termination of employment and the denominator of which is the number of days in the fiscal year in which Executive's death or termination of employment occurs; and (c) payment by Employer of any group health or other insurance premiums for a period of eighteen (18) months (subject to Executive's (or his spouse's) eligibility for, and proper and timely election of continued group health benefits under COBRA) to continue Executive's coverage under the Company's group health insurance plan, group dental plan and, if any, the Company's group life and disability insurance plans. The payments described in the previous sentence shall be subject to all legally required and authorized deductions and tax withholdings, including for wage garnishments, if applicable, to the extent required or permitted by law, and shall be paid on the thirtieth (30th) day following the date of termination of Executive's employment. Payment under this Section 7.6 shall be made not more than once, if at all. If Executive dies or his employment is terminated by Company upon his experiencing a Disability before Bonuses are determined and paid for calendar year 2023, then the Bonus referred to in clause (b) of this Section 7.6 shall be equal to three hundred seventy-five thousand dollars (\$375,000).

7.7 Employment Reference. If Executive's employment is terminated without Cause, or Executive resigns for Good Reason, or this Agreement is not renewed by Company pursuant to a Change of Control, Executive and Employer will negotiate in good faith to reach an agreement on a neutral statement for termination or resignation, to the extent necessary or appropriate. This statement will include, at minimum and as applicable, positions held, date of hire, employment period and confirmation of salary history (if requested by Executive).

7.8 Ineligibility for Severance. For avoidance of doubt, Executive shall not be entitled to any Severance Package under this Agreement, and none of Sections 7.1, 7.2 and 7.3 shall apply to Executive, if at any time during the Term, (a) Executive voluntarily resigns or otherwise terminates employment with Employer other than for Good Reason, (b) the Company terminates Executive's employment for Cause, or (c) except as provided in Section 7.3, the Company provides Executive with a notice of non-renewal. Effective immediately upon termination of employment, Executive shall no longer be eligible to contribute to or to be an active participant in any retirement or benefit plan covering employees of Employer; **provided, however,** Executive may effect a rollover or other transfer of his interests in any such retirement or benefit plan in accordance with the terms of such plan and applicable law. All other Employer obligations to Executive shall be automatically terminated and completely extinguished.

7.9 Taxes and Withholdings. Employer may withhold from any amounts payable under this Agreement, including any benefits or Severance Payment, such federal, state or local taxes as may be required to be withheld pursuant to applicable law or regulations, which amounts shall be deemed to have been paid to Executive.

7.10 Definitions.

(a) **"Cause"** shall mean the occurrence during the Term of any of the following: (i) Executive's indictment for, formal admission to (including a plea of guilty or *nolo contendere* to), or conviction of: a felony, a crime of moral turpitude, fraud and dishonesty, breach of trust or unethical business conduct, or any

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crime involving Employer; (ii) gross negligence or willful misconduct by Executive in the performance of Executive's duties which has materially damaged Employer's financial position or reputation; (iii) willful or knowing unauthorized dissemination with the intent to cause harm by Executive of Confidential Employer Information; (iv) repeated failure by Executive to perform Executive's duties that are reasonably and in good faith requested in writing by the President of the Company (the **"Delegator"**), and which are not substantially cured by Executive within thirty (30) days following receipt by Executive of such written request; (v) failure of Executive to perform any lawful and reasonable directive of the Delegator communicated to Executive in the form of a written request from the Delegator, which is consistent with the Employer Business, and which failure Executive does not begin to cure within ten (10) days following receipt by Executive of such written request or Executive has not substantially cured within forty-five (45) days following receipt by Executive of such written request; or (vi) material breach of this Agreement by Executive which breach has been communicated to Executive in the form of a written notice from a Delegator, which material breach Executive does not begin to cure within ten (10) days following receipt by Executive of such written notice or Executive has not substantially cured within forty-five (45) days following receipt by Executive of such written notice.

(b) **"Disability"** shall mean the occurrence during the Term of a medically determinable physical or mental impairment of Executive that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months and which either (i) renders Executive unable to engage in any substantial gainful activity, with or without leave accommodation, for a period of not less than three (3) months; or (ii) results in Executive receiving income replacement benefits for a period of not less than three (3) months under any policy of long-term disability insurance that may be maintained by the Company for the benefit of its employees.

(c) **"Change of Control"** shall have the meaning ascribed to it in the 2011 Equity Plan.

(d) **"Good Reason"** shall mean the occurrence during the Term of any of the following: (i) a material breach of this Agreement by the Company which is not cured by the Company within thirty (30) days following the Company's receipt of written notice by Executive to the Company describing such alleged breach; (ii) Executive's Base Salary is materially reduced by the Company; (iii) a material reduction in Executive's title, duties and/or responsibilities, or the assignment to Executive of any duties materially inconsistent with Executive's position; or (iv) a material change in the Company headquarters' geographic location; provided, however, none of the occurrences described in (i) through (iv) hereof shall constitute Good Reason unless within ninety (90) days of any such occurrence Executive provides a Notice of Termination effective no more than thirty-one (31) days after receipt by the Company and specifying the occurrence.

(e) "Section 409A" means Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and all applicable regulations or guidance promulgated thereunder.

7.11 Nonduplication of Benefits. Notwithstanding any provision in this Agreement or in any other Employer benefit plan or compensatory arrangement to the contrary, but at all times subject to Section 7.4, (a) any payments due under Section 7.1, Section 7.2 or Section 7.3 shall be made not more than once, if at all, (b) payments may be due under Section 7.1, Section 7.2 or Section 7.3, but under no circumstances shall payments be made under all of or any combination of Section 7.1, Section 7.2 and Section 7.3, (c) no payments made under Sections 7.1, 7.2 and 7.3 this Agreement shall be considered compensation for purposes of any benefit plan or compensatory arrangement of Employer, and (d) Executive shall not be entitled to severance benefits from Employer other than as contemplated under this Agreement, unless such other severance benefits offset and reduce the benefits due under this Agreement on a dollar-for-dollar basis, but not below zero.

8. No Competition and No Conflict of Interest. Except as otherwise provided in Section 2.2 of this Agreement or as set forth in **Exhibit A** to this Agreement, during the Term, Executive must not (a) engage in any work, paid or unpaid, that creates an actual conflict of interest with the essential business-related interests of the Employer where such conflict would materially and substantially disrupt operations, (b) directly or indirectly, whether as an owner, partner, stockholder, principal, agent, employee, consultant, or in any other relationship or capacity, engage in, or acquire any interest in any Person, corporation, partnership or other entity (other than the Company or any entity directly or indirectly controlled by the Company) engaged in the Employer Business, or (c) in any way other than on behalf of and as an employee of Employer, act as an officer, director, employee, consultant, stockholder, volunteer, lender, or agent of any business enterprise engaged in the Employer Business or any business in which Employer becomes actively engaged during the Term. In addition, Executive agrees not to refer any tenant or potential tenant of Employer to competitors of Employer, without obtaining the Company's prior written consent, during the Term. Notwithstanding the foregoing, Executive's passive investment in, or passive ownership of, less than five percent (5%) of the capital stock or other equity interests of any business entity (including a business entity engaged in the Employer Business) shall not be treated as a breach of this Section 8. For

purposes of this Agreement, the term "Employer Business" shall mean the acquisition, disposition, development, redevelopment, ownership, operation, management or financing of industrial properties in the United States, and "passive" means no employment or involvement in management, operations or policy decisions of the business entity and excludes any service as a director (or equivalent), manager, officer, employee or consultant or as a general partner or managing member (or equivalent) of the business entity.

9. Confidentiality. During the Term, Executive has been and will continue to be given access to a wide variety of information about Employer, its affiliates and other related businesses that Employer considers "Confidential Employer Information." As a condition of continued employment, Executive agrees to abide by Employer's business policies and directives on confidentiality and nondisclosure of Confidential Employer Information. Confidential Employer Information shall mean all information applicable to the business of Employer which confers or may confer a competitive advantage upon Employer over one who does not possess the information; and has commercial value in the business of Employer or any other business in which Employer engages or is preparing to engage during Executive's employment with Employer. Confidential Employer Information includes, but is not limited to, information regarding Employer's business plans and strategies; contracts and proposals (including leases and proposed leases); artwork, designs, drawings and specifications for development and redevelopment projects; tenants and prospective tenants; suppliers and other business partners and Employer's business arrangements and strategies with respect to them; current and future marketing or advertising campaigns; software programs; codes, underwriting models, credit analyses, formulae or techniques; rent rolls; financial information; personnel information; and all ideas, plans, processes or information related to the current, future and proposed projects or other business of Employer that has not been disclosed to the public by an authorized representative of Employer, acting within the scope of his or her authority, whether or not such information would be enforceable as a trade secret of Employer or enjoined or restrained by a court or arbitrator as constituting unfair competition. Confidential Employer Information also includes confidential information of any third party who may disclose such information to Employer or Executive in the course of Employer's business.

9.1 Nondisclosure. Executive acknowledges that Confidential Employer Information constitutes valuable, special and unique assets of Employer's business and that the unauthorized disclosure of such information to competitors of Employer, or to the general public, will be highly detrimental to Employer. Executive therefore agrees to hold Confidential Employer Information in strictest confidence. Except as shall occur as and to the extent that Executive performs his duties to Employer, Executive agrees not to disclose or allow to be disclosed to any individual or entity, other than those individuals or entities authorized by the Company, any Confidential Employer Information that Executive has or may acquire during Executive's employment by Employer (whether or not developed or compiled by Executive and whether or not Executive has been authorized to have access to such Confidential Employer Information).

9.2 Continuing Obligation. Executive agrees that the agreement not to disclose Confidential Employer Information will be effective during Executive's employment and continue even after Executive is no longer employed by Employer. Any obligation not to disclose any portion of any Confidential Employer Information will continue indefinitely unless such information (a) has become public knowledge through no fault of Executive; (b) has been developed independently without any reference to any information obtained during Executive's employment with Employer; or (c) must be disclosed in response to a valid order by a court or government agency or is otherwise required by law.

9.3 Return of Employer Property. On termination of employment with Employer for whatever reason, or at the request of Employer before termination, Executive agrees to promptly deliver to Employer all records, files, computer disks, memoranda, documents, lists and other information regarding or containing any Confidential

Employer Information, including all copies, reproductions, summaries or excerpts thereof, then in Executive's possession or control, whether prepared by Executive or others. Executive also agrees to promptly return, on termination or Employer's request, any and all Employer property issued to Executive, including but not limited to computers, cellular phones, keys and credits cards. Executive further agrees that should Executive discover any Employer property or Confidential Employer Information in Executive's possession after the return of such property has been requested, Executive agrees to return it promptly to Employer without retaining copies, summaries or excerpts of any kind.

9.4 No Violation of Rights of Third Parties. Executive warrants that the performance of all the terms of this Agreement does not and will not breach any agreement to keep in confidence proprietary information, knowledge or data acquired by Executive prior to Executive's employment with Employer. Executive agrees not to disclose to Employer, or induce Employer to use, any confidential or proprietary information or material belonging to any previous employers or others. Executive warrants that Executive is not a party to any other agreement that will interfere with Executive's full compliance with this Agreement. Executive further agrees not to enter into any agreement, whether written or oral, in conflict with the provisions of this Agreement while such provisions remain effective.

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10. Interference with Business Relations.

10.1 Interference with Sellers, Tenants, Brokers and Other Business Partners. Executive acknowledges that Employer's seller information, tenant base, broker network, pipeline, leasing and acquisitions/sales strategies and its other business arrangements have been developed through substantial effort and expense, and its nonpublic business information regarding these matters is confidential and constitutes trade secrets. In addition, because of Executive's position, Executive understands that Employer will be particularly vulnerable to significant harm from Executive's use of such information for purposes other than to further Employer's business interests. Accordingly, Executive agrees that during Executive's employment with Employer, and for a period of twelve (12) months thereafter, regardless of the reason for termination of employment, Executive will not, either directly or indirectly, separately or in association with others, interfere with, impair, disrupt or damage Employer's relationship with any of the sellers, tenants, brokers or other business partners of Employer with whom Executive has had contact, or conducted business, during the Term of Employment by contacting them for the purpose of inducing or encouraging any of them to divert or take away business from Employer.

10.2 Interference with Employer's Employees. Executive acknowledges that the services provided by Employer's employees are unique and special, and that Employer's employees possess trade secrets and Confidential Employer Information that is protected against misappropriation and unauthorized use. As such, Executive agrees that during, and for a period of twelve (12) months after, Executive's employment with Employer, regardless of the reason for termination of employment, Executive will not, either directly or indirectly, separately or in association with others, interfere with, impair, disrupt or damage Employer's business by contacting any Employer employees for the purpose of inducing or encouraging them to discontinue their employment with Employer.

10.3 Negative Information. During the Term and thereafter, Executive shall not disclose confidential or negative non-public information or make any disparaging or defamatory remarks, comments or statements regarding Employer or its directors, officers, employees, investors, stockholders or advisors and any affiliates of any of the foregoing (collectively, the "Employer Affiliates"); provided, however, that nothing contained in this Section 10.3 shall affect any legal obligation of Executive to respond to mandatory governmental inquiries concerning Employer or the Employer Affiliates or to act in accordance with, or to establish, his rights under this Agreement. Employer likewise agrees that no one acting with the actual authority of Employer shall disclose negative non-public information or make any disparaging or defamatory remarks, comments or statements regarding Executive; provided, however, that nothing contained in this Section 10.3 shall affect any legal obligation of Employer or the Employer Affiliates to respond to mandatory governmental inquiries concerning Executive or to act in accordance with, or to establish, the rights of Employer and the Employer Affiliates under this Agreement.

10.4 Post-Termination Noncompetition. For a period of twelve (12) months following the termination of Executive's employment with Employer, regardless of the reason for termination of employment, Executive will not engage in Competitive Activities (as defined below). Notwithstanding any other provision herein to the contrary, this Section 10.4 shall terminate and be null and void if Employer terminates Executive's employment without Cause, or Executive resigns from employment with Employer for Good Reason, or if Employer elects to send Executive notice of non-renewal pursuant to Section 3 hereof. The term "Competitive Activities," for purposes of this Section 10.4, shall mean the taking of any of the following actions by Executive: (a) Executive's direct or indirect participation (for his own account or jointly with others) in the management of, or as an employee, board member, partner, manager, member, joint venturer, representative or other agent of, or advisor or consultant to, any other business operation if a material portion (either in comparison to the size of Employer's business or, if smaller, to such business operation's business) of such operation is engaging in the Employer Business or any business in which Employer has been actively engaged at the time of the termination of Executive's employment with Employer (a "Competitive Operation"); (b) Executive's investment in, or ownership of, the capital stock or other equity interests in any business entity that is a Competitive Operation; or (c) Executive's lending of funds for the purpose of establishing or operating any Competitive Operation, or otherwise giving advice to any Competitive Operation, or lending or allowing his name or reputation to be used by any Competitive Operation or otherwise allowing his skill, knowledge or experience to be so used. Notwithstanding the foregoing, Executive's passive investment in, or passive ownership of, up to five percent (5%) of the capital stock or other equity interests of any business entity (including a business entity engaged in the Employer Business) shall not be treated as a breach of this Section 10.4. For purposes of this Section 10.4, "Employer Business" and "passive" have the meanings set forth in Section 8 above and "material portion" shall mean that either (i) the total assets engaged in a Competitive Operation exceeds twenty percent (20%) of such business operation's total assets or (ii) the total assets engaged in a Competitive Operation of such business operation equals or exceeds twenty percent (20%) of the Employer's business. This Section 10.4 governs the period of time following Executive's employment with Employer, and Section 8 above governs during the Term.

11. Injunctive Relief. Executive acknowledges that Executive's breach of the covenants contained in Sections 8 through 10 of this Agreement inclusive (collectively "Covenants") would cause irreparable injury and continuing harm to Employer for which there will be no adequate remedy at law, and agrees that Employer shall be entitled to temporary and preliminary injunctive relief upon a showing of a likelihood of such a breach, and shall be entitled to permanent injunctive relief upon establishing such a breach, to the fullest extent allowed by Massachusetts law, without the necessity of proving irreparable harm or actual damages or of posting any bond or other security.

12. Agreement to Arbitrate.

12.1 Mandatory Arbitration. Any dispute or controversy arising out of or relating to any interpretation, construction, performance, termination or breach of this Agreement, will be settled by final and binding arbitration by a single arbitrator to be held in Boston, Massachusetts, in accordance with the American Arbitration Association national rules for resolution of employment disputes then in effect, except as provided herein. The arbitrator selected shall have the authority to grant any party all remedies otherwise available by law, including injunctions, but shall not have the power to grant any remedy that would not be available in a state or federal court. The arbitrator shall have the authority to hear and rule on dispositive motions (such as motions for summary adjudication or summary judgment). The arbitrator shall have the powers granted by Massachusetts law and the rules of the American Arbitration Association which conducts the arbitration, except as modified or limited herein. In aid of arbitration, either party may seek temporary and/or preliminary injunctive relief in the Business Litigation Session of the Suffolk County Massachusetts Superior Court (or in a regular session of that court if the case is not accepted into the Business Litigation Session).

12.2 Principles Governing Arbitration. Notwithstanding anything to the contrary in the rules of the American Arbitration Association, the arbitration shall provide (a) for written discovery and depositions as provided under Massachusetts law and b) for a written decision by the arbitrator that includes the essential findings and conclusions upon which the decision is based which shall be issued no later than thirty (30) days after a dispositive motion is heard and/or an arbitration hearing has completed. Except in disputes where Executive asserts a claim otherwise under a state or federal statute prohibiting discrimination in employment (a "Statutory Discrimination Claim"), each side shall split equally the fees and administrative costs charged by the arbitrator and American Arbitration Association. In disputes where Executive asserts a Statutory Discrimination Claim against Employer, Executive shall be required to pay the American Arbitration Association's filing fee only to the extent such filing fee does not exceed the fee to file a complaint in state or federal court. In such cases where Executive asserts a Statutory Discrimination Claim, Employer shall pay the balance of the arbitrator's fees and administrative costs.

12.3 Rules Governing Arbitration. Executive and Employer shall have the same amount of time to file any claim against any other party as such party would have if such a claim had been filed in state or federal court. In conducting the arbitration, the arbitrator shall follow the rules of evidence of the Commonwealth of Massachusetts (including but not limited to all applicable privileges), and the award of the arbitrator must follow Massachusetts and/or federal law, as applicable.

12.4 Selection of Arbitrator. The arbitrator shall be selected by the mutual agreement of the parties. If the parties cannot agree on an arbitrator, the parties shall alternately strike names from a list provided by the American Arbitration Association until only one name remains.

12.5 Arbitrator Decision. The decision of the arbitrator will be final, conclusive and binding on the parties to the arbitration. In disputes where Executive asserts a Statutory Discrimination Claim, reasonable attorneys' fees shall be awarded by the arbitrator based on the same standard as such fees would be awarded if the Statutory Discrimination Claim had been asserted in state or federal court. Judgment may be entered on the arbitrator's decision in any court having jurisdiction.

13. General Provisions.

13.1 Successors and Assigns. The rights and obligations of Employer under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of Employer. Employer will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) or assignee to all or substantially all of the business and/or assets of Employer to assume expressly and agree to perform this Agreement in the same manner and to the same extent that Employer would be required to perform it if no such succession or assignment had taken place. Executive shall not be entitled to assign any of Executive's rights or obligations under this Agreement without Employer's written consent.

13.2 Nonexclusivity of Rights. Except as expressly provided in this Agreement, Executive is not prevented from continuing or future participation in any Employer benefit, bonus, incentive or other plans, programs, policies or practices provided by Employer subject to the terms and conditions of such plans, programs, or practices.

13.3 Waiver. Either party's failure to enforce any provision of this Agreement shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Agreement.

13.4 Attorneys' Fees. Each side will bear its own attorneys' fees in any dispute except as provided in Section 12.

13.5 Severability. In the event any provision of this Agreement is found to be unenforceable by an arbitrator or court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such arbitrator or court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

13.6 Interpretation; Construction. The headings set forth in this Agreement are for convenience only and shall not be used in interpreting this Agreement. This Agreement has been drafted by legal counsel representing Employer, but Executive has participated in the negotiation of its terms. Furthermore, Executive acknowledges that Executive has had an opportunity to review and revise the Agreement and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

13.7 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts. Except as and to the extent that Section 12 does not properly apply, each party consents to the jurisdiction and venue of the state or federal courts in Suffolk County, Massachusetts in any action, suit, or proceeding arising out of or relating to this Agreement.

13.8 Notices. Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (a) by personal delivery when delivered personally; (b) by overnight courier upon written verification of receipt; (c) by telecopy or facsimile transmission upon acknowledgment of receipt of electronic transmission; or (d) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to 1 Federal Street, 23rd Floor, Boston, Massachusetts 02110, in the case of Employer, or to the address set forth below, in the case of Executive, or, in either case, such other address as either party may specify in writing.

13.9 Survival. The following provisions shall survive Executive's employment with Employer to the extent reasonably necessary to fulfill the parties' expectations in entering this Agreement: Section 7 ("Termination of Employment"), Section 9 ("Confidentiality"), Section 10 ("Interference with Business Relations") Section 11 ("Injunctive Relief"), Section 12 ("Agreement to Arbitrate"), Section 13 ("General Provisions"), and Section 14 ("Entire Agreement").

14. Entire Agreement. This Agreement, together with the other agreements and documents governing the benefits described in this Agreement, constitutes the entire agreement among the parties relating to this subject matter hereof and supersedes all prior or simultaneous representations, discussions, negotiations, and agreements, whether written or oral. This Agreement may be amended or modified only with the written consent of the Board and Executive. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

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THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN. WHEREFORE, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

STAG INDUSTRIAL, INC.

Dated: March 13, 2023

By: /s/ William R. Crooker
Name: William R. Crooker
Title: President and
Chief Executive Officer

STAG INDUSTRIAL OPERATING

PARTNERSHIP, L.P.

By: STAG Industrial GP, LLC, its sole general partner

Dated: March 13, 2023

By: /s/ William R. Crooker

Name: William R. Crooker

Title: President and

Chief Executive Officer

STEVEN T. KIMBALL

Dated: March 13, 2023

By: /s/ Steve T. Kimball

P.O. Box 15

Manchester Center, Vermont 05255

Exhibit A

Serving as an officer, manager or member (including managing member) of Kimball Grist Mill, LLC, a Vermont limited liability company that owns two commercial office and multi-family rental properties in Manchester Center, Vermont, provided that Kimball Grist Mill, LLC does not engage in the Employer Business.

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Exhibit 31.1

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

I, William R. Crooker, certify that:

1. I have reviewed this quarterly report on Form 10-Q of STAG Industrial, 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(s) 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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(s) 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: **April 26, 2023** July 26, 2023

/s/ WILLIAM R. CROOKER

William R. Crooker
President and Chief Executive Officer

Exhibit 31.2

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

I, Matts S. Pinard, certify that:

1. I have reviewed this quarterly report on Form 10-Q of STAG Industrial, 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(s) 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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(s) 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: April 26, 2023 July 26, 2023

/s/ MATTS S. PINARD

Matts S. Pinard

Chief Financial Officer, Executive Vice President and Treasurer

Exhibit 32.1

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

In connection with the Quarterly Report of STAG Industrial, Inc. on Form 10-Q for the period ended March 31, 2023 June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officers of STAG Industrial, Inc., certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report, containing the financial statements, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of STAG Industrial, Inc.

Date: April 26, 2023 July 26, 2023

/s/ WILLIAM R. CROOKER

William R. Crooker

President and Chief Executive Officer

/s/ MATTS S. PINARD

Matts S. Pinard

Chief Financial Officer, Executive Vice President and Treasurer

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