

REFINITIV

DELTA REPORT

10-Q

AMERICOLD REALTY TRUST

10-Q - MARCH 31, 2023 COMPARED TO 10-Q - SEPTEMBER 30, 2022

The following comparison report has been automatically generated

TOTAL DELTAS 1853

■ CHANGES	426
■ DELETIONS	832
■ ADDITIONS	595

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended **September 30, 2022** **March 31, 2023**

or

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

For the transition period from to ,

Commission File Number: 001-34723

AMERICOLD REALTY TRUST, INC.

(Exact name of registrant as specified in its charter)

Maryland

93-0295215

(State or other jurisdiction of incorporation or organization)

(IRS Employer Identification Number)

10 Glenlake Parkway, Suite 600, South Tower

Atlanta Georgia

30328

(Address of principal executive offices)

(Zip Code)

(678) 441-1400

(Registrant's telephone number, including area code)

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 periods 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 (check one):

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.

Yes No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934)

Yes No

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	COLD	New York Stock Exchange (NYSE)

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at November 2, 2022 May 2, 2023
Common Stock, \$0.01 par value per share	269,399,287 270,164,244

TABLE OF CONTENTS

	<u>Page</u>
<u>PART I - FINANCIAL INFORMATION</u>	
Item 1. Financial Statements	4
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	3529
Item 3. Quantitative and Qualitative Disclosures About Market Risk	7657
Item 4. Controls and Procedures	7657
<u>PART II - OTHER INFORMATION</u>	
Item 1. Legal Proceedings	7859
Item 1A. Risk Factors	7859
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	7860
Item 3. Defaults Upon Senior Securities	7860
Item 4. Mine Safety Disclosures	7860
Item 5. Other Information	7860
Item 6. Exhibits	7961
<u>SIGNATURES</u>	8062

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains statements about future events and expectations that constitute forward-looking statements. Forward-looking statements are based on our beliefs, assumptions and expectations of our future financial and operating performance and growth plans, taking into account the information currently available to us. These statements are not statements of historical fact. Forward-looking statements involve risks and uncertainties that may cause our actual results to differ materially from the expectations of future results we express or imply in any forward-looking statements, and you should not place undue reliance on such statements. Factors that could contribute to these differences include the following:

- *rising inflationary pressures, increased interest rates and operating costs;*
- *labor and power costs;*
- *labor shortages;*
- *our relationship with our associates, the occurrence of any work stoppages or any disputes under our collective bargaining agreements and employment related litigation;*
- *the impact of supply chain disruptions, including, among others, the impact on labor availability, raw material availability, manufacturing and food production construction materials and transportation;*
- *uncertainties and risks related to public health crises, including the ongoing COVID-19 pandemic;*
- *adverse economic or real estate developments in our geographic markets or the temperature-controlled warehouse industry;*
- *rising interest rates and inflation in operating costs, including as a result of the ongoing COVID-19 pandemic;*
- *labor and power construction costs;*
- *labor shortages; risks related to expansions of existing properties and developments of new properties, including failure to meet budgeted or stabilized returns within expected time frames, or at all, in respect thereof;*
- *general economic conditions;*
- *risks associated with uncertainty of revenues, given the ownership nature of real estate generally and temperature-controlled warehouses in particular; our customer contracts;*
- *acquisition risks, including the failure to identify or complete attractive acquisitions or the failure of acquisitions to perform in accordance with projections and to realize anticipated cost savings and revenue improvements;*
- *our failure to realize the intended benefits from our recent acquisitions and including synergies, or disruptions to our plans and operations or unknown or contingent liabilities related to our recent acquisitions;*
- *difficulties in expanding our operations into new markets, including international markets;*

- uncertainties and risks related to expansions of existing properties and developments of new properties, including failure to meet target completion dates and budgeted or stabilized returns within expected time frames, or at all, in respect thereof; public health crises, such as the COVID-19 pandemic;
- a failure of our information technology systems, systems conversions and integrations, cybersecurity attacks or a breach of our information security systems, networks or processes could cause business disruptions, or loss of confidential information; information, remediation costs or damages;
- disruption caused by implementation of the new ERP system, potential cost overruns, timing and control risks and failure to recognize anticipated cost savings and increased productivity from the implementation of the new ERP system;
- defaults or non-renewals of significant customer contracts;
- risks related to privacy and data security concerns, and data collection and transfer restrictions and related foreign regulations;
- defaults or non-renewals of significant customer contracts, changes in applicable governmental regulations and tax legislation, including as a result of in the ongoing COVID-19 pandemic;
- uncertainty of revenues, given the nature of our customer contracts;
- our failure to obtain necessary outside financing;
- risks related to, or restrictions contained in, our debt financings;
- decreased storage rates or increased vacancy rates; international markets;
- risks related to current and potential international operations and properties;
- difficulties in expanding our operations into new markets, including international markets;
- risks related to the partial ownership of properties, including as a result of our lack of control over such investments and the failure of such entities to perform in accordance with projections;
- our failure to maintain our status as a REIT;
- possible environmental liabilities, including costs, fines or penalties that may be incurred due to necessary remediation of contamination of properties presently or previously owned by us;

2

- financial market fluctuations;
- actions by our competitors and their increasing ability to compete with us;
- geopolitical conflicts, such as the ongoing conflict between Russia and Ukraine;
- changes in applicable governmental regulations and tax legislation, including in the international markets;
- additional risks with respect to the addition of European operations and properties;
- changes in real estate and zoning laws and increases in real property tax/foreign currency exchange rates;
- our relationship with our associates, the occurrence of any work stoppages or any disputes under our collective bargaining agreements and employment related litigation;
- liabilities as a result of our participation in multi-employer pension plans;
- uninsured losses or losses in excess of our insurance coverage;
- the potential liabilities, costs and regulatory impacts associated with our in-house trucking services and the potential disruptions associated with our use of third-party trucking service providers to provide transportation services to our customers;
- the cost and time requirements/liabilities as a result of our operation/participation in multi-employer pension plans;

2

- risks related to the partial ownership of properties, including as a publicly traded REIT; result of our lack of control over such investments, financial condition of JV partners, disputes with JV partners, regulatory risks, brand recognition risks and the failure of such entities to perform in accordance with projections;
- risks related to natural disasters such as fires, floods, tornadoes, hurricanes and earthquakes;
- adverse economic or real estate developments in our geographic markets or the temperature-controlled warehouse industry;
- changes in foreign currency exchange/real estate and zoning laws and increases in real property tax rates;
- general economic conditions;

- risks associated with the ownership of real estate generally and temperature-controlled warehouses in particular;
- possible environmental liabilities, including costs, fines or penalties that may be incurred due to necessary remediation of contamination of properties presently or previously owned by us;
- uninsured losses or losses in excess of our insurance coverage;
- financial market fluctuations;
- our failure to obtain necessary outside financing;
- risks related to, or restrictions contained in, our debt financings;
- decreased storage rates or increased vacancy rates;
- the impact of anti-takeover provisions in our constituent documents and under Maryland law, which could make an acquisition of us more difficult, limit attempts by our stockholders to replace our directors and affect the price of our common stock, \$0.01 par value per share; and
- the potential dilutive effect of our common stock offerings;
- the cost and time requirements as a result of our operation as a publicly traded REIT; and
- our failure to maintain our status as a REIT.

The risks included here are not exhaustive, and additional factors could adversely affect our business and financial performance, including factors and risks included in other sections of this Quarterly Report on Form 10-Q. Words such as "anticipates," "believes," "continues," "estimates," "expects," "goal," "objectives," "intends," "may," "opportunity," "plans," "potential," "near-term," "long-term," "projections," "assumptions," "projects," "guidance," "forecasts," "outlook," "target," "trends," "should," "could," "would," "will" and similar expressions are intended to identify such forward-looking statements. Examples of forward-looking statements included in this Quarterly Report on Form 10-Q include, among others, statements about our expected acquisitions and expected expansion and development pipeline and our targeted return on invested capital on expansion and development opportunities. We qualify any forward-looking statements entirely by these cautionary factors. Other risks, uncertainties and factors, including those discussed under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 December 31, 2022, could cause our actual results to differ materially from those projected in any forward-looking statements we make. We assume no obligation to update or revise these forward-looking statements for any reason, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

As used in this report, unless the context otherwise requires, references to "we," "us," "our," "our Company" and "the Company" refer to Americold Realty Trust, Inc., a Maryland corporation, and its consolidated subsidiaries, including Americold Realty Operating Partnership, L.P., a Delaware limited partnership and the subsidiary through which we conduct our business, which we refer to as "our Operating Partnership" or "the Operating Partnership," and references to "common stock" refer to our common stock, \$0.01 par value per share.

In addition, unless otherwise stated herein, when we refer to "cubic feet" in one of our temperature-controlled facilities, we refer to refrigerated cubic feet (as opposed to total cubic feet, refrigerated and otherwise) therein.

						Americold Realty Trust, Inc. and Subsidiaries	Condensed Consolidated Balance Sheets (Unaudited)	(In thousands, except shares and per share amounts)
		September 30, 2022	December 31, 2021			March 31, 2023	December 31, 2022	
Assets	Assets			Assets				
Property, buildings and equipment:	Property, buildings and equipment:			Property, buildings and equipment:				
Land	Land	\$ 770,775	\$ 807,495	Land	\$ 789,118	\$ 786,975		
Buildings and improvements	Buildings and improvements	4,159,993	4,152,763	Buildings and improvements	4,350,529	4,245,607		
Machinery and equipment	Machinery and equipment	1,368,207	1,352,399	Machinery and equipment	1,426,398	1,407,874		
Assets under construction	Assets under construction	520,702	450,153	Assets under construction	463,953	526,811		
		6,819,677	6,762,810		7,029,998	6,967,267		

Accumulated depreciation	Accumulated depreciation	(1,825,107)	(1,634,909)	Accumulated depreciation	(1,971,897)	(1,901,450)
Property, buildings and equipment - net	Property, buildings and equipment - net	4,994,570	5,127,901	Property, buildings and equipment - net	5,058,101	5,065,817
Operating lease right-of-use assets	Operating lease right-of-use assets	356,260	377,536	Operating lease right-of-use assets	352,442	352,553
Accumulated depreciation - operating leases	Accumulated depreciation - operating leases	(72,632)	(57,483)	Accumulated depreciation - operating leases	(84,172)	(76,334)
Operating leases - net	Operating leases - net	283,628	320,053	Operating leases - net	268,270	276,219
Financing leases:	Financing leases:			Financing leases:		
Buildings and improvements	Buildings and improvements	13,556	13,552	Buildings and improvements	13,516	13,546
Machinery and equipment	Machinery and equipment	130,530	146,341	Machinery and equipment	132,274	127,009
		144,086	159,893		145,790	140,555
Accumulated depreciation - financing leases	Accumulated depreciation - financing leases	(56,409)	(58,165)	Accumulated depreciation - financing leases	(61,180)	(57,626)
Financing leases - net	Financing leases - net	87,677	101,728	Financing leases - net	84,610	82,929
Cash, cash equivalents and restricted cash	Cash, cash equivalents and restricted cash	45,693	82,958	Cash, cash equivalents and restricted cash	47,222	53,063
Accounts receivable - net of allowance of \$12,423 and \$18,755 at September 30, 2022 and December 31, 2021, respectively		441,739	380,014			
Accounts receivable - net of allowance of \$17,411 and \$15,951 at March 31, 2023 and December 31, 2022, respectively				Accounts receivable - net of allowance of \$17,411 and \$15,951 at March 31, 2023 and December 31, 2022, respectively		
Identifiable intangible assets - net	Identifiable intangible assets - net	919,052	980,966	Identifiable intangible assets - net	918,945	925,223
Goodwill	Goodwill	1,009,330	1,072,980	Goodwill	1,030,562	1,033,637
Investments in partially owned entities		70,130	37,458			
Investments in partially owned entities and other				Investments in partially owned entities and other		
Other assets	Other assets	150,085	112,139	Other assets	157,761	158,705
Total assets	Total assets	\$8,001,904	\$8,216,197	Total assets	\$8,071,718	\$8,104,561
Liabilities and equity	Liabilities and equity			Liabilities and equity		
Liabilities:	Liabilities:			Liabilities:		

Borrowings under revolving line of credit	Borrowings under revolving line of credit	\$ 468,286	\$ 399,314	Borrowings under revolving line of credit	\$ 610,500	\$ 500,052
Accounts payable and accrued expenses	Accounts payable and accrued expenses	516,728	559,412	Accounts payable and accrued expenses	479,738	557,540
Mortgage notes, senior unsecured notes and term loans – net of unamortized deferred financing costs of \$12,025 and \$11,050, in the aggregate, at September 30, 2022 and December 31, 2021, respectively		2,493,004	2,443,806			
Senior unsecured notes and term loans – net of deferred financing costs of \$12,434 and \$13,044, in the aggregate, at March 31, 2023 and December 31, 2022, respectively				Senior unsecured notes and term loans – net of deferred financing costs of \$12,434 and \$13,044, in the aggregate, at March 31, 2023 and December 31, 2022, respectively		2,580,441 2,569,281
Sale-leaseback financing obligations	Sale-leaseback financing obligations	173,344	178,817	Sale-leaseback financing obligations	168,919	171,089
Financing lease obligations	Financing lease obligations	83,353	97,633	Financing lease obligations	78,421	77,561
Operating lease obligations	Operating lease obligations	271,433	301,765	Operating lease obligations	257,791	264,634
Unearned revenue	Unearned revenue	34,205	26,143	Unearned revenue	32,921	32,046
Pension and postretirement benefits	Pension and postretirement benefits	2,624	2,843	Pension and postretirement benefits	1,564	1,531
Deferred tax liability – net	Deferred tax liability – net	128,404	169,209	Deferred tax liability – net	132,415	135,098
Multi-employer pension plan withdrawal liability	Multi-employer pension plan withdrawal liability	7,932	8,179	Multi-employer pension plan withdrawal liability	7,731	7,851
Total liabilities	Total liabilities	4,179,313	4,187,121	Total liabilities	4,350,441	4,316,683
Commitments and contingencies (Note 9)						
Commitments and contingencies (Note 8)				Commitments and contingencies (Note 8)		
Equity	Equity			Equity		
Stockholders' equity:	Stockholders' equity:			Stockholders' equity:		
Common stock, \$0.01 par value per share – 500,000,000 authorized shares; 269,395,574 and 268,282,592 shares issued and outstanding at September 30, 2022 and December 31, 2021, respectively		2,694	2,683			

Common stock, \$0.01 par value per share - 500,000,000 authorized shares; 270,096,433 and 269,814,956 shares issued and outstanding at March 31, 2023 and December 31, 2022, respectively	Common stock, \$0.01 par value per share - 500,000,000 authorized shares; 270,096,433 and 269,814,956 shares issued and outstanding at March 31, 2023 and December 31, 2022, respectively
Paid-in capital	Paid-in capital
Accumulated deficit and distributions in excess of net earnings	Accumulated deficit and distributions in excess of net earnings
(1,359,106)	(1,157,888)
Accumulated other comprehensive (loss) income	(23,194)
Accumulated other comprehensive loss	Accumulated other comprehensive loss
Total stockholders' equity	Total stockholders' equity
Noncontrolling interests:	Noncontrolling interests:
Noncontrolling interests in operating partnership	12,982
Noncontrolling interests in Operating Partnership	Noncontrolling interests in Operating Partnership
Total equity	Total equity
Total liabilities and equity	Total liabilities and equity
<i>See accompanying notes to condensed consolidated financial statements.</i>	<i>See accompanying notes to condensed consolidated financial statements.</i>

4

Americold Realty Trust, Inc. and Subsidiaries	Americold Realty Trust, Inc. and Subsidiaries	Americold Realty Trust, Inc. and Subsidiaries
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Condensed Consolidated Statements of Operations (Unaudited) <i>(In thousands, except per share amounts)</i>		Condensed Consolidated Statements of Operations (Unaudited)				Condensed Consolidated Statements of Operations (Unaudited)		
		<i>(In thousands, except per share amounts)</i>				<i>(In thousands, except per share amounts)</i>		
		Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,		
		2022	2021	2022	2021	2023	2022	
Revenues:		Revenues:				Revenues:		
Rent, storage and warehouse services	Rent, storage and warehouse services	\$ 598,977	\$ 542,047	\$ 1,704,281	\$ 1,531,232	Rent, storage and warehouse services	\$ 595,052	\$ 540,925
Transportation services						Transportation services		
Third-party managed services	Third-party managed services	82,436	87,782	251,782	233,027	Third-party managed services	13,359	85,860
Transportation services		76,367	78,979	237,168	234,051			
Total revenues	Total revenues	757,780	708,808	2,193,231	1,998,310	Total revenues	676,489	705,695
Operating expenses:		Operating expenses:				Operating expenses:		
Rent, storage and warehouse services cost of operations	Rent, storage and warehouse services cost of operations	432,315	397,055	1,240,376	1,095,680	Rent, storage and warehouse services cost of operations	420,225	394,667
Transportation services cost of operations						Transportation services cost of operations		
Third-party managed services cost of operations	Third-party managed services cost of operations	78,776	83,231	240,900	222,401	Third-party managed services cost of operations	12,280	82,359
Transportation services cost of operations		65,531	72,728	204,218	211,847			
Depreciation and amortization	Depreciation and amortization	83,669	70,569	248,979	232,239	Depreciation and amortization	85,024	82,620
Selling, general and administrative	Selling, general and administrative	57,119	45,545	170,994	133,072	Selling, general and administrative	62,855	57,602
Acquisition, litigation and other, net	Acquisition, litigation and other, net	4,874	6,338	20,612	31,011	Acquisition, litigation and other, net	7,147	10,075
Impairment of indefinite and long- lived assets		6,616	1,784	6,616	3,312			
Loss from sale of real estate	Loss from sale of real estate	5,710	—	5,710	—	Loss from sale of real estate	191	—
Total operating expenses	Total operating expenses	734,610	677,250	2,138,405	1,929,562	Total operating expenses	644,140	697,704
Operating income	Operating income	23,170	31,558	54,826	68,748	Operating income	32,349	7,991
Other expense, net:	Other expense, net:					Other expense, net:		
Interest expense	Interest expense	(30,402)	(25,303)	(82,720)	(77,838)	Interest expense	(34,423)	(25,773)

Loss on debt extinguishment, modifications and termination of derivative instruments	Loss on debt extinguishment, modifications and termination of derivative instruments	(1,040)	(627)	(2,284)	(5,051)	Loss on debt extinguishment, modifications and termination of derivative instruments	(545)	(616)
Other, net	Other, net	(2,593)	(57)	(1,197)	1,021	Other, net	1,433	2,357
Loss from investments in partially owned entities	Loss from investments in partially owned entities	(1,440)	(489)	(7,199)	(1,250)	Loss from investments in partially owned entities	(3,029)	(2,112)
(Loss) income before income taxes		(12,305)	5,082	(38,574)	(14,370)			
Income tax (expense) benefit								
Loss before income taxes						Loss before income taxes	(4,215)	(18,153)
Income tax (expense) benefit:						Income tax (expense) benefit:		
Current	Current	(1,006)	(3,336)	(3,004)	(6,953)	Current	(1,977)	(1,181)
Deferred	Deferred	4,374	3,562	19,149	(1,004)	Deferred	3,621	1,889
Total income tax benefit (expense)		3,368	226	16,145	(7,957)			
Total income tax benefit						Total income tax benefit	1,644	708
Net (loss) income		\$ (8,937)	\$ 5,308	\$ (22,429)	\$ (22,327)			
Net (loss) income attributable to noncontrolling interests		(25)	14	(45)	163			
Net (loss) income attributable to Americold Realty Trust, Inc.		\$ (8,912)	\$ 5,294	\$ (22,384)	\$ (22,490)			
Net loss						Net loss	\$ (2,571)	\$ (17,445)
Net loss attributable to noncontrolling interests						Net loss attributable to noncontrolling interests	(9)	(38)
Net loss attributable to Americold Realty Trust, Inc.						Net loss attributable to Americold Realty Trust, Inc.	\$ (2,562)	\$ (17,407)
Weighted average common stock outstanding - basic	Weighted average common stock outstanding - basic	269,586	261,865	269,467	256,129	Weighted average common stock outstanding - basic	270,230	269,164
Weighted average common stock outstanding - diluted	Weighted average common stock outstanding - diluted	269,586	262,550	269,467	256,129	Weighted average common stock outstanding - diluted	270,230	269,164
Net (loss) income per common share - basic		\$ (0.03)	\$ 0.02	\$ (0.08)	\$ (0.09)			
Net (loss) income per common share - diluted		\$ (0.03)	\$ 0.02	\$ (0.08)	\$ (0.09)			
Net loss per common share - basic						Net loss per common share - basic	\$ (0.01)	\$ (0.06)
Net loss per common share - diluted						Net loss per common share - diluted	\$ (0.01)	\$ (0.06)

See accompanying notes to condensed consolidated financial statements.

Americold Realty
Trust, Inc. and
Subsidiaries

Condensed Consolidated
Statements of Comprehensive
Loss (Unaudited) *(In
thousands)*

		Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
		2022	2021	2022	2021	2023	2022
Net (loss) income		\$ (8,937)	\$ 5,308	\$(22,429)	\$(22,327)		
Net loss				Net loss		\$ (2,571)	\$(17,445)
Other comprehensive (loss) income - net of tax:	Other comprehensive (loss) income - net of tax:			Other comprehensive (loss) income - net of tax:			
Adjustment to accrued pension liability	Adjustment to accrued pension liability	66	389	20	1,166	Adjustment to accrued pension liability	698
Change in unrealized net loss on foreign currency	Change in unrealized net loss on foreign currency	(25,038)	(9,485)	(37,720)	(13,141)	Change in unrealized net loss on foreign currency	179
Unrealized gain on cash flow hedges		8,274	247	9,984	2,877	Unrealized gain on cash flow hedges	151
Other comprehensive loss - net of tax attributable to Americold Realty Trust, Inc.		(16,698)	(8,849)	(27,716)	(9,098)	Other	
Other comprehensive loss attributable to noncontrolling interests		(53)	(19)	(103)	(11)	comprehensive (loss) income - net of tax attributable to Americold Realty Trust, Inc.	
Unrealized (loss) gain on cash flow hedges				Unrealized (loss) gain on cash flow hedges		(12,564)	
Other comprehensive (loss) income - net of tax attributable to Americold Realty Trust, Inc.				Other comprehensive (loss) income - net of tax attributable to Americold Realty Trust, Inc.			11,404
Other comprehensive (loss) income attributable to noncontrolling interests				Other comprehensive (loss) income attributable to noncontrolling interests		(35)	23
Total comprehensive loss	Total comprehensive loss	\$ (25,688)	\$ (3,560)	\$(50,248)	\$(31,436)	Total comprehensive loss	\$ (14,293)
							\$ (6,018)

See accompanying notes to condensed consolidated financial statements.

See accompanying notes to condensed consolidated financial statements.	See accompanying notes to condensed consolidated financial statements.
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		Common Stock			Accumulated Deficit and Distributions	Accumulated Other in Excess of Net Earnings	Noncontrolling Interests in Comprehensive Income (Loss)	Operating Partnership	Common Stock	Accumulated Deficit and Distributions			
		Number of Shares	Par Value	Paid-in Capital					Number of Shares	Par Value	Paid-in Capital		
Balance - December 31, 2021		268,282,592	\$2,683	\$5,171,690	\$(1,157,888)	\$4,522	\$8,069						
Balance - December 31, 2022								Noncontrolling Interests in Operating Partnership	Balance - December 31, 2022	269,814,956	\$2,698	\$5,191,969	
Net loss	Net loss	—	—	—	(17,407)	—	(38)	Net loss	—	—	—	(38)	
Other comprehensive income	Other comprehensive income	—	—	—	—	11,404	23	11,427	Other comprehensive loss	—	—	—	—
Distributions on common stock, restricted stock and OP units	Distributions on common stock, restricted stock and OP units	—	—	—	(59,580)	—	(180)	(59,760)	Distributions on common stock, restricted stock and OP units	—	—	—	(59,760)
Stock-based compensation expense	Stock-based compensation expense	—	—	6,108	—	—	1,985	8,093	Stock-based compensation expense	—	—	5,273	—
Common stock issuance related to stock-based payment plans, net of shares withheld for employee taxes	Common stock issuance related to stock-based payment plans, net of shares withheld for employee taxes	318,729	3	(2,140)	—	—	—	(2,137)	Common stock issuance related to stock-based payment plans, net of shares withheld for employee taxes	221,084	2	(801)	—
Common stock issuance related to employee stock purchase plan	Common stock issuance related to employee stock purchase plan	71,144	1	1,984	—	—	—	1,985	Common stock issuance related to employee stock purchase plan	60,393	1	1,452	—

Balance - March 31, 2022	268,672,465	\$2,687	\$5,177,642	\$ (1,234,875)	\$ 15,926	\$ 9,859	\$ 3,971,239	
Net income	—	—	—	3,935	—	18	3,953	
Other comprehensive loss	—	—	—	—	(27,392)	(73)	(27,465)	
Distributions on common stock, restricted stock and OP units	—	—	—	(59,571)	—	(188)	(59,759)	
Stock-based compensation expense	—	—	5,115	—	—	2,173	7,288	
Common stock issuance related to stock-based payment plans, net of shares withheld for employee taxes	618,176	6	(448)	—	—	—	(442)	
Balance - March 31, 2023								Balance - March 31, 2023
Deconsolidation of previously consolidated entities	—	—	—	—	4,970	(204)	4,766	270,096,433
Balance - June 30, 2022	269,290,641	\$2,693	\$5,182,309	\$ (1,290,511)	\$ (6,496)	\$ 11,585	\$ 3,899,580	\$2,701
Net loss	—	—	—	(8,912)	—	(25)	(8,937)	\$5,197,893
Other comprehensive loss	—	—	—	—	(16,698)	(53)	(16,751)	\$ (1,477)
Distributions on common stock, restricted stock and OP units	—	—	—	(59,583)	—	(180)	(59,763)	
Stock-based compensation expense	—	—	5,065	—	—	1,655	6,720	
Common stock issuance related to stock-based payment plans, net of shares withheld for employee taxes	30,791	—	(53)	—	—	—	(53)	
Common stock issuance related to employee stock purchase plan	74,142	1	1,894	—	—	—	1,895	
Other	—	—	—	(100)	—	—	(100)	
Balance - September 30, 2022	269,395,574	\$2,694	\$5,189,215	\$ (1,359,106)	\$ (23,194)	\$ 12,982	\$ 3,822,591	

7

Americold Realty Trust, Inc. and Subsidiaries Condensed Consolidated Statements of Equity, Continued (Unaudited) (In thousands, except shares and per share amounts)								
	Common Stock			Accumulated Deficit and Distributions in Excess of Net Earnings			Noncontrolling Interests in Operating Partnership and Consolidated Joint Venture	
	Number of Shares	Par Value	Paid-in Capital	Other	Comprehensive (Loss) Income	Consolidated Joint Venture	Total	
Balance - December 31, 2020	251,702,603	\$ 2,517	\$ 4,687,823	\$ (895,521)	\$ (4,379)	\$ 2,381	\$ 3,792,821	
Net (loss) income	—	—	—	(14,414)	—	178	(14,236)	
Other comprehensive loss	—	—	—	—	(9,280)	(12)	(9,292)	
Distributions on common shares, restricted stock and OP units	—	—	—	(55,909)	—	(120)	(56,029)	
Stock-based compensation expense	—	—	4,075	—	—	949	5,024	
Common share issuance related to stock-based payment plans, net of shares withheld for employee taxes	816,915	8	(10,089)	—	—	—	(10,081)	
Balance - March 31, 2021	252,519,518	\$ 2,525	\$ 4,681,809	\$ (965,844)	\$ (13,659)	\$ 3,376	\$ 3,708,207	

Net loss	—	—	—	(13,370)	—	(29)	(13,399)
Other comprehensive income	—	—	—	—	9,031	20	9,051
Distributions on common shares, restricted stock and OP units	—	—	—	(57,773)	—	(124)	(57,897)
Stock-based compensation expense	—	—	3,922	—	—	1,539	5,461
Common share issuance related to stock-based payment plans, net of shares withheld for employee taxes	66,431	1	(108)	—	—	—	(107)
Issuance of common stock	8,429,104	84	214,775	—	—	—	214,859
Balance - June 30, 2021	261,015,053	\$ 2,610	\$ 4,900,398	\$ (1,036,987)	\$ (4,628)	\$ 4,782	\$ 3,866,175
Net income	—	—	—	5,294	—	14	5,308
Other comprehensive loss	—	—	—	—	(8,849)	(19)	(8,868)
Distributions on common shares, restricted stock and OP units	—	—	—	(58,902)	—	(124)	(59,026)
Stock-based compensation expense	—	—	2,782	—	—	1,502	4,284
Common share issuance related to stock-based payment plans, net of shares withheld for employee taxes	9,326	—	(57)	—	—	—	(57)
Common shares issuance related to employee stock purchase plan	63,260	1	1,919	—	—	—	1,920
Issuance of common stock	5,681,369	57	205,390	—	—	—	205,447
Balance - September 30, 2021	266,769,008	\$ 2,668	\$ 5,110,432	\$ (1,090,595)	\$ (13,477)	\$ 6,155	\$ 4,015,183

	Accumulated						
	Common Stock			Deficit and	Accumulated	Noncontrolling	
	Number of	Par Value	Paid-in Capital	Distributions in	Other	Interests in	
	Shares			Excess of Net	Comprehensive	Operating	
Balance - December 31, 2021	268,282,592	\$ 2,683	\$ 5,171,690	\$ (1,157,888)	\$ 4,522	\$ 8,069	\$ 4,029,076
Net loss	—	—	—	(17,407)	—	(38)	(17,445)
Other comprehensive income	—	—	—	—	11,404	23	11,427
Distributions on common stock, restricted stock and OP units	—	—	—	(59,580)	—	(180)	(59,760)
Stock-based compensation expense	—	—	6,108	—	—	1,985	8,093
Common stock issuance related to stock-based payment plans, net of shares withheld for employee taxes	318,729	3	(2,140)	—	—	—	(2,137)
Common stock issuance related to employee stock purchase plan	71,144	1	1,984	—	—	—	1,985
Balance - March 31, 2022	268,672,465	\$ 2,687	\$ 5,177,642	\$ (1,234,875)	\$ 15,926	\$ 9,859	\$ 3,971,239

See accompanying notes to condensed consolidated financial statements.

	Americold Realty Trust, Inc. and Subsidiaries		
	Condensed Consolidated Statements of Cash Flows (Unaudited)		
	(In thousands, See accompanying notes to condensed consolidated financial statements)		
	Nine Months Ended September 30,		
	2022	2021	
Operating activities:			
Net loss	\$ (22,429)	\$ (22,327)	
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	248,979	232,239	
Amortization of deferred financing costs and pension withdrawal liability	3,528	3,321	
Amortization of above/below market leases	1,597	1,418	
Loss on debt extinguishment, modifications and termination of derivative instruments	2,284	4,927	

Foreign exchange loss	3,453	317
Loss from investments in partially owned entities	7,199	1,250
Gain on extinguishment of New Market Tax Credit structure	(3,410)	—
Loss on deconsolidation of subsidiary contributed to LATAM joint venture	4,148	—
Stock-based compensation expense	22,101	14,788
Deferred income taxes (benefit) expense	(19,149)	1,004
Loss from sale of real estate	5,710	—
Loss (gain) on other asset disposals	1,107	(647)
Impairment of indefinite and long-lived assets	6,616	3,312
Provision for doubtful accounts receivable	3,866	4,730
Changes in operating assets and liabilities:		
Accounts receivable	(84,761)	(46,372)
Accounts payable and accrued expenses	(19,382)	(16,281)
Other	21,426	(17,360)
Net cash provided by operating activities	182,883	164,319
Investing activities:		
Additions to property, buildings and equipment	(254,112)	(313,229)
Business combinations, net of cash acquired	(15,228)	(616,316)
Acquisitions of property, buildings and equipment, net of cash acquired	(14,581)	—
Investment in partially owned entities	(4,427)	(6,260)
Purchase of noncontrolling interest holders share in consolidated joint venture	—	(11,600)
Proceeds from sale of property, buildings and equipment	340	1,318
Proceeds from sale of investments in partially owned entities	—	596
Net cash used in investing activities	(288,008)	(945,491)
Financing activities:		
Distributions paid on common shares, restricted stock units and noncontrolling interests in Operating Partnership	(179,623)	(168,538)
Proceeds from stock options exercised	887	5,191
Proceeds from employee stock purchase plan	3,880	1,920
Remittance of withholding taxes related to employee share-based transactions	(4,031)	(15,777)
Proceeds from revolving line of credit	404,604	590,841
Repayment on revolving line of credit	(303,860)	(280,000)
Repayment of sale-leaseback financing obligations	(5,580)	(2,663)
Repayment of financing lease obligations	(24,758)	(27,500)
Payment of debt issuance and extinguishment costs	(11,593)	(3,110)
Repayment of term loan and mortgage notes	(5,453)	(205,246)
Proceeds from term loan	200,000	—
Net proceeds from issuance of common shares	—	420,151
Net cash provided by financing activities	74,473	315,269
Net decrease in cash, cash equivalents and restricted cash	(30,652)	(465,903)
Effect of foreign currency translation on cash, cash equivalents and restricted cash	(6,613)	(2,378)
Cash, cash equivalents and restricted cash:		
Beginning of period	82,958	621,051
End of period	\$ 45,693	\$ 152,770

Americold Realty Trust, Inc. and Subsidiaries
 Condensed Consolidated Statements of Cash Flows, Continued (Unaudited)
(In thousands, See accompanying notes to condensed consolidated financial statements)

	Nine Months Ended September 30,		
	2022		2021
<i>Supplemental disclosures of non-cash investing and financing activities:</i>			
Deferred cash consideration	\$	—	\$ 11,820
Addition of property, buildings and equipment on accrual	\$	37,271	\$ 70,427
Addition of property, buildings and equipment under financing lease obligations	\$	18,088	\$ 13,362
Addition of property, buildings and equipment under operating lease obligations	\$	6,306	\$ 68,738
<i>Supplemental cash flow information:</i>			
Interest paid – net of amounts capitalized	\$	98,292	\$ 81,487
Income taxes paid – net of refunds	\$	6,958	\$ 7,557
As of September 30,			
	2022		2021
Allocation of purchase price of property, buildings and equipment to:			
Land	\$	3,628	\$ —
Buildings and improvements		8,289	—
Machinery and equipment		2,664	—
Cash paid for acquisition of property, buildings and equipment	\$	14,581	\$ —
As of September 30,			
	2022		2021
Allocation of purchase price to business combinations:			
Land	\$	967	\$ 49,223
Buildings and improvements		8,567	155,496
Machinery and equipment		3,354	60,192
Assets under construction		—	373
Operating lease right-of-use assets		—	28,973
Financing leases		—	24
Cash and cash equivalents		—	6,669
Accounts receivable		—	6,567
Goodwill		2,339	67,102
Customer relationships		—	307,737
Other assets		166	2,495
Accounts payable and accrued expenses		(165)	(9,459)
Financing lease obligations		—	(24)
Operating lease obligations		—	(20,581)
Unearned revenue		—	(1,387)
Deferred tax liability		—	(19,831)
Total consideration:	\$	15,228	\$ 633,569
As of September 30,			
	2022		2021
Deconsolidation of Chile upon contribution to LATAM JV			
Land	\$	(19,574)	\$ —
Buildings and improvements		(10,118)	—
Machinery and equipment		(8,395)	—
Assets under construction		(20)	—
Accumulated depreciation		1,959	—
Cash, cash equivalents and restricted cash		(2,483)	—
Accounts receivable		(1,422)	—
Goodwill		(6,653)	—
Other Assets		(309)	—
Accounts payable and accrued expenses		1,105	—

Mortgage notes, senior unsecured notes and term loans – net of unamortized deferred financing costs	9,633	—
Accumulated other comprehensive loss	(4,766)	—
Net carrying value of Chile assets and liabilities deconsolidated	\$ (41,043)	\$ —
Recognition of investment in unconsolidated LATAM joint venture	\$ 36,896	\$ —

Americold Realty Trust, Inc. and Subsidiaries Condensed Consolidated Statements of Cash Flows (Unaudited) <i>(In thousands, See accompanying notes to condensed consolidated financial statements)</i>			
	Three Months Ended March 31,		
	2023	2022	
Operating activities:			
Net loss	\$ (2,571)	\$ (17,445)	
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	85,024	82,620	
Amortization of deferred financing costs and pension withdrawal liability	1,240	1,146	
Amortization of above/below market leases	402	508	
Loss on debt extinguishment, modifications and termination of derivative instruments	545	616	
Foreign exchange gain	(458)	(325)	
Loss from investments in partially owned entities	3,029	2,112	
Stock-based compensation expense	6,970	8,093	
Deferred income taxes benefit	(3,621)	(1,889)	
Loss from sale of real estate	191	—	
Gain on other asset disposals	(156)	(165)	
Provision for doubtful accounts receivable	1,458	1,970	
Changes in operating assets and liabilities:			
Accounts receivable	20,012	(41,994)	
Accounts payable and accrued expenses	(69,996)	(35,572)	
Other	(588)	15,911	
Net cash provided by operating activities	41,481	15,586	
Investing activities:			
Additions to property, buildings and equipment	(69,262)	(93,020)	
Business combinations, net of cash acquired	—	603	
Investment in partially owned entities and other	(18,400)	(1,925)	
Proceeds from sale of property, buildings and equipment	70	98	
Net cash used in investing activities	(87,592)	(94,244)	
Financing activities:			
Distributions paid on common stock, restricted stock units and noncontrolling interests in Operating Partnership	(60,064)	(59,940)	
Proceeds from stock options exercised	1,464	575	
Proceeds from employee stock purchase plan	1,452	1,985	
Remittance of withholding taxes related to employee stock-based transactions	(2,265)	(3,226)	
Proceeds from revolving line of credit	186,700	115,000	
Repayment on revolving line of credit	(76,604)	—	
Repayment of sale-leaseback financing obligations	(2,170)	(1,619)	
Repayment of financing lease obligations	(9,646)	(4,695)	
Repayment of term loan and mortgage notes	—	(1,824)	
Net cash provided by financing activities	38,867	46,256	
Net decrease in cash, cash equivalents and restricted cash	(7,244)	(32,402)	
Effect of foreign currency translation on cash, cash equivalents and restricted cash	1,403	409	
Cash, cash equivalents and restricted cash:			
Beginning of period	53,063	82,958	
End of period	\$ 47,222	\$ 50,965	

<i>Supplemental disclosures of non-cash investing and financing activities:</i>			
Addition of property, buildings and equipment on accrual	\$ 40,467	\$ 52,931	
Addition of property, buildings and equipment under financing lease obligations	\$ 10,486	\$ 5,717	
Addition of property, buildings and equipment under operating lease obligations	\$ 474	\$ 1,828	
<i>Supplemental cash flow information:</i>			
Interest paid – net of amounts capitalized	\$ 47,387	\$ 38,751	
Income taxes paid – net of refunds	\$ 556	\$ 2,252	

108

Americold Realty Trust, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements (Unaudited)

1. General

The Company

Americold Realty Trust, Inc. together with all of its consolidated subsidiaries (ART, Americold, the Company, us or we), is a Maryland corporation that operates as a real estate investment trust (REIT) organized under Maryland law for U.S. federal income tax purposes. The Company is the world's largest publicly traded REIT a global leader in temperature-controlled logistics real estate and value added services, focused on the ownership, operation, acquisition and development of temperature-controlled warehouses. The Company is organized as a self-administered and self-managed REIT with proven operating, acquisition and development experience.

On May 25, 2022, the Company completed its conversion from a Maryland real estate investment trust to a Maryland corporation, pursuant to the Articles of Conversion, as approved by the stockholders at its annual shareholder meeting on May 17, 2022. Each issued and outstanding share of beneficial interest in Americold Realty Trust was converted into one share of Common Stock in Americold Realty Trust, Inc. As a result of this conversion, several references in this Form 10-Q have been updated accordingly. Despite this conversion, the Company continues to operate as a REIT for U.S. federal income tax purposes.

Basis of Presentation and Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. (GAAP)(U.S. GAAP) for interim financial information, and with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). These unaudited condensed consolidated financial statements do not include all disclosures associated with the Company's consolidated annual financial statements included in its 2021 2022 Annual Report on Form 10-K as filed with the SEC, and, accordingly, should be read in conjunction with the referenced annual report. In the opinion of management, all adjustments (all of which are normal and recurring in nature) considered necessary for a fair presentation have been included. The accompanying condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries where the Company exerts control. Intercompany balances and transactions have been eliminated. Operating results for the interim periods presented are not necessarily indicative of the results that may be expected for the full year. Investments in which the Company does not have control, and is not considered to be the primary beneficiary of a Variable Interest Entity (VIE), but where the Company exercises significant influence over the operating and financial policies of the investee, are accounted for using the equity method of accounting. Intercompany balances and transactions have been eliminated. Operating results for the interim periods presented are not necessarily indicative of the results that may be expected for the full year.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of (1) assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements, and (2) revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain immaterial, prior period amounts have been reclassified to conform to the current period presentation within the Notes to the Condensed Consolidated Financial Statements.

Summary of Significant Accounting Policies

The following disclosure regarding certain of our significant accounting policies should be read in conjunction with Note 2 to the consolidated financial statements included in our 2021 2022 Annual Report on Form 10-K as filed with the SEC, which provides additional information with regard to the accounting policies set forth herein and other significant accounting policies.

Americold Realty Trust, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements - (Unaudited)

Formation

Termination of Latin America Joint Venture Certain Employee Benefit Plans

On May 31, 2022 February 28, 2023, we formed the Company's Board of Directors approved a joint venture, Americold LATAM Holdings Ltd (the "LATAM JV"), with Cold LATAM Limited (our "JV partner"), in an effort plan to help us grow our business and market presence in effect the Latin America region, excluding Brazil. Our JV partner committed to invest approximately \$209.0 million in exchange for 85% termination of the total equity interests, and we contributed our Chilean business upon formation Americold Retirement Income Plan ("ARIP"). Additionally, on February 28, 2023, the Company amended the ARIP plan agreements in order to provide for a limited lump-sum window for eligible participants. The Company plans to file the Application for Determination Upon Termination with the Internal Revenue Service during the second quarter of 2023. The Company has chosen to proceed with the joint venture and retained distributions without waiting for the remaining 15% equity interests in final letter of favorable determination. The Company plans to file the joint venture. Our JV partner's contribution commitment includes an initial contribution of \$8 million at closing and the remainder as a contribution receivable to the LATAM JV. The JV partner must complete its remaining contribution payments over the next four-year period through December 31, 2025 and in doing so, it retains its 85% equity ownership during this period. As a result of this transaction, we recognized a loss of approximately \$4.1 million within "Other, net" on the Condensed Consolidated Statement of Operations (net of accumulated foreign currency translation loss appropriate documents related to the Chilean business) termination of the ARIP with the Pension Benefit Guaranty Corporation and any other appropriate parties during the third quarter of 2023.

The Company will recognize a gain or loss upon settlement when an irrevocable action to terminate the ARIP has occurred, the Company is relieved of the primary responsibility of the ARIP, and the significant risks related to the obligations of the plan and the assets used to effect the settlement is eliminated for the Company.

The Company expects to make cash contributions in 2023 in order to fully fund the ARIP on a liquidation basis, and the ARIP will be dissolved upon completion of lump sum distributions and purchase of annuity contracts. The actual amount of this cash contribution requirement will depend upon the deconsolidation nature and timing of this entity and subsequent recognition of our subsidiary's 15% equity investment participant settlements, interest rates, as well as prevailing market conditions. In addition, the Company expects to recognize pre-tax non-cash pension settlement charges related to actuarial losses currently in the LATAM JV at its estimated fair value of \$37.0 million within "Investments Accumulated other comprehensive income (loss) in partially owned entities" on the Condensed Consolidated Balance Sheet. Sheets, upon settlement of the obligations of the ARIP. These charges are currently expected to occur in 2023, with the specific timing and final amounts dependent upon completion of the activities enumerated above.

The termination of the plan will be accounted for under the liquidation basis of accounting. Refer to Note 9 for additional details regarding the fair value of the Company's retained equity investment is based on Level 3 measurements within the fair value hierarchy based on the cash paid and contribution receivable committed to by our JV partner for their 85% interest, pension assets as well as fair value measurement performed in December 2020 when the Chilean business was acquired. Under the terms of the JV agreement, three months ended March 31, 2023 and December 31, 2022, respectively. The gain or loss resulting from the liquidation is not expected to be material and will be recorded to "other, net" in the condensed consolidated financial statements.

Recent Capital Markets Activity

At the Market (ATM) Equity Program

On March 17, 2023, the Company has a call right that enables it entered into an equity distribution agreement pursuant to purchase all remaining issued and outstanding shares which we may sell, from time to time, up to an aggregate sales price of the LATAM JV starting in 2026 \$900.0 million of our common stock through 2028, as calculated in accordance with the JV agreement. Upon expiration an ATM Equity Program (the "2023 ATM Equity Program"). Sales of the Company's call option, if unexercised, common stock made pursuant to the JV partner has 2023 ATM Equity Program may be made in negotiated transactions or transactions that are deemed to be "at the market" offerings as defined in Rule 415 under the Securities Act, including sales made directly on the NYSE, or sales made to or through a call right that requires market maker other than on an exchange, or as otherwise agreed between the applicable Agent named therein and us. Sales may also be made on a forward basis pursuant to separate forward sale agreements. There was no activity during the three months ended March 31, 2023 under the 2023 ATM Equity Program.

Universal Shelf Registration Statement

In connection with establishing the 2023 ATM Equity Program on March 17, 2023, the Company to sell all of its interest in and the LATAM JV by December 31, 2028, with the exercise price based upon the same calculation as the Company's call option in accordance with the LATAM JV agreement.

Extinguishment of New Market Tax Credit ("NMTC") Arrangement

During the second quarter of 2022, we recognized a gain of \$3.4 million within "Other, net" on the Condensed Consolidated Statement of operations upon extinguishment of New Markets Tax Credit ("NMTC") agreements which were dissolved immediately following the conclusion of the seven-year compliance period during which the tax credits were recognized. The NMTC deferred contribution liability was previously recorded within "Accounts payable and accrued expenses" on the Condensed Consolidated Balance Sheets. For a more detailed description of the NMTC arrangement, refer to Note 17 of the consolidated financial statements in the Company's 2021 Annual Report on Form 10-K as Operating Partnership filed with the SEC.

Impairment of Indefinite and Long-Lived Assets

For the nine months ended September 30, 2022, the Company recorded impairment charges totaling \$6.6 million, which included a 'Goodwill' impairment charge of \$3.2 million related to the Third-party managed segment as we are strategically shifting our focus to our core warehouse portfolio, and terminating and winding down business with one of the largest customers in the Third-party managed segment. Additionally, we recognized SEC an impairment charge of 'Assets under construction' of \$2.2 million associated with a development project which management determined it would no longer pursue and 'buildings and improvements' of \$1.2 million in Warehouse segment assets which we reduced the carrying value of in anticipation of the exit of certain leased facilities. The impact of our strategic shift related to our Third-party managed segment will not impact our segment disclosures, as we will continue to serve our other existing customers in this segment. During the nine months ended September 30, 2021, the Company recorded impairment charges totaling \$3.3 million, which included an impairment charge of \$1.7 million related to costs associated with development projects that management determined it would no longer pursue and a charge of \$1.6 million for certain software costs that were determined no longer usable. automatic shelf registration statement on Form S-3 (Registration No.

1210

Americold Realty Trust, Inc. and Subsidiaries

Notes to Condensed Consolidated Financial Statements - (Unaudited)

333-270664 and 333-270664-01 (the "Registration Statement"), registering an indeterminate amount of (i) the Company's common stock, \$0.01 par value per share, (ii) the Company's preferred stock, \$0.01 par value per share, (iii) depositary shares representing entitlement to all rights and preferences of fractions of the Company's preferred shares of a specified series and represented by depositary receipts, (iv) warrants to purchase the Company's common stock or preferred stock or depositary shares and (v) debt securities of the Operating Partnership, which will be fully and unconditionally guaranteed by the Company.

Recently Adopted Accounting Standards

Accounting for Revenue Contracts Acquired in a Business Combination

In 2021, the FASB issued ASU 2021-08, Accounting for Contract Assets and Contract Liabilities from Contracts with Customers (Topic 805). The changes require entities to apply Accounting Standards Codification (ASC) 606 to recognize and measure contract assets and contract liabilities from contracts with customers in a business combination. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2022. Adoption of ASU 2021-08 did not have a material impact on the Company's condensed consolidated financial statements.

Significant Risks and Uncertainties

The COVID-19 pandemic has caused, and is likely to continue to cause severe economic, market and other disruptions worldwide, which could lead to future material impairments three months ended March 31, 2022 was negatively impacted by the contributory effects of our assets, increases in our allowance for credit losses and changes in judgments in determining the fair value of our assets. Conditions in the bank lending, capital and other financial markets may deteriorate, and our access to capital and other sources of funding may become constrained or more costly, which could materially and adversely affect the availability and terms of future borrowings, renewals, re-financings and other capital raises.

The Company is closely monitoring the impact of the ongoing COVID-19 pandemic and any variants on all aspects of its business in all geographies, including how it will impact its customers and business partners. The three and nine months ended September 30, 2022 and the year ended December 31, 2021 were negatively impacted by COVID-19 related resulting disruptions and other macro-economic conditions in (i) the food supply chain; (ii) our

customers' production of goods; (iii) the labor market, impacting which impacts associate turnover, availability and cost; and (iv) the impact of inflation on the cost to provide our services. Despite Over the current headwinds, we expect that end-consumer demand for food will remain consistent over the long-term with historic levels. However, current end-consumer demand coupled with last twelve months, there have been gradual improvements in food production and transportation challenges throughout the food supply chain has begun to recover storage levels, reaching pre-COVID-19 pandemic has driven down holdings in levels. While our facilities. As a result, occupancy and throughput volume continue at lower than historical levels experienced prior to COVID-19. We expect this to continue until our customers are able to ramp production back up to pre-pandemic levels for an extended period of time and rebuild inventory in the supply chain.

The unprecedented labor environment business continues to be challenging for many companies, including our food manufacturing customers. Labor availability continues to be the primary constraint on food production, along with the continuing spread of COVID-19 and related variants, which also impacts the labor market.

Our business has also been impacted by rising inflationary pressures, we are well-situated due to inflation during the second half of 2021 our strong financial position and during the three and nine months ended September 30, 2022. We believe we are positioned our ability to address continued inflationary pressure as it arises; however, many of pass along price increases to our contracts require that we experience sustained cost increases for an extended period of time ranging up to 60 days before we are able to initiate rate increases or seek remedies under our contracts. As a result of the significant impact of inflation on the cost of providing our storage, services and transportation to customers, during the second half of 2021 we initiated out-of-cycle rate increases in our customer contracts (many of which contain provisions for inflationary price escalators), and expect to continue to monitor further inflation and implement pricing increases as needed. We can give no assurance that we will be able to offset the entire impact of inflation or future inflationary cost increases through increased storage or service charges or by operational efficiencies.

Additionally, global supply chains have been volatile following the invasion of Ukraine by Russia which has resulted in sanctions against Russia from the U.S. and a number of European countries. While we do not expect our global operations and specifically our European operations to be directly impacted by this event currently, changes could occur that could impact our operations, customers.

2. Business Combinations

On July 1, 2022, the Company completed the acquisition of De Bruyn Cold Storage which operates a single facility located in Tasmania, Australia for total consideration of A\$23.5 million, or \$16.0 million, based on the exchange rate between the AUS and USD on the closing date of the transaction. The acquisition accounting related to the consideration transferred primarily included the preliminary fair values of the assets acquired and liabilities assumed including \$1.0 million of land, \$8.6 million of buildings and improvements, \$3.4 million of machinery and equipment, and \$3.1 million of goodwill, all of which are allocated to the Warehouse segment.

13

Americold Realty Trust, Inc. and Subsidiaries

Notes to Condensed Consolidated Financial Statements - (Unaudited)

Total consideration paid for Bowman, KMT Brrrl, Liberty Freezers, ColdCo and Newark Facility Management, which were acquired during the three and nine months ended September 30, 2021 was \$106.4 million, \$71.4 million, and C\$56.8 million, or \$44.9 million, \$20.5 million, and \$390.8 million, respectively, and the acquisition accounting was finalized within twelve months from the date of the respective acquisition. No material adjustments were made to the acquisition accounting during the three and nine months ended September 30, 2022. Total consideration paid for Lago Cold Stores, acquired during the fourth quarter of 2021, for A\$102.2 million, or \$75.1 million, remained preliminary as of September 30, 2022. No material adjustments were made to the preliminary acquisition accounting for this businesses during the three and nine months ended September 30, 2022. We will continue to evaluate the preliminary fair values of the assets acquired and liabilities assumed until they are satisfactorily resolved and adjust our acquisition accounting accordingly and within the allowable measurement period (not to exceed one year from the date of acquisition as defined by ASC 805). For more detailed descriptions of these acquisitions refer to Note 3 of the consolidated financial statements in the Company's 2021 Annual Report on Form 10-K as filed with the SEC.

3. Acquisition, Litigation and Other, net

The components of the charges and credits included in "Acquisition, litigation and other, net" in our Condensed Consolidated Statements of Operations are as follows (in thousands):

Acquisition, litigation and other, net	Three Months Ended September 30,		Nine Months Ended September 30,		Acquisition, litigation and other, net	Three Months Ended March 31,	
	Acquisition, litigation and other, net	2022	2021	2022	2021	2023	2022

Acquisition and integration related costs	Acquisition and integration related costs	\$ 5,808	\$ 6,301	\$ 15,879	\$ 22,851	Acquisition and integration related costs	\$ 1,786	\$ 6,285
Litigation (gain) loss		(2,200)	825	179	942			
Project Orion expenses						Project Orion expenses	1,946	—
Litigation						Litigation	—	1,200
Severance costs	Severance costs	1,586	149	5,060	2,850	Severance costs	3,415	2,564
Terminated site operations costs		(328)	6	439	78			
Cyber incident related costs, net of insurance recoveries	Cyber incident related costs, net of insurance recoveries	8	(943)	(785)	3,539	Cyber incident related costs, net of insurance recoveries	—	26
Other		—	—	(160)	751			
Total acquisition, litigation and other, net	Total acquisition, litigation and other, net	\$ 4,874	\$ 6,338	\$ 20,612	\$ 31,011	Total acquisition, litigation and other, net	\$ 7,147	\$ 10,075

Acquisition related costs include costs associated with business transactions, whether consummated or not, such as advisory, legal, accounting, valuation and other professional or consulting fees. We also include integration costs pre- and post-acquisition that reflect work being performed to facilitate merger and acquisition integration, such as work associated with information systems and other projects including spending to support future acquisitions, and primarily consist of professional services. We consider acquisition related costs to be corporate costs regardless of the segment or segments involved in the transaction. Refer to Note 38 of the consolidated financial statements in the Company's 2021 2022 Annual Report on Form 10-K as filed with the SEC for further information regarding acquisitions completed the nature of costs within each of these captions. The Project Orion expenses were not presented separately during 2021.

Litigation 2022 due to immateriality. These expenses represent the non-capitalizable portion of our Project Orion costs, consist which is an investment in and transformation of expenses incurred in order to defend our technology systems, business processes and customer solutions. The project includes the Company from litigation charges outside implementation of the normal course of business as well as related settlements not in the normal course of business. The benefit reflected during the third quarter of 2022 relates to a favorable settlement as compared to the originally recorded best estimate of the loss contingency. Litigation costs incurred in connection with matters arising from the ordinary course of business are expensed as a component of "Selling, general and administrative expense" on the Condensed Consolidated Statements of Operations.

new, state-of-the-art, cloud-based enterprise resource planning ("ERP") software system.

1411

Americold Realty Trust, Inc. and Subsidiaries

Notes to Condensed Consolidated Financial Statements - (Unaudited)

Severance costs represent certain contractual and negotiated severance and separation costs from exited former executives, reduction in headcount due to synergies achieved through acquisitions or operational efficiencies and reduction in workforce costs associated with exiting or selling non-strategic warehouses or businesses.

Terminated site operations costs relates to repair expenses incurred to return leased sites to their original physical state at lease inception in connection with the termination of the applicable underlying lease. Additionally, terminated site operations costs include those incurred to wind down operations at recently sold facilities. These terminations were part of our strategic efforts to exit or sell non-strategic warehouses as opposed to ordinary course lease expirations. The benefit reflected during the third quarter of 2022 relates to a leased facility which we acquired, and no longer required the accrual as a result. Repair and maintenance expenses associated with our ordinary course operations are reflected as operating expenses on the Consolidated Statement of Operations.

Cyber incident related costs include third-party fees incurred in connection with the cyber incident that occurred in November 2020, as well as any incremental costs, internal and external, incurred to restore operations at our facilities and damage claims. Any subsequent reimbursements from

insurance coverage for expenses incurred in connection with the event are also reflected within this category.

Other costs are those expenses incurred which are subject to an insurance claim, including deductibles, which are recorded at the time the claim is submitted to the insurer. Subsequent reimbursement of expenses in excess of the deductible are also reflected within this category upon receipt from the insurer. Occasionally, we may subsequently decide to withdraw an insurance claim if costs are less than initially estimated and below the deductible, among other reasons, resulting in the reversal of the unused portion of a deductible previously recorded to this category.

4.3. Debt

The following table reflects a summary of our outstanding indebtedness as of **September 30, 2022** **March 31, 2023** and **December 31, 2021** **December 31, 2022** (in thousands):

		September 30, 2022		December 31, 2021		March 31, 2023		December 31, 2022	
		Weighted		Weighted		Weighted		Weighted	
		Average		Average		Average		Average	
		Effective		Effective		Effective		Effective	
		Interest		Interest		Interest		Interest	
		Rate	Carrying Amount	Rate	Carrying Amount	Rate	Carrying Amount	Rate	Carrying Amount
Senior Unsecured Notes	Senior Unsecured Notes	3.33%	\$ 1,685,150	3.22%	\$ 1,802,750	3.26%	\$ 1,762,925	3.27%	\$ 1,752,875
Senior Unsecured Term Loans	Senior Unsecured Term Loans	4.72%	555,775	1.45%	372,800	4.66%	829,950	4.67%	829,450
Senior Unsecured Revolving Credit Facility	Senior Unsecured Revolving Credit Facility	4.13%	468,286	1.54%	399,314	5.66%	610,500	5.12%	500,052
2013 Mortgage Loans		5.97%	264,104	5.93%	269,545				
Chile Mortgages		N/A	—	4.01%	9,761				
Total principal amount of indebtedness	Total principal amount of indebtedness		\$ 2,973,315		\$ 2,854,170	Total principal amount of indebtedness		\$ 3,203,375	\$ 3,082,377
Less: unamortized deferred financing costs	Less: unamortized deferred financing costs		(12,025)		(11,050)	Less: unamortized deferred financing costs		(12,434)	(13,044)
Total indebtedness, net of deferred financing costs	Total indebtedness, net of deferred financing costs		\$ 2,961,290		\$ 2,843,120	Total indebtedness, net of deferred financing costs		\$ 3,190,941	\$ 3,069,333

The weighted-average interest rates shown represent interest rates at the end of the periods for the debt outstanding and include the impact of designated interest rate swaps, which effectively lock-in the interest rates on certain variable rate debt under our Senior Unsecured Term Loans.

15

Americold Realty Trust, Inc. and Subsidiaries

Notes to Condensed Consolidated Financial Statements - (Unaudited)

The following table provides the details of our Senior Unsecured Notes (balances in thousands):

		September 30, 2022		December 31, 2021		March 31, 2023		December 31, 2022	
		Stated Contractual		Stated Contractual		Stated Contractual		Stated Contractual	
		Maturity Date	Interest Rate	Borrowing Currency	Carrying Amount (USD)	Borrowing Currency	Carrying Amount (USD)	Borrowing Currency	Carrying Amount (USD)
Series A Notes	Series A Notes	1/2026	4.68%	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000

Series B Notes	Series B Notes	1/2029	4.86%	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	Series B Notes	01/2029	4.86%	\$ 400,000	400,000	\$ 400,000	400,000
Series C Notes	Series C Notes	1/2030	4.10%	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	Series C Notes	01/2030	4.10%	\$ 350,000	350,000	\$ 350,000	350,000
Series D Notes	Series D Notes	1/2031	1.62%	€ 400,000	€ 392,080	€ 400,000	€ 454,800	Series D Notes	01/2031	1.62%	€ 400,000	433,560	€ 400,000	428,200
Series E Notes	Series E Notes	1/2033	1.65%	€ 350,000	€ 343,070	€ 350,000	€ 397,950	Series E Notes	01/2033	1.65%	€ 350,000	379,365	€ 350,000	374,675
Total Senior Unsecured Notes	Total Senior Unsecured Notes			<u>\$ 1,685,150</u>		<u>\$ 1,802,750</u>		Total Senior Unsecured Notes			<u>\$ 1,762,925</u>		<u>\$ 1,752,875</u>	

The following table provides the details of our 2022 Senior Unsecured Term Loans in effect as of September 30, 2022 and our 2020 Senior Unsecured Term Loans in effect as of December 31, 2021 (balances in thousands):

	September 30, 2022						December 31, 2021						March 31, 2023						December 31, 2022									
	Contractual			Carrying			Contractual			Carrying			Contractual			Carrying			Contractual			Carrying						
	Interest Rate ⁽¹⁾	Borrowing Currency	Amount (USD)	Interest Rate ⁽¹⁾	Borrowing Currency	Amount (USD)	Interest Rate ⁽¹⁾	Borrowing Currency	Amount (USD)	Interest Rate ⁽¹⁾	Borrowing Currency	Amount (USD)	Interest Rate ⁽¹⁾	Borrowing Currency	Amount (USD)	Interest Rate ⁽¹⁾	Borrowing Currency	Amount (USD)	Interest Rate ⁽¹⁾	Borrowing Currency	Amount (USD)	Interest Rate ⁽¹⁾	Borrowing Currency	Amount (USD)				
Tranche A-1	Tranche A-1	SOFR+0.95%	\$ 375,000	\$ 375,000	LIBOR+0.95%	\$ 175,000	\$ 175,000	Tranche A-1	SOFR+0.94%	\$ 375,000	\$ 375,000	SOFR + 0.95%	\$ 375,000	\$ 375,000	Tranche A-2	CDOR+0.94%	C\$ 250,000	184,950	CDOR+0.95%	C\$ 250,000	184,450							
Tranche A-2	Tranche A-2	CDOR+0.95%	C\$ 250,000	180,775	CDOR+0.95%	C\$ 250,000	\$ 197,800	Delayed Draw																				
Delayed Draw	Delayed Draw							Tranche A-3 ⁽²⁾	SOFR+0.95%	—	—	—	—	—	Tranche A-3 ⁽²⁾	SOFR+0.94%	\$ 270,000	270,000	SOFR + 0.95%	\$ 270,000	270,000							
Tranche A-3 ⁽²⁾	Tranche A-3 ⁽²⁾	SOFR+0.95%	—	—	—	—	—	Total Senior Unsecured Term Loan Facility	\$ 555,775						Total Senior Unsecured Term Loan Facility	\$ 372,800												
Total Senior Unsecured Term Loan Facility	Total Senior Unsecured Term Loan Facility		<u>\$ 555,775</u>												Total Senior Unsecured Term Loan Facility		<u>\$ 372,800</u>								<u>\$ 829,950</u>		<u>\$ 829,450</u>	

(1) S = one-month Adjusted Term SOFR; C = one-month CDOR; L = one-month LIBOR, CDOR. Tranche A-1 and Tranche A-3 SOFR includes an adjustment of 0.10%, in addition to the margin. While the above reflects the contractual rate, refer to the description below of the 2022 Senior Unsecured Credit Facility for details of the portion of these Term Loans that are hedged, therefore, at a fixed interest rate for the duration of the respective swap agreement. Refer to Note 5.4 for details of the related interest rate swaps.

(2) The delayed draw Tranche A-3 will not be drawn until November 1, 2022, at which time the proceeds will be used

12

Americold Realty Trust, Inc. and Subsidiaries

Notes to prepay our 2013 Mortgage Loans which otherwise would mature in 2023. The Delayed Draw Tranche A-3 was included in our August 2022 refinancing detailed below. Condensed Consolidated Financial Statements - (Unaudited)

The following table provides the details of our Senior Unsecured Revolving Credit Facility (balances in thousands):

Denomination of Draw	Denomination of Draw	September 30, 2022						December 31, 2021						March 31, 2023						December 31, 2022						
		Contractual			Carrying			Contractual			Carrying			Contractual			Carrying			Contractual			Carrying			
		Interest Rate ⁽¹⁾	Borrowing Currency	Amount (USD)	Interest Rate ⁽¹⁾	Borrowing Currency	Amount (USD)	Interest Rate ⁽¹⁾	Borrowing Currency	Amount (USD)	Interest Rate ⁽¹⁾	Borrowing Currency	Amount (USD)	Interest Rate ⁽¹⁾	Borrowing Currency	Amount (USD)	Interest Rate ⁽¹⁾	Borrowing Currency	Amount (USD)	Interest Rate ⁽¹⁾	Borrowing Currency	Amount (USD)	Interest Rate ⁽¹⁾	Borrowing Currency	Amount (USD)	
U.S. dollar	U.S. dollar	SOFR+0.85%	\$ 233,000	\$ 233,000	LIBOR+0.85%	\$ 205,000	\$ 205,000	U.S. dollar	SOFR + 0.84%	\$ 323,000	\$ 323,000	SOFR + 0.85%	\$ 225,000													
Australian dollar	Australian dollar	BBSW+0.85%	A\$ 133,500	\$ 85,440	BBSW+0.85%	A\$ 80,000	\$ 58,104	Australian dollar	BBSW + 0.84%	A\$ 152,000	101,612	BBSW+0.85%	A\$ 146,000													
British pound sterling	British pound sterling	SONIA+0.85%	£ 68,500	\$ 76,515	SONIA+0.85%	£ 68,500	\$ 92,694	British pound sterling	SONIA + 0.84%	£ 78,000	96,229	SONIA+0.85%	£ 76,500													

Canadian dollar	Canadian dollar	CDOR+0.85% C\$ 50,000 \$ 36,155	CDOR+0.85% C\$ 55,000 \$ 43,516	Canadian dollar	CDOR + 0.84% C\$ 45,000 \$ 33,291	CDOR+0.85% C\$ 50,000
Euro	Euro	EURIBOR+0.85% € 30,500 \$ 29,896	—	Euro	+0.84% € 44,500 \$ 48,234	EURIBOR+0.85% € 35,500
New Zealand dollar	New Zealand dollar	BKBM+0.85% NZ\$ 13,000 \$ 7,280	—	New Zealand dollar	BKBM + 0.84% NZD 13,000 \$ 8,134	BKBM+0.85% NZD 12,998
Total Senior Unsecured Revolving Credit Facility	Total Senior Unsecured Revolving Credit Facility	\$468,286	\$399,314	Total Senior Unsecured Revolving Credit Facility	\$610,500	

(1) S = one-month Adjusted SOFR; C = one-month CDOR; L = one-month LIBOR; E = Euro Interbank Offered Rate (EURIBOR); SONIA = Adjusted Sterling Overnight Interbank Average Rate; BBSW = Bank Bill Swap Rate; BKBM = Bank Bill Reference Rate. We have elected Term Daily SOFR for \$150.0 million the entirety of our U.S. dollar denominated borrowings and Daily SOFR for the remainder of our U.S. dollar denominated borrowings, both of shown above, which include includes an adjustment of 0.10%, in addition to the margin. Our British pound sterling borrowings bear interest tied to adjusted SONIA, which includes an adjustment of 0.03% in addition to our margin.

2022 Senior Unsecured Credit Facility

On August 23, 2022, the Company entered into an agreement Refer to extend and upsize its senior unsecured credit

16

Americold Realty Trust, Inc. and Subsidiaries

Notes to Condensed Consolidated Financial Statements - (Unaudited)

facility from \$1.5 billion to approximately \$2.0 billion. Additionally, the Company plans to use a portion Note 9 of the unsecured credit facilities to refinance its 2013 Mortgage Notes which mature on May 1, 2023, but is prepayable at par beginning November 1, 2022. In connection with the refinancing, the base interest rate for the USD denominated borrowings was updated to SOFR from LIBOR and all borrowings now incorporate a sustainability-linked pricing component which is subject to adjustment based on improvement consolidated financial statements in the Company's annual GRESB rating, 2022 Annual Report on Form 10-K as part filed with the SEC for further details of our ESG initiatives.

The 2022 Senior Unsecured Revolving Credit Facility is comprised of a \$575 million U.S. dollar component and a \$575 million U.S. dollar equivalent, multicurrency component. The revolving credit facility matures in August 2026; however, the Company has the option to extend maturity up to two times, each for a six-month period. The Company must meet certain criteria in order to extend the maturity, and an additional extension fee must be paid. Unamortized deferred financing costs related to the revolving credit facility are included in "Other assets" in the accompanying Consolidated Balance Sheets totaling \$9.4 million and \$4.8 million as of September 30, 2022 and December 31, 2021, respectively, which is amortized as interest expense under the straight-line method through the maturity date.

The 2022 Senior Unsecured Term Loan A consists of three tranches. Tranche A-1 consists of a \$375 million USD term loan, an increase from the previous amount of \$175 million USD, with a maturity date of August 2025; however, the Company has the option to extend maturity up to two times, each for a twelve month period. Tranche A-2 consists of a \$250 million CAD term loan with a maturity date of January 2028, and does not have any extension options. Tranche A-3 consists of a \$270 million USD term loan delayed draw facility, which matures in January 2028, and does not have any extension options. The Company expects to draw and fund the Tranche A-3 on November 1, 2022, to repay the 2013 Mortgage Notes. The remaining proceeds of the delayed draw facility will be used for general corporate purposes. Unamortized deferred financing costs related to the Tranche A-1 and A-2 are included in "Mortgage notes, senior unsecured notes, and term loan" on the accompanying Condensed Consolidated Balance Sheets totaling \$12.0 million and \$11.1 million as of September 30, 2022 and December 31, 2021, respectively, which is amortized as interest expense under the effective interest method through the maturity date. Additionally, unamortized deferred financing costs related to the Tranche A-3 are included in "Other assets" on the accompanying Condensed Consolidated Balance Sheets totaling \$4.4 million as the funds were not drawn as of September 30, 2022. The costs will be reclassified to "Mortgage notes, senior unsecured notes, and term loan" on the accompanying Condensed Consolidated Balance Sheets when the funds are drawn, and will be amortized as interest expense under the effective interest method through the maturity date.

Debt Covenants

Our Senior Unsecured Credit Facilities, the Senior Unsecured Notes and 2013 Mortgage Loans all require financial statement reporting, periodic reporting of compliance with financial covenants, other established thresholds and performance measurements, and compliance with affirmative and negative covenants that govern our allowable business practices. The affirmative and negative covenants include, among others, continuation of insurance, maintenance of collateral (in the case of the 2013 Mortgage Loans), the maintenance of REIT status, and restrictions on our ability to enter into certain types of transactions or take on certain exposures. As of September 30, 2022 March 31, 2023, we were in compliance with all debt covenants.

Loss on debt extinguishment, modifications and termination of derivative instruments

In connection with the refinancing that occurred in August of 2022, the Company recorded approximately \$0.3 million to loss on debt extinguishment, modifications, and termination of derivative instruments in the accompanying Condensed Consolidated Statement of Operations during the three and nine months ended September 30, 2022.

17

Americold Realty Trust, Inc. and Subsidiaries

Notes to Condensed Consolidated Financial Statements - (Unaudited)

In the first quarter of 2021, the Company repaid \$200 million of principal on the Senior Unsecured Term Loan A Facility and recorded \$2.9 million to "Loss on debt extinguishment, modifications and termination of derivative instruments" in the accompanying Condensed Consolidated Statements of Operations, representing the write-off of unamortized deferred financing costs.

Additionally, the Company recorded a reclassification from other comprehensive income within earnings to "Loss on debt extinguishment, modification, and termination of derivative instruments" related to the amortization of the portion deferred following the termination of interest rate swaps related to the Senior Unsecured Term Loan A Facility for \$0.6 million during each of the three months ended September 30, 2022 and 2021, respectively, and \$1.9 million and \$2.1 million during the nine months ended September 30, 2022 and 2021, respectively.

Aggregate future repayments of indebtedness

The aggregate maturities of indebtedness as of September 30, 2022, including amortization of principal amounts due under the mortgage notes for each of the next five years and thereafter, are as follows:

Twelve Months Ending September 30:	(In thousands)
2023	\$ 264,104
2024	—
2025	375,000
2026	668,286
2027	—
Thereafter	1,665,925
Aggregate principal amount of debt	2,973,315
Less unamortized deferred financing costs	(12,025)
Total debt net of deferred financing costs	\$ 2,961,290

5.4. Derivative Financial Instruments

Designated Nonderivative Non-derivative Financial Instruments

As of September 30, 2022 March 31, 2023, the Company has designated £68.5 million, designated £78.0 million, A\$133.5 152.0 million and €780.5 million €794.5 million debt and accrued interest as a hedge of our net investment in the respective international subsidiaries resulting from subsidiaries. As of December 31, 2022, the UK-based Bowman Stores Acquisition, Company designated £76.5 million, A\$146.0 million and €785.5 million debt and accrued interest as a hedge of our net investment in the Australia-based acquisitions of Lago Cold Stores and De Bruyn Cold Storage, the Agro Acquisition and our expansion and development projects in our foreign respective international subsidiaries. The remeasurement of these instruments is recorded in "Change in unrealized net loss on foreign currency" on the accompanying Condensed Consolidated Statements of Comprehensive Comprehensive Loss.

18

Americold Realty Trust, Inc. and Subsidiaries

Derivative Financial Instruments

During the three months ended September 30, 2022, the Company completed a refinancing of its 2022 Senior Unsecured Credit Facility. Details of the refinancing are included in Note 4 – Debt of these Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q. As a result of this refinancing, the Company's variable interest rate exposure increased, due to variable-rate debt. To manage this risk, the Company enters periodically into several interest rate swap agreements. The first tranche, containing three swaps, hedges an aggregate \$200 million of variable interest rate debt, each maturing December 29, 2023. The second tranche, containing three swaps, hedges an aggregate \$270 million of variable interest rate debt, which will go into effect in November 2022, each maturing December 31, 2027. The third tranche, containing three swaps, hedges an aggregate C\$250 million of variable interest rate debt, each maturing December 31, 2027. These agreements involve the receipt of variable-rate amounts in exchange for fixed-rate interest payments over the life of the respective swap agreement without an exchange of the underlying notional amount. The Company's objective for utilizing these derivative instruments is to reduce its exposure to fluctuations in cash flows due to changes in interest rates. The following table includes the key provisions of the interest rate swaps outstanding as of March 31, 2023 and December 31, 2022 (fair value in thousands):

13

Americold Realty Trust, Inc. and Subsidiaries

Notional	Fixed Base Interest Rate		Effective Date	Expiration Date	Debt Instrument	Fair Value as of March 31, 2023	Fair Value as of December 31, 2022
	Swap	Notional					
\$200 million USD	3.65%	9/23/2022	12/29/2023	Tranche A-1	\$	1,609	\$ 2,240
\$200 million USD	3.05%	12/29/2023	7/30/2027	Tranche A-1		206	2,328
\$175 million USD	3.47%	11/30/2022	7/30/2027	Tranche A-1		(530)	2,020
\$270 million USD	3.05%	11/01/2022	12/31/2027	Delayed Draw Tranche A-3		3,513	8,034
\$250 million CAD	3.59%	9/23/2022	12/31/2027	Tranche A-2		(1,905)	950
Total						\$ 2,893	\$ 15,572

In addition, the Company is subject to volatility in foreign exchange rates due to foreign-currency denominated intercompany loans. The Company implemented cross-currency swaps to manage the foreign currency exchange rate risk on certain intercompany loans. These agreements effectively mitigate the Company's exposure to fluctuations in cash flows due to foreign exchange rate risk. These agreements involve the receipt of fixed USD amounts in exchange for payment of fixed AUD Australian and NZD New Zealand Dollar amounts over the life of the respective intercompany loan. The entirety of the Company's outstanding intercompany loans receivable balances, \$153.5 million AUD and \$37.5 million NZD, were hedged under the cross-currency swap agreements at September 30, 2022 March 31, 2023 and December 31, 2021 December 31, 2022.

There have been no significant changes to our policy or strategy from what was disclosed in our 2021 2022 Annual Report on Form 10-K. During the next twelve months, the Company estimates that an additional \$2.3 million will be reclassified as an increase to "Loss on debt extinguishment, modifications, and termination of derivative instruments". Additionally, during the next twelve months, the Company estimates that an additional \$2.5 million will be reclassified as an increase to "Loss on debt extinguishment, modification, and termination of derivative instruments". During the next twelve months, the Company estimates that an additional \$0.7 million \$0.3 million will be reclassified as a decrease in gain/loss on foreign exchange (a component of "Other income (expense), net") and an additional \$5.2 million \$10.1 million will be reclassified as a decrease to "Interest expense".

The Company determines the fair value of these derivative instruments using a present value calculation with significant observable inputs classified as Level 2 of the fair value hierarchy. Derivative asset balances are recorded on the accompanying Condensed Consolidated Balance Sheets within "Other assets" and derivative liability balances are recorded on the accompanying Condensed Consolidated Balance Sheets within "Accounts payable and accrued expenses". The following table illustrates presents the disclosure in tabular format of fair value amounts of the derivative financial instruments at September 30, 2022 within "Other assets" and December 31, 2021 "Accounts payable and accrued expenses" as of March 31, 2023 and December 31, 2022 (in thousands):

Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
-------------------	------------------------	-------------------	------------------------

	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021	March 31, 2023	December 31, 2022	31, 2023	December 31, 2022
Designated derivatives								
Foreign exchange contracts	Foreign exchange contracts	\$ 17,099	\$ 2,015	\$ —	Foreign exchange contracts	\$ 9,539	\$ 7,948	\$ —
Interest rate contracts	Interest rate contracts	10,829	—	—	Interest rate contracts	5,328	15,572	2,435
Total derivatives		\$ 27,928	\$ 2,015	\$ —				
Total fair value of derivatives								

The following table presents tables present the effect of the Company's derivative financial instruments on the accompanying Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2022 March 31, 2023 and 2021, 2022, including the impacts to Accumulated Other Comprehensive (Loss) Income (AOCI) (in thousands):

1914

Americold Realty Trust, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements - (Unaudited)

	Amount of Gain or (Loss) Recognized in Other Comprehensive Income on Derivative		Amount of Gain or (Loss) Reclassified from Accumulated Other Comprehensive Income into Income		Amount of Gain or (Loss) Recognized in Other Comprehensive Income on Derivative		Amount of Gain or (Loss) Reclassified from Accumulated Other Comprehensive Income into Income	
	Three Months Ended September 30,		Three Months Ended September 30,		Three Months Ended March 31,		Three Months Ended March 31,	
	2022	2021	Income	2022	2021	2023	2022	Income
	Interest rate contracts	Interest rate contracts	\$ 10,829	\$ —	Interest expense	\$ —	\$ —	Interest contracts
Interest rate contracts					Loss on debt extinguishment, modifications and termination of derivative instruments(1)	(627)	(627)	Interest rate contracts
Interest rate contracts					Interest rate instruments(1)	(627)	(627)	Interest rate instruments(1)
Foreign exchange contracts	Foreign exchange contracts	6,946	5,094	Other, net	9,932	5,477	1,683	Foreign exchange contracts
Foreign exchange contracts	Foreign exchange contracts	—	—	Interest expense	196	(3)	(4,325)	Foreign exchange contracts
Total designated cash flow hedges	Total designated cash flow hedges	\$ 17,775	\$ 5,094		\$ 9,501	\$ 4,847	\$ (8,564)	\$ (4,325)

(1) In conjunction with the termination of the interest rate swaps in 2020, the Company recorded amounts in other comprehensive income that will be reclassified as an adjustment to earnings over the term of the original hedges and respective borrowings. As of **September 30, 2022** **March 31, 2023**, the Company recorded an increase to "Loss on debt extinguishment, modifications and termination of derivative instruments" related to this transaction.

	Amount of Gain or (Loss) Recognized in Other Comprehensive Income on Derivative				Amount of Gain or (Loss) Reclassified from Accumulated Other Comprehensive Income into Income		
	Nine Months Ended September 30,		Location of Gain or (Loss) Reclassified from AOCI into Income		Nine Months Ended September 30,		
	2022	2021	2022	2021	2022	2021	
Interest rate contracts	\$ 10,829	\$ —	Interest expense	\$ —	\$ —	\$ —	
			Loss on debt extinguishment, modifications and termination of derivative instruments(1)		(1,880)	(2,055)	
Interest rate contracts	—	—					
Foreign exchange contracts	15,084	10,116	Other, net		17,410	9,436	
Foreign exchange contracts	—	—	Interest expense		399	(142)	
Total designated cash flow hedges	\$ 25,913	\$ 10,116			\$ 15,929	\$ 7,239	

(1) In conjunction with the table below presents a gross presentation, the termination effects of offsetting, and a net presentation of the interest rate swaps in 2020, the Company recorded Company's derivatives as of March 31, 2023. The net amounts in other comprehensive income that will be reclassified as an adjustment to earnings over the term of the original hedges and respective borrowings. During the nine months ended September 30, 2022, the Company recorded an increase to "Loss on debt extinguishment, modifications and termination of derivative instruments" related assets or liabilities can be reconciled to this transaction. the tabular disclosure of fair value. The tabular disclosure of fair value provides the location that derivative assets and liabilities are presented on the accompanying Condensed Consolidated Balance Sheets (in thousands):

March 31, 2023								
Offsetting of Derivative Assets								
	Gross Amounts Not Offset in the Consolidated Balance Sheet							
	Gross Amounts	Net Amounts of Assets						
	Offset in the Consolidated Balance Sheet	Presented in the Consolidated Balance Sheet		Financial Instruments	Cash Collateral Received		Net Amount	
Gross Amounts of Recognized Assets	Gross Amounts of Consolidated Balance Sheet	Net Amounts of Assets Presented in the Consolidated Balance Sheet	Financial Instruments	Cash Collateral Received	Net Amount			
Derivatives	\$ 14,867	\$ —	\$ 14,867	\$ (1,343)	\$ —	\$ 13,524		
Offsetting of Derivative Liabilities								
	Gross Amounts Not Offset in the Consolidated Balance Sheet							
	Gross Amounts	Net Amounts of Liabilities						
	Offset in the Consolidated Balance Sheet	Presented in the Consolidated Balance Sheet		Financial Instruments	Cash Collateral Received		Net Amount	
Derivatives	\$ (2,435)	\$ —	\$ (2,435)	\$ 1,343	\$ —	\$ (1,092)		

As of **September 30, 2022** **December 31, 2022**, there was no impact from netting arrangements and the Company did not have any outstanding derivatives in a net liability position. Refer to Note **10** for additional details regarding the impact of the Company's derivatives on AOCI for the three and nine months ended **September 30, 2022** **March 31, 2023** and **2021**, 2022, respectively.

15

20

The total grant date fair value of stock option awards that vested during the nine months ended September 30, 2021 was approximately \$0.6 million.

Options	Americold Realty Trust, Inc. and Subsidiaries (In thousands)	Shares	Weighted-Average Exercise Price	Remaining Contractual Terms (Years)
Outstanding as of December 31, 2021	Notes to Condensed Consolidated Financial Statements 206 (2021) (in thousands)	—	9.81	2.9
Granted		—	—	

Exercised	(40,900)	9.81
Forfeited or revised	—	—

6.5. Fair Value Measurements

Outstanding as of March 31, 2022

The Company categorizes assets and liabilities that are recorded at fair values into one of three tiers based upon the Company's policy for fair value hierarchy. These tiers include: Level 1, defined as measurements from what was disclosed in Note 13 of its 2022 Annual Report on Form 10-K as quoted market prices in active markets for identical assets or liabilities; Level 2, defined as inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, model-based valuation techniques for which all significant assumptions are observable in the market, or other inputs that are observable or can be corroborated by observable market data; and Level 3, defined as inputs that are unobservable. All outstanding stock options have been vested as of December 31, 2021 and December 31, 2022. The total intrinsic value of options exercised for the nine months ended September 30, 2022 and 2021 was \$0.7 million and \$5.6 million, respectively. Carrying amounts of cash and cash equivalents, restricted cash, accounts receivable, accounts payable, accrued expenses and revolving line of credit approximate their fair values due to the short-term maturities of the instruments.

8.7. Income Taxes

The Company's effective tax rates for the three and nine months ended September 30, 2022 vary from March 31, 2023 and March 31, 2022. The Company's effective tax rate for the three and nine months ended September 30, 2022 varies from the statutory U.S. federal income tax rate primarily due to the Company being designated as a BEI that is generally treated as a non-tax paying entity. During the three months ended September 30, 2022, March 31, 2023 and March 31, 2022, the effective tax rates were impacted by the loss generated by our foreign operations. During the nine months ended September 30, 2022, the effective tax rates were impacted by the loss generated by our U.S. and foreign operations, paired with a deferred tax benefit of \$6.5 million in connection with the deconsolidation of our Chilean operations upon contribution to the LATAM JV, future coupon and principal payments, and projected future cash flows.

9.8. Commitments and Contingencies

The Company's financial assets and liabilities recorded measured or disclosed at fair value on a recurring basis include derivative instruments. The fair value of interest rate swap and cross currency swap agreements, which are designated as cash flow hedges, and foreign currency forward contracts, designated as net investment hedges, is based on inputs other than quoted market prices that are observable (Level 2). The fair value of foreign currency forward contracts is based on the spot price, adjusted at the reporting date for translating purposes by an estimate of the forward points, phasing in, and companies are legal entities that the fair value of derivatives, including forward rate adjustment to the perceived macroeconomic performance risk for the company and the respective asset or liability. Although the credit valuation adjustment associated with derivatives is largely estimated, it is estimated to reflect credit spreads to evaluate the likelihood of default by us and our counterparties, the significance of the impact on the overall valuation of our derivative positions is insignificant. The Company's cash equivalent money market funds and restricted cash assets are valued at quoted market prices in active markets for identical assets (Level 1), which the Company receives from the financial institutions that hold such investments on its behalf. The fair value hierarchy discussed above is also applicable to the Company's pension and other post-retirement plans. The Company uses the fair value hierarchy to measure the fair value of assets held by various plans. The Company recognizes transfers between levels within the hierarchy as of the beginning of the reporting period. There were no transfers between levels within the hierarchy as of September 30, 2022 and 2021, respectively, follows (in thousands):

The Company's assets and liabilities recorded at fair value on a non-recurring basis include long-lived assets when events or changes in circumstances indicate that the carrying amounts may no longer be recoverable. Notes to Condensed Consolidated Financial Statements - (Unaudited) serveable inputs classified as Level 3 of the fair value hierarchy.

In addition to the matters discussed below, the Company may be subject to litigation and claims arising from the ordinary course of business. In the opinion of management, after consultation with legal counsel, the outcome of such matters, not expected to have a material impact on the Company's financial condition, results of operations, or cash flows.

Measured at fair value during the current reporting period:

26

	Hierarchy	Fair Value		
Interest rate swap assets	Level 2	\$ 5,328	\$ 15,572	
Cross currency swap assets	Level 2	\$ 9,539	\$ 7,948	
Interest rate swap liabilities	Level 2	\$ 2,435	\$ —	
Notes to Condensed Consolidated Financial Statements - (Unaudited)				
Assets held by ARIP pension plan:				
<u>Kansas Breach of Settlement Agreement Litigation</u>				
	Level 1	\$ 10,403	\$ 23,489	
	Level 2	\$ 24,828	\$ 11,503	
	Level 3	\$ 2,966,215	\$ 2,829,574	

This case was served against the Company in Wyandotte County, Kansas, on January 17, 2013, alleging breach of a 1994 Settlement Agreement reached with customers of our predecessor company, Americold Corporation. The plaintiffs originally brought claims in 1992 arising from a fire the previous year in an underground warehouse facility.

In 1994, a settlement was reached whereby Americold Corporation agreed to the entry of a \$58.7 million judgment against it and assigned its rights to proceed against its insurer to satisfy the judgment. The settlement agreement contained a standard "cooperation provision" in which Americold Corporation agreed to execute any additional documents necessary to fulfill the intent of the settlement agreement. The plaintiffs then sued Americold Corporation's insurer to recover on the consent judgment. The case was ultimately dismissed in 2012, and the Kansas Supreme Court ruled that the 1994 consent judgment had expired and was not revivable as a matter of law.

On September 24, 2012, the plaintiffs filed a separate claim in the district court of Wyandotte County, Kansas, alleging that the Company and one of its subsidiaries, Americold Logistics, LLC, as successors to Americold Corporation, are liable for the full amount of the judgment, based upon the allegation that the Company failed to execute a document or take action to keep the judgment alive and viable.

On February 7, 2013, the Company removed the case to the U.S. federal court and ultimately filed a motion for summary judgment, which the plaintiffs vigorously opposed. On October 4, 2013, the court granted the Company's motion and dismissed the case in full. The Court of Appeals ordered that the case be remanded to the Kansas State Court and the judgment in favor of Americold be vacated, finding U.S. federal diversity jurisdiction did not exist over the Company. The Company petitioned the U.S. Supreme Court for certiorari and oral argument occurred on January 19, 2016. **ir Value**

Fair Value

On March 7, 2016, the United States Supreme Court ruled that there was no federal diversity jurisdiction. Following the decision, the United States District Court for the District of Kansas entered an Order vacating the summary judgment and remanding the case to Kansas state court.
(In thousands)

Presented at fair value on a going concern basis:

Interest rate swap assets **Level 2** \$ 10,829 \$ —
 On February 11, 2019, Preferred Freezer Services, LLC ("PFS") moved by Order to Show Cause in the Supreme Court of the State of New York, New York County, asserting breach of contract and other claims against the Company and seeking to preliminarily enjoin the Company from acting to acquire certain properties leased by PFS. In its complaint and request for preliminary injunctive relief, PFS alleged that the Company breached a confidentiality agreement entered into in connection with the Company's participation in a bidding process for the sale of PFS by contacting PFS's landlords and by using confidential PFS information in bidding for the properties leased by PFS (the "PFS Action").

7.6. Stock-Based Compensation

3. Stock-based compensation
PFS's request for a preliminary injunction was denied after oral argument on February 26, 2019. On March 1, 2019, PFS filed an application for interim injunctive relief from the Appellate Division of the Supreme Court, First Judicial Department (the "First Department") (the "First Department Plan"), which permits the grant of various forms of equity- and cash-based awards from a reserved pool of 9,000,000 common shares of the Company. The details of the 2017 Plan are disclosed in greater detail in application to the First Department Plan. As pending, PFS voluntarily dismissed its state court action, and First Department application, and re-filed substantially the same claims against the Company in the U.S. District Court for the Southern District of New York. In addition to All share-based compensation, cost is measured at the grant date, based on the estimated fair value of the award. The Company issues time-based, performance-based and market performance-based equity awards. Time-based awards and cliff vesting market performance-based awards are recognized on a straight-line basis over the associates' requisite service period, as adjusted for estimate of forfeitures. Performance-based awards are recognized ratably over the vesting period using a graded vesting attribution model upon the achievement of the performance target, as adjusted for estimate of forfeitures. The only performance-based awards issued by the Company were granted in 2016 and 2017.

The Company implemented an Employee Stock Purchase Plan (ESPP) which became effective on December 8, 2020. Refer to our 2021 Annual Report on Form 10-K for details of our ESPP. The share-based payments to Americold Realty Trust, Inc. and Subsidiaries measured based on grant date at fair value and are recognized on a straight-line basis over the nine months ended September 30, 2022 and 2021.

22

The Company denies the allegations of the PFS Action and believes the plaintiffs' PFS's claims are without merit and intends to vigorously defend itself against the allegations. Given the status of the proceedings to date, a liability cannot be reasonably estimated. The Company believes the ultimate outcome of this matter will not have a material adverse impact on its condensed consolidated financial statements.

Environmental Matters

Americold Realty Trust, Inc. and Subsidiaries

Notes to Condensed Consolidated Financial Statements - (Unaudited)

The Company is subject to a wide range of environmental laws and regulations in each of the locations in which the Company operates. Compliance with these requirements can involve significant capital and operating costs. Failure to comply with these requirements can result in civil or criminal fines or sanctions, claims for environmental damages, remediation obligations, the revocation of environmental permits, or restrictions on the Company's operations.

Restricted stock units are non-transferable until vested. Prior to the issuance of the following table, the Company has issued a common share of treasury to settle restricted stock units (RSU) activity for the three months ended March 31, 2023. The Company adjusts these accruals periodically as assessment and remediation efforts progress or as additional technical or legal information becomes available. The Company recorded had nominal environmental liabilities in accounts payable and accrued expenses as of September 30, 2022, March 31, 2023, and December 31, 2021, December 31, 2022. The Company believes it is in compliance with applicable environmental regulations in all material respects. Under various U.S. federal state performance-based RSUs (in millions):

	KSUS	(in millions)	Performance-Based KSUS ⁽²⁾	(in millions)
Non-vested as of December 31, 2022	68,216 ⁶⁷	\$ 19.5	249,447 ⁶	\$ 7.1

Granted	406,062	107,177
Market-performance adjustment ⁽³⁾	—	(10,834)
Vested	(181,204)	(52,962)
Forfeited	Americold Realty Trust, Inc. and Subsidiaries	(6,477)
Non-vested as of March 31, 2023	Notes to Condensed Consolidated Financial Statements - (Unaudited)	286,351 \$ 8.1
Shares vested, but not released ⁽¹⁾	46,890 \$ 1.3	— \$ —
Total outstanding restricted stock units	941,154 \$ 26.7	286,351 \$ 8.1

and local environmental laws, a current or previous owner or operator of real estate may be liable for the entire cost of investigating, removing, and/or (1) For certain vested RSUs, common stock issuance is contingent upon the first to occur of: (1) termination of service; (2) change in control; (3) death; or (4) disability, as defined in the remediating hazardous or toxic substances on such property. Such laws often impose liability whether or not the owner or operator knew of, or was 2010 Plan. These 46,890 RSUs belong to an active member of the Board of Directors and the date of issuance is therefore unknown at this time. The weighted average grant date fair responsible for, the contamination. Even if more than one person may have been responsible for the contamination, each person covered by the value of these units are not entitled to vote the shares. Time-based restricted stock unit awards vest in equal annual increments over the vesting period. Performance environmental laws may be held responsible for the entire clean-up cost. There are no material unrecorded contingent liabilities as of September 30, 2022. March 31, 2023. Most of the Company's warehouses utilize ammonia as a refrigerant. Ammonia is classified as a hazardous chemical regulated by (2) The number of market performance-based restricted RSUs are reflected within this table based upon the number of shares of common stock unit awards cliff vest issuable upon the Environmental Protection Agency, and an accident or significant release of ammonia from a warehouse could result in injuries, loss of life, and achievement of the performance target, as well as completion metric at target.

(3) Represents the decrease in the number of original market-performance units awarded based on the final performance criteria achievement at the end of the defined performance period.

Occupational Safety and Health Act (OSHA)

The following table summarizes restricted stock unit grants under the 2017 Plan during the nine months ended September 30, 2022 and 2021. Warehouses located in the stock are subject to regulation under OSHA, which requires employers to provide employees with an environment free from hazards, such as exposure to toxic chemicals, excessive noise levels, mechanical dangers, heat or cold stress, and unsanitary conditions. The cost of complying with OSHA and similar laws enacted by states and other jurisdictions in which we operate can be substantial, and any failure to comply with these regulations could expose us to substantial costs and potentially to liabilities to employees who may be injured at our

Nine Months Ended September	Number of Restricted Stock Units Granted	Grant Date	Vesting Period	Fair Value	
				Period	in thousands
2022	20	September 30, 2022	Accruals for OSHA matters when management records that a liability has been incurred and the amount of liability can be reasonably estimated. The Company believes it is in substantial compliance with all OSHA regulations and that no material contingent liabilities exist as of September 30, 2022	3 years	\$ 14,317
2021	Directors	6,616	1 year	\$ 250	
2021	Associates	282	1-3 years	\$ 10,792	
	321,150				

Restricted stock units granted for the nine months ended September 30, 2022 consisted of: (i) 4,810 were time-based restricted stock units with a one year vesting period issued to non-employee directors as part of their annual compensation, (ii) 398,707 time-based graded vesting restricted stock units with various vesting periods ranging from one to three years issued to certain associates and (iii) 131,176 market performance-based cliff vesting restricted stock units with a three-year vesting period issued to certain associates. The vesting of such market performance-based awards will be determined based on our total shareholder return (TSR) relative to the MSCI US REIT Index (PM7) computed for the performance period that began January 1, 2022 and will end December 31, 2024.

Restricted stock units granted for the nine months ended September 30, 2021 consisted of (i) 6,616 were time-based restricted stock units with a one year vesting period issued to non-employee directors as part of their annual compensation, (ii) 212,369 time-based graded vesting restricted stock units with various vesting periods ranging from one to three years issued to certain associates and (iii) 108,781 market performance-based cliff vesting restricted stock units with a three-year vesting period issued to certain associates. The vesting of such market performance-based awards will be determined based on our total shareholder return (TSR) relative to the MSCI US REIT Index (PM7) computed for the performance period that began January 1, 2021 and will end December 31, 2023.

In January 2021, following the completion of the applicable market-performance period, the Compensation Committee determined that the high level 47th percentile had been achieved for the 2019 September 30 awards and, accordingly, 29,591 52,962 units vested immediately, representing a percentage of 150% 83.0%.

In January 2022, following the completion of the applicable market-performance period, the Compensation Committee determined that the 51st percentile had been achieved for the 2020 September 30 awards and, accordingly, 194,111 units vested immediately, representing a percentage of 91.4%.

	Three Months Ended September		Three Months Ended March		Nine Months Ended September	
	2022	2021	2022	2021	2023	2022
Pension and other postretirement benefits	Pension and other postretirement benefits	Pension and other postretirement benefits	Pension and other postretirement benefits	Pension and other postretirement benefits	Pension and other postretirement benefits	Pension and other postretirement benefits
Gain arising during the period	Gain arising during the period	\$ 61	\$ 382	\$ 4	\$ 1,144	Gain arising during the period
Amortization of prior service cost	Amortization of prior service cost	(1)	(1)	2317		Amortization of prior service cost
Total pension and other postretirement benefits, net of tax	Total pension and other postretirement benefits, net of tax	\$ 66	\$ 389	\$ 20	\$ 1,106	Total pension and other postretirement benefits, net of tax
The following table provides a summary of restricted stock awards activity during the nine months ended September 30, 2022:						
Notes to Condensed Consolidated Financial Statements - (Unaudited)						

Foreign currency translation Three Months Ended March		Nine Months Ended September 30, 2022										Foreign currency translation adjustments:		
31, 2022	Cumulative translation adjustment	Number of Market	Number of Market	Number of Market	Number of Market	Number of Market	Number of Market	Number of Market	Number of Market	Number of Market	Number of Market	Three Months Ended March 31, 2022		
		Time-Based	Intrinsic	Based	Intrinsic	Time-Based	Intrinsic	Based	Intrinsic	Time-Based	Intrinsic	Time-Based	Intrinsic	
Restricted	Restricted	Restricted	Value (in millions)	Restricted	Value (in millions)	Restricted	Value (in millions)	Restricted	Value (in millions)	Stock	Stock Units	Stock	Stock Units	
Stock	Stock	Stock Units	millions	Stock Units ⁽²⁾	millions	Stock	Stock Units	millions	Stock Units ⁽²⁾	Stock Units	millions	Stock	Stock Units	
Non-vested investment hedges	Non-vested investment hedges		66,140		—	Non-vested	45,163		—			investment hedges	(10,622)	23,692
as of December 31, 2021	as of December 31, 2021					as of December 31, 2021								
Total foreign currency translation loss			\$ (25,038)		\$ (9,485)							Total foreign currency translation		
December 31, 2021	December 31, 2021		1,071,959	\$ 35.1	374,048	\$ 12.3						—	374,048	\$ 12.3
Granted	Granted		403,517		131,176							Granted	350,641	
Market-adjustment	Market-adjustment											Market-adjustment		
Designated derivatives	Designated derivatives:											Designated derivatives:		
adjustments ⁽³⁾	adjustment ⁽³⁾											adjustment ⁽³⁾		
Cash flow hedge derivatives	Cash flow hedge derivatives											Cash flow hedge derivatives		
Vested	Vested		(217,873)		(194,111)							Vested	(194,111)	
Forfeited	Forfeited		(134,681)		5,094							Forfeited	(45,597)	
Net amount	Net amount											Net amount		
Non-vested as of September 30, 2022	reclassified from AOCI to net loss		1,122,922	\$ 27.6	(268,264)	\$ (4,846)						reclassified from AOCI to net loss	(4,000)	4,476
Total unrealized gains on derivative contracts			\$ 8,274		\$ 247									
Total unrealized (loss) gain on derivative contracts as of March 31, 2022												Total unrealized (loss) gain on derivative contracts as of March 31, 2022		
Total change in other comprehensive loss	Total change in other comprehensive loss		\$ (16,698)		\$ (8,849)							Total change in other comprehensive loss	\$ (11,687)	\$ 11,404

⁽¹⁾ Amounts reclassified from AOCI for pension liabilities are recognized in "Selling, general and administrative" in the accompanying condensed consolidated statements of operations.

⁽²⁾ Not released⁽¹⁾ released⁽¹⁾ 46,890 \$ 1.2 — \$ — released⁽¹⁾ 615,643 17.2 42,856 1.2 — —

11.10. Segment Information

outstanding outstanding Our principal operations are organized into three reportable segments: Warehouse, Transportation and Third-party managed and

Transportation. The 100% of these 282,264 is materially unchanged from 1,021,470 disclosed in the 2021 Company's 2022 Annual Report on Form 10-K as filed with the SEC.

(1) For certain vested restricted stock units, common share issuance is contingent upon the first to occur of: (1) termination of service; (2) change in control; (3) death; or (4) disability, as defined in the 2010 Plan. This is comprised of 568,753 vested time-based restricted stock units which belong to a member of the Board of Trustees who has resigned and common shares shall not be issued until the first to occur: (1) change in control; or (2) April 13, 2022. The weighted average grant date fair value of these units is \$9.38 per unit. This is also comprised of 46,890 vested time-based restricted stock units which belong to an active member of the Board of Directors and the date of issuance is therefore unknown at this time. The weighted average grant date fair value of these units is \$8.42 per unit. Finally, this is comprised of 42,856 vested performance-based restricted stock units which belong to the former CEO and common shares shall not be issued until May 2, 2022 in accordance with the terms of the award. The weighted average grant date fair value of these units is \$13.43 per unit. The holders of these vested restricted stock units are entitled to receive dividends and vote the shares until common shares are issued in exchange for these vested restricted stock units.

Our chief operating decision maker uses revenues and segment contribution to evaluate segment performance. We calculate segment contribution as earnings before interest expense, taxes, depreciation and amortization, and exclude excluding corporate selling, general and administrative expense, acquisition, litigation and other net expense, impairment of long-lived assets, gain or loss on sale of real estate and all components of non-operating other income and expense. Selling, general and administrative functions support all the business segments. Therefore, the related expense is not allocated to segments as the chief operating decision maker does not use it to evaluate segment performance.

(3) Represents the decrease in the number of original market-performance units awarded based on the final performance criteria achievement at the end of the defined performance period.

29

The weighted average grant date fair value of restricted stock units granted during the nine months ended September 30, 2022 March 31, 2023 was \$27.01 \$31.03 per unit, for unit. During the three months ended March 31, 2023, the weighted average grant date fair value of vested and converted restricted stock units was \$33.42 29.58 and , for forfeiAmericold Realty Trust, Inc. and Subsidiaries 6. The weighted average grant date fair value of non-vested restricted stock units was \$29.24 29. Notes to Condensed Consolidated Financial Statements - (Unaudited), 2023 and December 31, 2021 December 31, 2022, respectively.

OP Units Activity
Segment contribution is not a measurement of financial performance under U.S. GAAP, and may not be comparable to similarly titled measures of other Our Board of Directors and certain members of management may elect to receive their awards in the form of either OP units or restricted U.S. stock units (applicable to time-vested and market-performance based awards). The terms of the OP units mirror the terms of the restricted stock units granted in the respective period.

Americold Realty Trust, Inc. and Subsidiaries
Americold Realty Trust, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements - (Unaudited)
Notes to Condensed Consolidated Financial Statements - (Unaudited)

The following table summarizes OP unit grants during the nine months ended September 30, 2022 and September 30, 2021 for the three and nine months ended September 30, 2022, March 31, 2023 and March 31, 2021 (in thousands):

(1) Represents the decrease in the number of original market-performance units awarded based on the final performance criteria achievement at the end of the defined performance period. In January 2023, following the completion of the applicable market-performance period, the Compensation Committee determined that the 47th percentile had been achieved for the 2020 awards and, accordingly, 116,983 units vested immediately, representing a vesting percentage of 83.0%. (250)

Loss from partially owned entities	Three Months Ended March 31, 2022				Loss from partially owned entities	Aggregate	Number of Market OP Units	Aggregate
(Loss) income before income taxes	\$ (12,305)	\$ 5,082	\$ (38,574)	Number of Time Based OP Units	Intrinsic Value (in millions)	Performance-Based OP Units	Intrinsic Value (in millions)	
Loss before non-vested as of December 31, 2021				140,222	\$ 140,222	\$ 286,715	\$ (18,453)	
Granted				98,994		243,986		
Vested				(28,179)		—		
Forfeited				(7,635)		(20,366)		
Non-vested as of March 31, 2022				203,402	\$ 5.7	511,785	\$ 14.3	
Shares vested, but not released				104,874	2.9	—	—	
Total outstanding OP units				308,276	\$ 8.6	511,785	\$ 14.3	

Notes to Condensed Consolidated Financial Statements - (Unaudited)
The weighted average grant date fair value of OP units granted for during the nine months ended September 30, 2022 March 31, 2023 was \$26.45 \$35.52 per unit, unit. For During the three months ended March 31, 2023, the weighted average grant date fair value of vested OP units was \$32.31 and forfeited OP units was \$29.82 \$29.60. The weighted average grant date fair value of non-vested OP units was \$29.34 \$30.61 and \$31.30 \$29.39 per unit. The following table details our assets by reportable segments with a reconciliation to total assets reported for each of the periods presented in the accompanying Condensed Consolidated Balance Sheets. Sheets (in thousands).

	September 30, 2022	December 31, 2021	2519	Assets:	Assets:	Assets:	March 31, 2023	December 31, 2022
	(In thousands)							
Assets:	Assets:							
Warehouse	Warehouse	\$ 7,624,652	\$ 7,821,426	Warehouse			\$ 7,717,279	\$ 7,736,704
Managed		46,424	48,497	Americold Realty Trust, Inc. and Subsidiaries				
Transportation	Transportation	201,288	218,252	Transportation			198,014	205,653
Third-party managed				Third-party managed			23,057	25,997
Total Options Activity								
Segments	Segments							
Assets	Assets	7,872,964	8,088,195	Notes to Condensed Consolidated Financial Statements - (Unaudited)				
Reconciling items:	Reconciling items:			Reconciling items:	Weighted- Average			
Investments in partially owned entities				Reconciling items:	Remaining			
Options	Options	Shares (In thousands)	Weighted-Average Investment in partially owned entities	Options	Number of Options	Weighted-Average Exercise Price	Contractual Terms/Years	Weighted- Average Remaining
Outstanding as of December 31, 2021	Corporate assets	59,410	206,298	Corporate assets	36,651	\$ 9.81	2.9	57,281
Outstanding as of December 31, 2022		70,130	37,458					
Total reconciled items	Total Granted	—	\$ —	Outstanding as of December 31, 2022	105,498	\$ 9.81	3.6	
Exercised	Exercised	129,540	(45,180)	Granted	—	\$ —		
Total assets	Total assets	\$ 8,001,904	\$ 8,216,197	Exercised	—	\$ 133,368	9.81	136,207
Forfeited or expired	Forfeited or expired	—	\$ —	Forfeited or expired	—	\$ 8,071,718	\$ 8,104,561	

(12.11) Loss (Income) per Common Share

2022 160,498 \$ 9.81 2.7

Basic and diluted earnings per common share are calculated by dividing the net income or loss attributable to common stockholders by the basic and diluted weighted-average number of common shares outstanding in the period, respectively, using the allocation method prescribed by the two-class method. The Company applies this method to compute earnings per share because it distributes non-forfeitable dividend equivalents on restricted stock units and OP units granted to certain employees and non-employee directors who have the right to participate in the distribution of common dividends. Exercisable as of September 30, 2023, 105,498 \$ 9.81 3.4 While the restricted stock units and OP units are unvested.

2022 160,498 \$ 9.81 2.7

The shares issuable upon settlement of forward sale agreements are reflected in the diluted earnings per share calculations using the treasury stock method. Under this method, the number of the Company's common shares used in calculating diluted earnings per share is deemed to be increased by the excess, if any, of the number of common shares that would be issued upon full physical settlement of the forward sale agreements over the number of

common shares that could be purchased by the Company in the market (based on the average market price during the period) using the proceeds receivable upon full physical settlement (based on the adjusted forward sale price at the end of the reporting period). If and when the Company physically or net share settles the forward sale agreements, the delivery of common shares would result in an increase in the number of shares outstanding and dilution to earnings per share.

A reconciliation of the basic and diluted weighted-average number of common shares outstanding for the three and nine months ended September 30, 2022 March 31, 2023 and 2021 2022 is as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Weighted average common shares outstanding – basic	269,586	261,865	269,467	256,129
Dilutive effect of share-based awards	—	685	—	—
Weighted average common shares outstanding – diluted	269,586	262,550	269,467	256,129

31

Americold Realty Trust, Inc. and Subsidiaries

Notes to Condensed Consolidated Financial Statements - (Unaudited)

	Three Months Ended March 31,	
	2023	2022
Weighted average common shares outstanding – basic	270,230	269,164
Dilutive effect of stock-based awards	—	—
Weighted average common shares outstanding – diluted	270,230	269,164

For the three months ended September 30, 2022 March 31, 2023 and nine the three months ended September 30, 2022 and 2021 March 31, 2022, potential common shares under the treasury stock method and the if-converted method were antidilutive because the Company reported a net loss for both periods. Consequently, the Company did not have any adjustments between basic and diluted loss per share related to share-based awards or equity forward contracts, stock-based awards.

The table below presents the number of antidilutive potential common shares that are not considered in the calculation of diluted loss per share (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Employee stock options	161	—	175	324
Restricted stock units	1,451	7	1,667	942
OP units	—	—	754	454
Equity forward contracts	—	—	—	3,902
	Americold Realty Trust, Inc. and Subsidiaries		Notes to Condensed Consolidated Financial Statements - (Unaudited)	
	2,436	1,443	2,596	5,622

25

	Three Months Ended March 31,	
	2023	2022
Employee stock options	—	202
Restricted stock units	57	1,295
OP units	51	494
	108	1,991

13. 12. Revenue from Contracts with Customers

Disaggregated Revenue

The following tables represent a disaggregation of revenue from contracts with customers for the three and nine months ended September 30, 2022 March 31, 2023 and 2021 2022 by segment and geographic region (in thousands):

	Three Months Ended September 30, 2022					Three Months Ended March 31, 2023						
	North America	Europe	Asia-Pacific	South America	Total	North America	Europe	Asia-Pacific	South America	Total		
	(In thousands)											
Warehouse rent and storage	Warehouse rent and storage	\$211,708	\$20,237	\$15,218	\$1,984	\$249,147	Warehouse rent and storage	\$219,081	\$20,545	\$17,665	\$1,702	\$258,993
Warehouse services ⁽¹⁾	Warehouse services ⁽¹⁾	274,266	28,302	34,925	1,236	338,729	Warehouse services ⁽¹⁾	261,632	26,356	34,372	1,285	323,645
Transportation	Transportation						Transportation	35,381	23,406	8,672	619	68,078
Third-party managed	Third-party managed	77,083	—	5,353	—	82,436	Third-party managed	7,563	—	5,796	—	13,359
Transportation	Transportation	39,456	28,023	8,376	512	76,367						
Total revenues ⁽²⁾	Total revenues ⁽²⁾	602,513	76,562	63,872	3,732	746,679	Total revenues ⁽²⁾	523,657	70,307	66,505	3,606	664,075
Lease revenue ⁽³⁾	Lease revenue ⁽³⁾	9,798	1,303	—	—	11,101	Lease revenue ⁽³⁾	11,050	1,364	—	—	12,414
Total revenues from contracts with all customers	Total revenues from contracts with all customers	\$612,311	\$77,865	\$63,872	\$3,732	\$757,780	Total revenues from contracts with all customers	\$534,707	\$71,671	\$66,505	\$3,606	\$676,489

32

Americold Realty Trust, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements - (Unaudited)

	Three Months Ended September 30, 2021					Three Months Ended March 31, 2022						
	North America	Europe	Asia-Pacific	South America	Total	North America	Europe	Asia-Pacific	South America	Total		
	(In thousands)											
Warehouse rent and storage	Warehouse rent and storage	\$177,734	\$19,644	\$16,502	\$3,174	\$217,054	Warehouse rent and storage	\$181,939	\$17,355	\$16,721	\$2,950	\$218,965
Warehouse services ⁽¹⁾	Warehouse services ⁽¹⁾	241,581	29,291	44,302	1,639	316,813	Warehouse services ⁽¹⁾	238,169	32,197	39,202	1,600	311,168
Transportation	Transportation						Transportation	37,493	34,106	6,860	451	78,910
Third-party managed	Third-party managed	82,490	—	5,292	—	87,782	Third-party managed	80,820	—	5,040	—	85,860
Transportation	Transportation	38,512	34,548	5,512	407	78,979						
Total revenues ⁽²⁾	Total revenues ⁽²⁾	540,317	83,483	71,608	5,220	700,628	Total revenues ⁽²⁾	538,421	83,658	67,823	5,001	694,903
Lease revenue ⁽³⁾	Lease revenue ⁽³⁾	8,180	—	—	—	8,180	Lease revenue ⁽³⁾	9,313	1,479	—	—	10,792

Total revenues from contracts with all customers	Total revenues from contracts with all customers
\$ 548,497 \$ 83,483 \$ 71,608 \$ 5,220 \$ 708,808	\$ 547,734 \$ 85,137 \$ 67,823 \$ 5,001 \$ 705,695

(1)Warehouse services revenue includes sales of product that Americold purchases on the spot market, repackages, and sells to customers. Such revenues totaled \$3.7 million and \$4.1 million for the three months ended September 30, 2022 March 31, 2023 and September 30, 2021 March 31, 2022, respectively.

(2)Revenues are within the scope of ASC 606, *Revenue From Contracts with Customers*. Elements of contracts or arrangements that are in the scope of other standards (e.g., leases) are separated and accounted for under those standards.

(3)Revenues are within the scope of Topic 842, *Leases*.

	Nine Months Ended September 30, 2022				
	North America	Europe	Asia-Pacific	South America	Total
	(In thousands)				
Warehouse rent and storage	\$ 585,774	\$ 56,662	\$ 49,783	\$ 7,456	\$ 699,675
Warehouse services	768,264	90,924	108,266	4,471	971,925
Third-party managed	236,153	—	15,629	—	251,782
Transportation	116,690	96,167	22,798	1,513	237,168
Warehouse rent and storage	\$ 509,018	\$ 56,518	\$ 46,756	\$ 8,591	\$ 620,304
Warehouse services	673,048	82,527	128,032	4,813	882,685
Third-party managed	28,906	75	—	—	28,906
Total revenues from contracts with all customers	\$ 217,192	\$ 247,928	\$ 15,825	\$ 13,440	\$ 2,733,927
Transportation	117,865	98,998	15,982	1,206	234,051
Total revenues (1)	1,517,124	238,068	206,605	14,520	1,976,317
Lease revenue (2)	21,993	—	—	—	21,993
Total revenues from contracts with all customers	\$ 1,539,117	\$ 238,068	\$ 206,605	\$ 14,520	\$ 1,998,310

(1)Warehouse services revenue includes sales of product that Americold purchases on the spot market, repackages, and sells to customers. Such revenues totaled \$11.1 million and \$10.4 million for the nine months ended September 30, 2022 and September 30, 2021, respectively.

3326

Americold Realty Trust, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements - (Unaudited)

(1)Revenues are within the scope of ASC 606, *Revenue From Contracts with Customers*. Elements of contracts or arrangements that are in the scope of other standards (e.g., leases) are separated and accounted for under those standards.

(2)Revenues are within the scope of Topic 842, *Leases*.

Performance Obligations

Substantially all our revenue for warehouse storage and handling services, and management and incentive fees earned under third-party managed and other contracts is recognized over time as the customer benefits equally throughout the period until the contractual term expires. Typically, revenue is recognized over time using an output measure (e.g. passage of time) to measure progress. Revenue is recognized at a point in time upon delivery when the customer typically obtains control, include for most accessorial services, transportation services and reimbursed costs.

For arrangements containing non-cancellable contract terms, any variable consideration related to storage renewals or incremental handling charges above stated minimums are 100% constrained and not included in the aggregate amount of the transaction price allocated to the unsatisfied performance obligations disclosed below, given the degree in difficulty in estimation. Payment terms are generally 0 - 30 days upon billing, which is typically monthly, either in advance or subsequent to the performance of services. The same payment terms typically apply for arrangements containing variable consideration.

The Company has no material warranties or obligations for allowances, refunds or other similar obligations.

As of September 30, 2022 March 31, 2023, the Company had \$676.8 million \$649.7 million of remaining unsatisfied performance obligations from contracts with customers subject to a non-cancellable term and within contracts that have an original expected duration exceeding one year. These obligations also do not include variable consideration beyond the non-cancellable term, which due to the inability to quantify by estimate, is fully

constrained. The Company expects to recognize approximately 8% 24% of these remaining performance obligations as revenue in 2022, 2023, and the remaining 92% 76% to be recognized over a weighted average period of 14.5 11.3 years through 2038.

Contract Balances

The timing of revenue recognition, billings and cash collections results in accounts receivable (contract assets), and unearned revenue (contract liabilities) on the accompanying Condensed Consolidated Balance Sheets. Generally, billing occurs monthly, subsequent to revenue recognition, resulting in contract assets. However, the Company may bill and receive advances or deposits from customers, particularly on storage and handling services, before revenue is recognized, resulting in contract liabilities. These assets and liabilities are reported on the accompanying Condensed Consolidated Balance Sheets on a contract-by-contract basis at the end of each reporting period. Changes in the contract asset and liability balances during the three and nine months ended September 30, 2022 March 31, 2023, were not materially impacted by any other factors.

Accounts receivable Receivable balances related to contracts with customers accounted for under ASC 606 were \$433.1 million \$402.1 million and \$375.1 million \$421.1 million as of September 30, 2022 March 31, 2023 and December 31, 2021 December 31, 2022, respectively. All other trade receivable balances relate to contracts accounted for under ASC 842.

Unearned Balances in unearned revenue related to contracts with customers were \$34.2 \$32.9 million and \$26.1 \$32.0 million as of September 30, 2022 March 31, 2023 and December 31, 2021 December 31, 2022, respectively. Substantially all revenue that was included in the contract liability balances at the beginning of 2022 has been recognized as of September 30, 2022 March 31, 2023, and represents revenue from the satisfaction of monthly storage and handling services with average inventory that turns on average every of approximately 30 days.

34

27

Americold Realty Trust, Inc. and Subsidiaries

Notes to Condensed Consolidated Financial Statements - (Unaudited)

13. Subsequent Events

On April 26, 2023, Americold Realty Trust, Inc. (the "Company") began to receive evidence that its computer network was affected by a cybersecurity incident. The Company immediately implemented containment measures and took operations offline to secure its systems and reduce disruption to its business and customers. The Company has launched a review of the nature and scope of the incident, is working closely with cybersecurity experts and legal counsel, and has reported the matter to law enforcement. The Company is taking action to resume normal operations at impacted facilities so that it can continue to support customers.

The security and the privacy of data remain a priority at the Company. The Company will continue to take appropriate measures to further safeguard the integrity of its information technology infrastructure, data and customer information. The Company is currently assessing the impact to its condensed consolidated financial statements.

28

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q. In addition, the following discussion contains forward-looking statements, such as statements regarding our expectation for future performance, liquidity and capital resources, that involve risks, uncertainties and assumptions that could cause actual results to differ materially from our expectations. Our actual results may differ materially from those contained in or implied by any forward-looking

statements. Factors that could cause such differences include those identified below and those described under Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2021 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 December 31, 2022.

On May 25, 2022, we consummated our previously-disclosed conversion from a Maryland real estate investment trust to a Maryland corporation (the "Conversion"). Upon the consummation of the Conversion, each of our issued and outstanding shares of beneficial interest was converted into one share of common stock, and the rights of our stockholders began to be governed by the Maryland General Corporation Law and our Articles of Incorporation and Bylaws. The Conversion did not result in any change in CUSIP, trading symbol, federal tax identification number, or any material change in business, offices, assets, liabilities, obligations or net worth, or any change in directors, officers or employees. Despite this conversion, the Company continues to operate as a REIT for U.S. federal income tax purposes.

MANAGEMENT'S OVERVIEW Management's Overview

We are the world's largest publicly traded REIT a global leader in temperature-controlled logistics, real estate and value added services, and are focused on the ownership, operation, acquisition and development of temperature-controlled warehouses. We are organized as a self-administered and self-managed REIT with proven operating, development and acquisition expertise. As of September 30, 2022 March 31, 2023, we operated a global network of 249 243 temperature-controlled warehouses encompassing approximately 1.5 billion 1.5 billion cubic feet, with 202 196 warehouses in North America, 27 in Europe, 18 warehouses in Asia-Pacific, and two warehouses in South America. We view and manage our business through three primary business segments: warehouse, third-party managed and transportation. In addition, we hold three four minority interests in South American joint ventures, one with SuperFrio which owns or operates 38 37 temperature-controlled warehouses in Brazil, one with Comfrio which owns or operates 28 temperature-controlled warehouses in Brazil, one with LATAM which owns two temperature-controlled warehouses in Chile, and one with the LATAM RSA JV, which owns one temperature-controlled warehouse in Chile. The LATAM joint-venture was created during the second quarter of 2022 and intends to grow our presence in Latin America, excluding Brazil, through development and acquisition over time. Dubai.

Components of Our Results of Operations

Warehouse. Our primary source of revenues consists of rent, storage, and warehouse services fees. Our rent, storage, and warehouse services revenues are the key drivers of our financial performance. Rent and storage revenues consist of recurring, periodic charges related to the storage of frozen, perishable or other products in our warehouses by our customers. We also provide these customers with a wide array of handling and other warehouse services, such as (1) receipt, handling and placement of products into our warehouses for storage and preservation, (2) retrieval of products from storage upon customer request, (3) blast freezing, which involves the rapid freezing of non-frozen products, including individual quick freezing for agricultural produce and seafood, (4) case-picking, which involves selecting product cases to build customized pallets, (5) kitting and repackaging, which involves assembling custom product packages for delivery to retailers and consumers, and labeling services, (6) order assembly and load consolidation, (7) exporting and importing support services, (8) container handling, (9) cross-docking, which involves transferring inbound products to outbound trucks utilizing our warehouse docks without storing them in our warehouses, (10) government-approved temperature-controlled

35

storage and inspection services, (11) fumigation, (12) pre-cooling and cold treatment services, (13) produce grading and bagging, (14) protein boxing, (15) e-commerce fulfillment, and (16) ripening. We refer to these handling and other warehouse services as our value-added services.

Cost of operations for our warehouse segment consist of power, other facilities costs, labor, and other service costs. Labor, the largest component of the cost of operations from our warehouse segment, consists primarily of employee wages, benefits, and workers' compensation. Trends in our labor expense are influenced by changes in headcount, changes in compensation levels and associated performance incentives, the use of third-party labor to support our operations, changes in terms of collective bargaining agreements, changes in customer requirements and associated work content, workforce productivity, labor availability, governmental policies and regulations,

29

variability in costs associated with medical insurance and the impact of workplace safety programs, inclusive of the number and severity of workers' compensation claims. Labor expense can also be impacted as a result of discretionary bonuses. In response to the COVID-19 pandemic, we have incorporated certain activities such as staggered break schedules, social distancing, and other changes to process that can create inefficiencies, all of which we expect to continue to incur going forward. Our second largest cost of operations from our warehouse segment is power utilized in the operation of our temperature-controlled warehouses. As a result, fluctuations in the price for power in the regions where we operate may have a significant effect on our financial results. We may from time to time hedge our exposure to changes in power prices through fixed rate agreements or, to the extent possible and appropriate, through rate escalations or power surcharge provisions within our customer contracts. Additionally, business mix impacts power expense depending on the temperature zone or type of freezing required. Other facilities costs include utilities other than power, property insurance, property taxes, sanitation, (which include incremental supplies as a result of COVID-19), repairs and maintenance on real estate, rent under real property operating leases, where applicable, security, and other related facilities costs. Other services costs include equipment costs, warehouse consumables (e.g., shrink-wrap and uniforms), personal protective equipment to maintain the health and safety of our associates, warehouse administration and other related services costs.

Third-Party Managed. We receive a reimbursement of substantially all expenses for warehouses that we manage on behalf of third-party owners, with all reimbursements recognized as revenues under the relevant accounting guidance. We also earn management fees, incentive fees upon achieving negotiated performance and cost-savings results, or an applicable mark-up on costs. Cost of operations for our third-party managed segment is reimbursed on a pass-through basis (typically within two weeks).

Transportation. We charge transportation fees, which may also include fuel and capacity surcharges, to our customers for whom we arrange the transportation of their products. Cost of operations for our transportation segment consists primarily of third-party carrier charges, which are impacted by factors affecting those carriers, including driver and equipment availability in certain markets. Additionally, in certain markets we employ drivers and assets to serve our customers. Costs to operate these assets include wages, fuel, tolls, insurance and maintenance.

Third-Party Managed. We receive a reimbursement of substantially all expenses for warehouses that we manage on behalf of third-party owners, with all reimbursements recognized as revenues under the relevant accounting guidance. We also earn management fees, incentive fees upon achieving negotiated performance and cost-savings results, or an applicable mark-up on costs. Cost of operations for our third-party managed segment is reimbursed on a pass-through basis. During the fourth quarter of 2022, we strategically transitioned the management of our largest third-party managed customer's warehouses to a new third-party provider, and those operations ceased. As part of this transition, we agreed to continue to process certain costs for the related employee benefits for this customer, and will receive reimbursement for all such costs.

Other Consolidated Operating Expenses. We also incur depreciation and amortization expenses, corporate-level selling, general and administrative expenses and corporate-level acquisition, litigation and other, net expenses.

Our depreciation and amortization charges result primarily from the capital-intensive nature of our business. The principal components of depreciation relate to our warehouses, including buildings and improvements, refrigeration equipment, racking, leasehold improvements, material handling equipment, furniture and fixtures, and our computer hardware and software. Amortization relates primarily to intangible assets for customer relationships.

36

Our corporate-level selling, general and administrative expenses consist primarily of wages and benefits for management, administrative, business development, account management, project management, marketing, engineering, supply-chain solutions, human resources and information technology personnel, as well as expenses related to equity incentive plans, communications and data processing, travel, professional fees, bad debt, training, office equipment and supplies. Trends in corporate-level selling, general and administrative expenses are influenced by changes in headcount and compensation levels and achievement of incentive compensation targets. To position ourselves to meet the challenges of the current business environment, we have implemented a shared services support structure to better manage costs and enhance the efficiency of our operations. We have begun to integrate our recent acquisitions into this shared services structure.

30

Our corporate-level acquisition, litigation and other, net consists of costs that we view outside of selling, general and administrative expenses with a high level of variability from period-to-period, and include the following:

- Acquisition acquisition and integration related costs, include Project Orion costs, associated with transactions, whether consummated or not, such as advisory, legal, accounting, valuation and other professional or consulting fees. We also include integration costs pre- and post-acquisition that reflect work being performed to facilitate merger and acquisition integration, such as employee retention expense and work associated with information systems and other projects including spending to support future acquisitions, which primarily consist of professional services.
- Litigation litigation costs incurred in order to defend ourselves from litigation charges outside of the normal course of business and related settlement costs.
- Severance costs, representing certain contractual and negotiated severance and separation costs, from exited former executives, reduction in headcount due to synergies achieved through acquisitions or operational efficiencies, and reduction in workforce costs associated with exiting or selling non-strategic warehouses.
- Equity acceleration costs representing the unrecognized expense for share-based awards that vest and convert to common shares in advance of the original negotiated vesting date and any other equity award changes resulting in accounting for the award as a modification.
- Non-offering related equity issuance expenses whether incurred through our initial public offering, follow-on offerings or secondary offerings.
- Terminated terminated site operations costs, represent expenses incurred to return leased sites to their original physical state at lease inception in connection with the termination of the applicable underlying lease. These terminations were part of our strategic efforts to exit or sell non-strategic warehouses as opposed to ordinary course lease expirations. Repair and maintenance expenses associated with our ordinary course operations are reflected as operating expenses on our condensed consolidated statement of operations.
- Cyber cyber incident related costs include third-party fees incurred in connection with the cyber incident that occurred in November 2020, as well as any incremental costs, internal and external, incurred to restore operations at our facilities and damage claims. Any subsequent reimbursements from insurance coverage for expenses incurred in connection with the event are also reflected within this category.
- Other other costs relate to insurance claims, including deductibles, and related recoveries.

Key Factors Affecting Our Business and Financial Results

Formation of Middle Eastern Joint Venture

On February 28, 2023, the Company purchased a 49% equity interest in a newly formed entity, RSA Cold Holdings Limited (the "RSA JV"), in a transaction that is accounted for as a joint venture. In exchange for our equity interest, the Company paid \$4.0 million in total. RSA Cold Holdings Limited contributed their Dubai cold storage business, which consists of a single cold storage warehouse, in exchange for the remaining 51% equity interest in the joint venture. As a result of this transaction, we recognized our subsidiary's 49% equity investment in the RSA JV at its estimated fair value of \$4.0 million within "Investments in partially owned entities" on the Condensed Consolidated Balance Sheets. Under the terms of the JV agreement, the Company has a call right that enables it to purchase all remaining issued and outstanding shares of the RSA JV starting August 28, 2025, with the exercise price to be set as the fair market value of the shares on the exercise date.

Market Conditions and COVID-19

During the three and nine months ended September 30, 2022 and the year ended December 31, 2021, our business and financial results March 31, 2022 were negatively impacted by the contributory effects of the COVID-19 related pandemic and the resulting disruptions and other macro-economic conditions in (i) the food supply chain; (ii) our customers' production and transportation of goods; (iii) the labor market, impacting which impacts associate turnover, availability and cost; and (iv) the impact level of inflation on the cost to provide our services; (v) and services. Over the impact of changes last twelve months, there have been gradual improvements in foreign currency exchange rates. Despite the current headwinds, we expect that end-consumer demand for food will remain consistent with historic levels over the long-term. However, current end-consumer demand coupled with food production and transportation challenges throughout the food supply chain has begun to recover storage levels, reaching pre-COVID-19 pandemic has driven down

holdings in levels. While our facilities. As a result, occupancy and throughput volume continue at lower than historical levels experienced prior to COVID-19. We expect this to continue until our customers are able to ramp production back up to pre-pandemic levels for an extended period of time and rebuild inventory in the supply chain.

The unprecedented labor environment business continues to be challenging for many companies, including our food manufacturing customers. Labor availability continues to be the primary constraint on food production, along with the continuing spread of COVID-19 and related variants, which also impacts the labor market.

Our business has also been impacted due to inflation during the second half of 2021 and during the three and nine months ended September 30, 2022. We by rising inflationary pressures, we believe we are positioned well-situated due to address continued our strong financial position, our contractual rate escalations paired with our ability to pass along the impacts of inflationary pressure as it arises; however, many pressures and costs outside of our contracts require that we experience sustained cost increases for an extended period of time ranging up control to 60 days before we are able to initiate rate increases or seek remedies under our contracts. As a result of the significant impact of inflation on the cost of providing our storage, services and transportation to customers, during the second half of 2021 we initiated out-of-cycle rate increases in our customer contracts (many of which contain provisions for inflationary price escalators), and expect to continue to monitor further inflation and implement pricing increases as required. We can give no assurance that we will be able to offset the entire impact of inflation or future inflationary cost increases through increased storage or service charges or by operational efficiencies.

Additionally, global supply chains have been volatile following the invasion of Ukraine by Russia which has resulted in sanctions against Russia from the U.S. and a number of European countries. While we do not have warehouses or operations in Russia or Ukraine, our global operations and specifically our European operations may be impacted as a result of the ongoing conflict, including increased power costs and disruptions in inventory transportation, logistics systems and supply chain management. To date, our operations have not been materially impacted by the ongoing conflict. customers.

Refer to "Item 1A - Risk Factors" of our 2021 2022 Annual Report on Form 10-K and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 as filed with the SEC.

Acquisitions and Joint Ventures

On July 1, 2022, the Company completed the acquisition of De Bruyn Cold Storage which operates a single facility located in Tasmania, Australia for total consideration of A\$23.5 million, or \$16.0 million. The acquisition was funded using cash drawn on our Senior Unsecured Revolving Credit Facility. Since the date of acquisition, we have reported the results of this facility within our warehouse segment.

38

On June 2, 2022, we formed a joint venture, Americold LATAM Holdings Ltd (the "LATAM JV"), with Cold Latam Limited (our "JV partner"), in an effort to help us grow our business and market presence in Latin America, excluding Brazil. Our JV partner committed to invest approximately \$209.0 million in exchange for 85% of the total equity interests, and we contributed our Chilean business upon formation of the joint venture and retained the remaining 15% equity interests in the joint venture.

Refer to Note 2 of the Notes to the Condensed Consolidated Financial Statements and Note 3 of our 2021 Annual Report on Form 10-K for further information regarding acquisitions completed prior to 2022.

Seasonality

We are involved in providing services to food producers, distributors, retailers and e-tailers whose businesses, in some cases, are seasonal or cyclical. In order to mitigate the volatility in our revenue and earnings caused by seasonal business, we have implemented fixed commitment contracts with certain of our customers. Our customers with fixed commitment contracts pay for guaranteed warehouse space in order to maintain their required inventory levels, which is especially helpful to them during periods of peak physical occupancy. The timing of Easter fluctuates between the first and second quarter of the year, however, on average the first and second quarter revenue and NOI are relatively consistent. On a portfolio-wide basis, physical occupancy rates are generally the lowest during May and June. Physical occupancy rates typically exhibit a gradual increase after May and June as a result of annual harvests and our customers building inventories in connection with end-of-year holidays and generally peak between mid-September and early December as a result thereof. The external temperature reaches annual peaks for a majority of our portfolio during the third quarter of the year resulting in increased power expense that negatively impacts NOI, and moderates during the fourth quarter. Typically, we

31

have higher than average physical occupancy levels in October or November, which also tends to result in higher revenues. In light of the ongoing COVID-19 pandemic, we have seen variability in physical occupancy levels as compared to the typical seasonal trends.

Additionally, the involvement of our customers in a cross-section of the food industry mitigates, in part, the impact of seasonality as peak demand for various products occurs at different times of the year (for example, demand for ice cream is typically highest in the summer while demand for frozen turkeys usually peaks in the late fall). Our southern hemisphere operations in Australia, New Zealand and South America also help balance the impact of seasonality in our global operations, as their growing and harvesting cycles are complementary to North America and Europe. Each of our warehouses sets its own operating hours based on demand, which is heavily driven by growing seasons and seasonal consumer demand for certain products.

Foreign Currency Translation Impact on Our Operations

Our consolidated revenues and expenses are subject to variations caused by the net effect of foreign currency translation on revenues and expenses incurred by our operations outside the United States. Future fluctuations of foreign currency exchange rates and their impact on our Condensed Consolidated Statements of Operations are inherently uncertain. As a result of the relative size of our international operations, these fluctuations may be material on our results of operations. Our revenues and expenses from our international operations are typically denominated in the local currency of the country in which they are derived or incurred. Therefore, the impact of foreign currency fluctuations on our results of operations and margins is partially mitigated.

The following table shows a comparison of underlying average exchange rates of the foreign currencies that impacted our U.S. dollar-reported revenues and expenses during the periods discussed herein, together with a comparison against the exchange rates of such currencies at the end of the applicable periods presented herein. The rates below represent the U.S. dollar equivalent of one unit of the respective foreign currency. Amounts

39

presented in constant currency within our **Results** of **Operations** are calculated by applying the average foreign exchange rate from the comparable prior year period to actual local currency results in the current period, rather than the actual exchange rates in effect during the respective period. While constant currency metrics are a non-GAAP calculation and do not represent actual results, the comparison allows the reader to understand the impact of the underlying operations in addition to the impact of changing foreign exchange rates.

		Average foreign exchange rates used to translate actual operating results for the three months ended September 30, 2022		Average foreign exchange rates used to translate actual operating results for the nine months ended September 30, 2022		Foreign exchange rates as of September 30, 2021		Prior period average foreign exchange rate used to adjust actual operating results for the three months ended September 30, 2022 ⁽¹⁾		Prior period average foreign exchange rate used to adjust actual operating results for the nine months ended September 30, 2022 ⁽¹⁾		Average foreign exchange rates used to translate actual operating results for the three months ended March 31, 2023		Prior period average foreign exchange rates used to adjust actual operating results for the three months ended March 31, 2023			
		Foreign exchange rates as of September 30, 2022	results for the three months ended September 30, 2022	Foreign exchange rates as of September 30, 2021	results for the nine months ended September 30, 2022	Foreign exchange rates as of September 30, 2021	results for the three months ended September 30, 2022 ⁽¹⁾	Foreign exchange rates as of September 30, 2021	results for the nine months ended September 30, 2022 ⁽¹⁾	Foreign exchange rates as of September 30, 2021	results for the three months ended September 30, 2022 ⁽¹⁾	Foreign exchange rates as of September 30, 2021	results for the nine months ended September 30, 2022 ⁽¹⁾	Foreign exchange rates as of March 31, 2023	results for the three months ended March 31, 2023	Foreign exchange rates as of March 31, 2022	results for the three months ended March 31, 2023 ⁽¹⁾
Argentinian peso	Argentinian peso	0.007	0.007	0.008	0.010	0.010	0.011	Argentinian peso	0.005	0.005	0.009	0.009					
Australian dollar	Australian dollar	0.640	0.683	0.707	0.723	0.735	0.759	Australian dollar	0.669	0.684	0.748	0.724					
Brazilian real	Brazilian real	0.185	0.191	0.195	0.184	0.191	0.188	Brazilian real	0.198	0.193	0.211	0.192					
British Pound	British Pound	1.117	1.177	1.259	1.347	1.378	1.385	British Pound	1.234	1.215	1.314	1.342					

Canadian dollar	Canadian dollar	0.723	0.766	0.780	0.789	0.794	0.799	Canadian dollar	0.740	0.740	0.800	0.789
Chilean Peso	Chilean Peso	0.001	0.001	0.001	0.001	0.001	0.001	Chilean Peso	0.001	0.001	0.001	0.001
Euro	Euro	0.980	1.007	1.065	1.158	1.179	1.196	Euro	1.084	1.073	1.107	1.122
New Zealand dollar	New Zealand dollar	0.560	0.613	0.647	0.690	0.701	0.712	New Zealand dollar	0.626	0.630	0.695	0.676
Poland Zloty	Poland Zloty	0.202	0.213	0.228	0.251	0.258	0.263	Poland Zloty	0.232	0.228	0.238	0.243

32

⁽¹⁾ Represents the relevant average foreign exchange rates in effect in the comparable prior period applied to the activity for the current period. The average foreign currency exchange rates we apply to our operating results are derived from third party reporting sources for the periods indicated.

Focus on Our Operational Effectiveness and Cost Structure

During 2022, we initiated Project Orion in order to further enhance our operational effectiveness, and to integrate the acquisitions completed over the last several years. For further information regarding Project Orion, refer to our consolidated financial statements included in our 2022 Annual Report on Form 10-K as filed with the SEC. We continuously seek to execute on various initiatives aimed at streamlining our business processes and reducing our cost structure, including: realigning and centralizing key business processes and fully integrating acquired assets and businesses; implementing standardized operational processes; integrating and launching new information technology tools and platforms; instituting key health, safety, leadership and training programs; and capitalizing on the purchasing power of our network. Through the realignment of our business processes, we have acquired new talent and strengthened our service offerings. In order to reduce costs in our facilities, we have invested in energy efficiency projects, including LED lighting, thermal energy storage, motion-sensor technology, variable frequency drives for our fans and compressors, third party efficiency reviews and real-time monitoring of energy consumption, rapid open and close doors, and alternative-power generation technologies to improve the energy efficiency of our warehouses. We have also performed fine-tuning of our refrigeration systems, deployed efficient energy management practices, such as time-of-use and awareness, and have increased our participation in Power Demand Response programs with some of our power suppliers. These initiatives have allowed us to reduce our consumption of kilowatt hours and energy spend.

Additionally, temperature-controlled warehouses utilize refrigeration condensers to maintain their environments, which rely on a steady supply of water. We have implemented rainwater harvesting in certain locations as a sustainable method for reducing municipal water demand. Rainwater harvesting also reduces wastewater treatment costs as well as storm water runoff.

As part of our initiatives to streamline our business processes and to reduce our cost structure, we have evaluated and exited less strategic and profitable markets or business lines, including the sale of certain warehouse assets, the exit of certain leased facilities, the exit of certain managed warehouse agreements, the exit of the China JV during 2019, and the sale of our quarry business during 2020. Through our process of active portfolio management, we continue to evaluate our markets and offerings.

40

Strategic Shift within Our Transportation Segment

Several years ago, we initiated a strategic shift in our transportation segment services and solutions. The intention of this strategic shift was to better focus our business on the operation of our temperature-controlled warehouses. Specifically, we have gradually exited certain commoditized, non-scalable, or low margin services we historically offered to our customers, in favor of more profitable and value-added programs, such as regional, national, truckload and retailer-specific multi-vendor consolidation services. We designed each value-added program to improve efficiency and reduce transportation and logistics costs to our warehouse customers, whose transportation spend typically represents the majority of their supply-chain costs. We believe this efficiency and cost reduction helps to drive increased client retention, as well as maintain high occupancy levels in our temperature-controlled warehouses. Over the last several years, we have made significant progress in implementing our strategic initiative of growing our transportation service

offering in a way that complements our temperature-controlled warehouse business, such as adding a dedicated fleet service offering through acquisitions. We intend to continue executing this strategy in the future.

Historically Significant Customer

33

For the three and nine months ended September 30, 2022 and 2021, March 31, 2022, one customer accounted for more than 10% of our total revenues. For the three months ended September 30, 2022 and 2021, revenues attributable to this customer were \$73.6 million and \$79.8 million, respectively. For the nine months ended September 30, 2022 and 2021, revenues attributable to this customer were \$226.9 million and \$209.8 million, respectively. The substantial majority of this customer's business relates to our third-party managed segment. The Company and this customer are currently transitioning the management of this customer's warehouses to a new third-party provider and our operations are expected to cease during the fourth quarter of 2022. The annual NOI generated from 2022, and we are no longer serving this business was approximately \$8.0 million. We are reimbursed for substantially all expenses we incur in managing warehouses on behalf of third-party owners. We recognize these reimbursements as revenues under applicable accounting guidance, but these reimbursements generally do not affect our financial results because they are offset by the corresponding expenses that we recognize in our third-party managed segment cost of operations, segment. For the three months ended March 31, 2022, revenues attributable to this customer were \$78.1 million. Of the revenues received from this customer, \$71.2 million and \$74.9 million represented reimbursements for certain expenses we incurred during the three months ended September 30, 2022 March 31, 2022, and 2021, respectively, and \$218.9 million and \$199.6 million for the nine months ended September 30, 2022 and 2021, respectively, were offset by matching expenses included in our third party third-party managed cost of operations.

Economic Occupancy of our Warehouses

We define average economic occupancy as the aggregate number of physically occupied pallets and any additional pallets otherwise contractually committed for a given period, without duplication. We estimate the number of contractually committed pallet positions by taking into account the actual pallet commitment specified in each customers' contract, and subtracting the physical pallet positions. We regard economic occupancy as an important driver of our financial results. Historically, providers of temperature-controlled warehouse space have offered storage services to customers on an as-utilized, on-demand basis. We actively seek to enter into contracts that implement our commercial business rules which contemplate, among other things, fixed storage commitments in connection with establishing new customer relationships. Additionally, we actively seek opportunities to transition our current customers to contracts that feature a fixed storage commitment when renewing existing agreements or upon the change in the anticipated profile of our customer. This strategy mitigates the impact of changes in physical occupancy throughout the course of the year due to seasonality, as well as other factors that can impact physical occupancy while ensuring our customers have the necessary space they need to support their business.

41

Throughput at our Warehouses

The level and nature of throughput at our warehouses is an important factor impacting our warehouse services revenues in our warehouse segment. Throughput refers to the volume of pallets that enter and exit our warehouses. Higher levels of throughput drive warehouse services revenues in our warehouse segment as customers are typically billed on a basis that takes into account the level of throughput of the goods they store in our warehouses. The nature of throughput may be driven by the expected turn of the underlying product or commodity. Throughput pallets can be influenced both by the food manufacturers as well as shifts in demand preferences. Food manufacturers' production levels, which respond to market conditions, labor availability, supply chain dynamics and consumer preferences, may impact inbound pallets. Similarly, a change in inventory turnover due to shift in customer consumer demand may impact outbound pallets.

How We Assess the Performance of Our Business

Segment Contribution (Net Operating Income or "NOI")

We evaluate the performance of our primary business segments based on their contribution (NOI) to our overall results of operations. We use the term "segment contribution (NOI)" to mean a segment's revenues less its cost of operations (excluding any depreciation and amortization, impairment charges, corporate-level selling, general and administrative expenses and corporate-level acquisition, litigation and other, net). We use segment contribution (NOI) to evaluate our segments for purposes of making operating decisions and assessing performance in accordance with FASB ASC, Topic 280, *Segment Reporting*.

We also analyze the "segment contribution (NOI) margin" for each of our business segments, which we calculate as segment contribution (NOI) divided by segment revenues.

34

In addition to our segment contribution (NOI) and segment contribution (NOI) margin, we analyze the contribution (NOI) of our warehouse rent and storage operations and our warehouse services operations within our warehouse segment. We calculate the contribution (NOI) of our warehouse rent and storage operations as rent and storage revenues less power and other facilities cost. We calculate the contribution (NOI) of our warehouse services operations as warehouse services revenues less labor and other service costs. We calculate the contribution (NOI) margin for each of these operations as the applicable contribution (NOI) measure divided by the applicable revenue measure. We believe the presentation of these contribution (NOI) and contribution (NOI) margin measures helps investors understand the relative revenues, costs and earnings resulting from each of these separate types of services we provide to our customers in the same manner reviewed by our management in connection with the operation of our business. These contribution (NOI) measures within our warehouse segment are not measurements of financial performance under U.S. GAAP, and these measures should be considered as supplements, but not as alternatives, to our results calculated in accordance with U.S. GAAP. We provide reconciliations of these measures in the discussions of our comparative results of operations below.

Same Store Analysis

We define our "same store" population once a year at the beginning of the current calendar year. Our same store population includes properties that were owned or leased for the entirety of two comparable periods and that have reported at least twelve months of consecutive normalized operations prior to January 1 of the prior calendar year. We define "normalized operations" as properties that have been open for operation or lease after development or significant modification, including the expansion of a warehouse footprint or a warehouse rehabilitation subsequent to an event, such as a natural disaster or similar event causing disruption to operations. In addition, our definition of "normalized operations" takes into account changes in the ownership structure (e.g., purchase of a

42

previously leased warehouse would result in different charges a change in the nature of expenditures in the compared periods), which would impact comparability in our warehouse segment contribution (NOI).

Acquired properties will be included in the "same store" population if owned by us as of the first business day of each year of the prior calendar year (e.g. January 1, 2022) and still owned by us as of the end of the current reporting period, unless the property is under development. The "same store" pool is also adjusted to remove properties that were sold or entering development subsequent to the beginning of the current calendar year. As such, the "same store" population for the period ended September 30, 2022 March 31, 2023 includes all properties that we owned or leased at January 3, January 2, 2023 which had both been owned or leased and had reached "normalized operations" by January 3, 2022 January 2, 2023.

We calculate "same store contribution (NOI)" as revenues for the same store population less its cost of operations (excluding any depreciation and amortization, impairment charges, corporate-level selling, general and administrative expenses, corporate-level acquisition, litigation and other, net and gain or loss on sale of real estate). In order to derive an appropriate measure of period-to-period operating performance, we also calculate our same store contribution (NOI) on a constant currency basis to remove the effects of foreign currency exchange rate movements by using the comparable prior period

exchange rate to translate from local currency into U.S. dollars for both periods. We evaluate the performance of the warehouses we own or lease using a "same store" analysis, and we believe that same store contribution (NOI) is helpful to investors as a supplemental performance measure because it includes the operating performance from the population of properties that is consistent from period to period and also on a constant currency basis, thereby eliminating the effects of changes in the composition of our warehouse portfolio and currency fluctuations on performance measures.

The following table shows the number of same-store warehouses in our portfolio as of **September 30, 2022** **March 31, 2023**. The number of warehouses owned or operated in as of **September 30, 2022** **March 31, 2023** and excluded as same-store warehouses for the period ended **September 30, 2022** **March 31, 2023** is listed below. While not included in the non-same store warehouse count in the

35

table below, the results of operations for the non-same store warehouses includes the partial period impact of sites that were exited during the periods presented.

Total Warehouses	249	243
Same Store Warehouses	212	221
Non-Same Store Warehouses ⁽¹⁾	28	17
Third-Party Managed Warehouses	95	

⁽¹⁾ During the non-same store facility count of 17 includes a facility acquired through the De Bruyn Cold Storage acquisition on July 1, 2022, a facility previously leased that we bought during the third quarter of 2022, one recently leased warehouse in Australia, one facility previously leased that we purchased bought during the second quarter of 2022, one warehouse which we ceased operations within as it is being prepared for lease to a third-party, a leased facility in which we ceased operations during the fourth quarter of 2022 in anticipation of the upcoming lease maturity, a facility that was previously leased pending sale negotiations, and 10 warehouses in New Zealand, which is now included in the non-same store population as a result. Additionally, we completed the acquisition of De Bruyn Cold Storage consisting of one facility which is now included in the non-same store population as a result. Finally, we exited one leased facility which came into our network with the Lago acquisition, and was previously included in the non-same store population, expansion or redevelopment.

As of **September 30, 2022** **March 31, 2023**, our portfolio consisted of **249** **243** total warehouses, including **240** **238** within the warehouse segment and **nine** **five** in the third-party managed segment. In addition, we hold minority interests in **three** **four** Brazilian-based joint ventures, one with Superfrio, which owns or operates **38** **37** temperature-controlled warehouses **and** **in** Brazil, one with Comfrio, which owns or operates **28** temperature-controlled warehouses. Finally, we hold a minority interest **warehouses** **in** **a** **recently** **created** Brazil, one with LATAM, joint venture, which owns **two** temperature-controlled warehouses in Chile, and one with the RSA JV, which owns **one** temperature-controlled warehouse **which** **we** **contributed** **to** **in** **Dubai**. These joint ventures are not included in the joint venture during the second quarter of 2022, table above.

Same store contribution (NOI) is not a measurement of financial performance under U.S. GAAP. In addition, other companies providing temperature-controlled warehouse storage and handling and other warehouse services may not define same store or calculate same store contribution (NOI) in a manner consistent with our definition or calculation. Same store contribution (NOI) should be considered as a supplement, but not as an alternative, to our

43

results calculated in accordance with U.S. GAAP. We provide reconciliations of these measures in the discussions of our comparative results of operations below.

Constant Currency Metrics

As discussed above under "Key Factors Affecting Our Business and Financial Results—*Foreign Currency Translation Impact on Our Operations*," our consolidated revenues and expenses are subject to variations outside our control that are caused by the net effect of foreign currency translation on revenues generated and expenses incurred by our operations outside the United States. As a result, in order to provide a framework for assessing how our underlying businesses performed excluding the effect of foreign currency fluctuations, we analyze our business performance based on certain constant

currency reporting that represents current period results translated into U.S. dollars at the relevant average foreign exchange rates applicable in the comparable prior period. We believe that the presentation of constant currency results provides a measurement of our ongoing operations that is meaningful to investors because it excludes the impact of these foreign currency movements that we cannot control. Constant currency results are not measurements of financial performance under U.S. GAAP, and our constant currency results should be considered as a supplement, but not as an alternative, to our results calculated in accordance with U.S. GAAP. The constant currency performance measures should not be considered a substitute for, or superior to, the measures of financial performance prepared in accordance with U.S. GAAP. We provide reconciliations of these measures in the discussions of our comparative results of operations below. Our discussion of the drivers of our performance below are based upon U.S. GAAP.

4436

RESULTS OF OPERATIONS

Comparison of Results for the Three Months Ended September 30, 2022 March 31, 2023 and 2021 2022

Warehouse Segment

The following table presents the operating results of our warehouse segment for the three months ended September 30, 2022 March 31, 2023 and 2021 2022.

		Three Months Ended September 30,				Change		Three Months Ended March 31,				Change	
		2022 Constant		2021 Actual		Constant		2023 Constant		2022 Actual		Constant	
		2022 Actual	Currency ⁽¹⁾	2021 Actual	Actual	Currency	2023 Actual	Currency ⁽¹⁾	2022 Actual	Actual	Currency	2023 Actual	Currency ⁽¹⁾
(Dollars in thousands)													
Rent and Rent and	storage	\$ 260,249	\$ 266,362	\$ 225,234	15.5 %	18.3 %	Rent and	\$ 271,407	\$ 275,912	\$ 229,757	18.1 %	20.1 %	
Warehouse services	Warehouse services	338,728	347,209	316,813	6.9 %	9.6 %	Warehouse services	323,645	328,600	311,168	4.0 %	5.6 %	
Total warehouse segment	Total warehouse segment						Total warehouse segment						
revenues	revenues	598,977	613,571	542,047	10.5 %	13.2 %	revenues	595,052	604,512	540,925	10.0 %	11.8 %	
Power	Power	48,593	50,736	38,931	24.8 %	30.3 %	Power	36,048	37,099	33,035	9.1 %	12.3 %	
Other facilities costs ⁽²⁾	Other facilities costs ⁽²⁾	58,792	60,129	53,050	10.8 %	13.3 %	costs ⁽²⁾	60,800	61,773	56,572	7.5 %	9.2 %	
Labor	Labor	256,811	262,683	245,516	4.6 %	7.0 %	Labor	258,541	262,523	244,160	5.9 %	7.5 %	
Other services costs ⁽³⁾	Other services costs ⁽³⁾	68,119	70,186	59,558	14.4 %	17.8 %	costs ⁽³⁾	64,836	65,754	60,900	6.5 %	8.0 %	
Total warehouse segment cost of operations	Total warehouse segment cost of operations						Total warehouse segment cost of operations						
Warehouse segment contribution	Warehouse segment contribution	\$ 432,315	\$ 443,734	\$ 397,055	8.9 %	11.8 %	Warehouse segment contribution	\$ 420,225	\$ 427,149	\$ 394,667	6.5 %	8.2 %	
(NOI)	(NOI)	166,662	169,837	144,992	14.9 %	17.1 %	(NOI)	174,827	177,363	146,258	19.5 %	21.3 %	
Warehouse rent and storage contribution	Warehouse rent and storage contribution						Warehouse rent and storage contribution						
(NOI) ⁽⁴⁾	(NOI) ⁽⁴⁾	152,864	155,497	133,253	14.7 %	16.7 %	(NOI) ⁽⁴⁾	174,559	177,040	140,150	24.6 %	26.3 %	

Warehouse services contribution	Warehouse services contribution	Warehouse services contribution	Warehouse services contribution	Warehouse services contribution	Warehouse services contribution	Warehouse services contribution	Warehouse services contribution	Warehouse services contribution	Warehouse services contribution	Warehouse services contribution	Warehouse services contribution
(NOI) ⁽⁵⁾	(NOI) ⁽⁵⁾	13,798	14,340	11,739	17.5 %	22.2 %	(NOI) ⁽⁵⁾	268	323	6,108	(95.6) %
Total warehouse segment margin	Total warehouse segment margin	27.8 %	27.7 %	26.7 %	108 bps	93 bps	margin	29.4 %	29.3 %	27.0 %	234 bps
Rent and storage margin ⁽⁶⁾	Rent and storage margin ⁽⁶⁾	58.7 %	58.4 %	59.2 %	-42 bps	-78 bps	margin ⁽⁶⁾	64.3 %	64.2 %	61.0 %	332 bps
Warehouse services margin ⁽⁷⁾	Warehouse services margin ⁽⁷⁾	4.1 %	4.1 %	3.7 %	37 bps	42 bps	margin ⁽⁷⁾	0.1 %	0.1 %	2.0 %	-188 bps
											-186 bps

(1) The adjustments from our U.S. GAAP operating results to calculate our operating results on a constant currency basis are the effect of changes in foreign currency exchange rates relative to the comparable prior period.

(2) Includes real estate rent expense of \$10.5 million \$9.4 million and \$11.2 \$10.6 million, on an actual basis, for the third first quarter of 2022 2023 and 2021, 2022, respectively.

(3) Includes non-real estate rent expense (equipment lease and rentals) of \$3.6 million and \$2.9 \$3.1 million, on an actual basis, for the third first quarter of 2022 2023 and 2021, 2022, respectively.

(4) Calculated as rent and storage revenues less power and other facilities costs.

(5) Calculated as warehouse services revenues less labor and other services costs.

(6) Calculated as warehouse rent and storage contribution (NOI) divided by warehouse rent and storage revenues.

(7) Calculated as warehouse services contribution (NOI) divided by warehouse services revenues.

Warehouse segment revenues were \$599.0 million \$595.1 million for the three months ended September 30, 2022 March 31, 2023, an increase of \$56.9 million \$54.1 million, or 10.5% 10.0%, compared to \$542.0 million \$540.9 million for the three months ended September 30, 2021 March 31, 2022. On a constant currency basis, our warehouse segment revenues were \$613.6 million \$604.5 million for the three months ended September 30, 2022 March 31, 2023, an increase of \$71.5 million \$63.6 million, or 13.2% 11.8%, from the three months ended September 30, 2021 March 31, 2022. This growth was driven by \$47.4 million \$63.9 million of growth in our same store pool on a constant currency basis primarily due to our pricing initiatives, rate escalations, and improvements in economic occupancy, partially offset by a slight decline in throughput. Approximately \$16.5 million of the increase, Non-same store revenue was flat on a constant currency basis, was driven due to exits of leased facilities during 2022, offset by acquisitions completed between August 2021 and September 2022, including the growth experienced period-over-period during overlapping periods of ownership. We acquired two facilities on August 2, 2021 as a result of the ColdCo acquisition, one facility on September 1, 2021 as a result of the Newark Facility Management acquisition and three facilities on November 15, 2021 as a result of the Lago Cold Stores acquisition (including

one leased facility that was exited upon expiration during the first quarter of 2022 and one leased facility that was exited upon expiration during the third quarter of 2022). Additionally, we acquired one facility on July 1, 2022 as a result of the De Bruyn Cold Storage acquisition and therefore we did not have ownership of these facilities for the entirety of the prior comparable period. Approximately \$7.6 million of the an increase on a constant currency basis, was related to growth in our occupancy, recently completed expansion and developments, in our non-same store pool, and the De Bruyn acquisition. The foreign currency translation of revenues earned by our foreign operations had a \$14.6 million \$9.5 million

unfavorable impact during the three months ended **September 30, 2022** **March 31, 2023**, which was mainly driven by the strengthening of the U.S. dollar against our foreign subsidiaries' currencies.

Warehouse segment cost of operations was **\$432.3 million** **\$420.2 million** for the three months ended **September 30, 2022** **March 31, 2023**, an increase of **\$35.3 million** **\$25.6 million**, or **8.9%** **6.5%**, compared to the three months ended **September 30, 2021** **March 31, 2022**. On a constant currency basis, our warehouse segment cost of operations was **\$443.7 million** **\$427.1 million** for the three months ended **September 30, 2022** **March 31, 2023**, an increase of **\$46.7 million** **\$32.5 million**, or **11.8%** **8.2%**, from the three months ended **September 30, 2021** **March 31, 2022**. The cost of operations for our same store pool increased **\$27.3 million** **\$25.8 million** on a constant currency basis, across most of our cost categories, primarily driven by higher labor, power and other facilities costs, reflective of inflationary pressure. Approximately **\$11.7 million** **\$6.7 million** of the increase, on a constant currency basis, was driven by the additional facilities in the warehouse segment we acquired in connection with the aforementioned acquisitions. Approximately **\$7.7 million** of the increase was related to growth in our recently completed expansions and developments and the De Bruyn acquisition in our non-same store pool, including incremental start-up costs of **\$4.3 million** during the third quarter of 2022, which have not yet stabilized. These increases are offset by the foreign currency translation of expenses incurred by our foreign operations which had an **\$11.4 million** **\$6.9 million** favorable impact during the three months ended **September 30, 2022** **March 31, 2023**.

For the three months ended **September 30, 2022** **March 31, 2023**, warehouse segment contribution (NOI), increased **\$21.7 million** **\$28.6 million**, or **14.9%** **19.5%**, to **\$166.7 million** **\$174.8 million** for the **third** **first** quarter of **2022** **2023** compared to **\$145.0 million** **\$146.3 million** for the **third** **first** quarter of **2021** **2022**. On a constant currency basis, warehouse segment NOI increased **17.1%** **21.3%** from the three months ended **September 30, 2021** **March 31, 2022**. The NOI for our same store pool increased **\$20.1 million** **\$38.1 million** on a constant currency basis, attributable to revenue and cost of operations factors previously described. Approximately **\$4.9 million** of the increase, on a constant currency basis, was driven by the additional facilities in the warehouse segment as a result of the aforementioned acquisitions, as well as the growth and modest synergies experienced period-over-period during overlapping periods of ownership for sites acquired during 2021. Warehouse segment NOI was negatively impacted by the start-up costs incurred in connection with our expansion and development projects in the non-same store pool as they continue to incur pre-launch costs or costs as they ramp to ramp up prior to stabilization. stabilization, partially offset by the NOI from the De Bruyn acquisition and lease buyouts. The foreign currency translation of our results of operations had a **\$3.2 million** **\$2.5 million** unfavorable impact to warehouse segment NOI period-over-period due to the strengthening of the U.S. dollar.

Same Store and Non-Same Store Analysis Results

We had **212** **221** same stores for the three months ended **September 30, 2022** **March 31, 2023**. Please see "How We Assess the Performance of Our Business—Same Store Analysis" above for a reconciliation of the change in the same store portfolio from period to period. Amounts related to the acquisitions of Bowman Stores, ColdCo, De Bruyn Cold Storage, KMT Brrr!, Lago Cold Stores, Liberty, Newark, one of our recently leased warehouse in Australia, a recently constructed facility in Denver purchased in November 2021, a leased facility purchased during the second quarter of 2022, a leased facility purchased during the third quarter of 2022, as well as certain completed expansion and development projects not yet stabilized, the acquisition of De Bruyn Cold Storage, one temporarily leased warehouse, previously leased facilities purchased during 2022 and idled facilities are reflected within non-same store results.

The following table presents revenues, cost of operations, contribution (NOI) and margins for our same stores and non-same stores with a reconciliation to the total financial metrics of our warehouse segment for the three months ended **September 30, 2022** **March 31, 2023** and **2021**.

4638

	Three Months Ended March 31,			Change	
	2023 Constant		2022 Actual	Actual	Constant Currency
	2023 Actual	Currency ⁽¹⁾			
Number of same store sites	221		221	n/a	n/a
Same store revenues:					
(Dollars in thousands)					
Rent and storage	\$ 258,694	\$ 262,734	\$ 219,329	17.9 %	19.8 %
Warehouse services	315,033	319,579	299,118	5.3 %	6.8 %
Total same store revenues	573,727	582,313	518,447	10.7 %	12.3 %
Same store cost of operations:					
Power	33,253	34,185	30,244	9.9 %	13.0 %

Other facilities costs	56,477	57,336	51,844	8.9 %	10.6 %
Labor	245,260	248,899	232,970	5.3 %	6.8 %
Other services costs	57,175	58,011	57,618	(0.8)%	0.7 %
Total same store cost of operations	\$ 392,165	\$ 398,431	\$ 372,676	5.2 %	6.9 %
Same store contribution (NOI)	\$ 181,562	\$ 183,882	\$ 145,771	24.6 %	26.1 %
Same store rent and storage contribution (NOI) ⁽²⁾	\$ 168,964	\$ 171,213	\$ 137,241	23.1 %	24.8 %
Same store services contribution (NOI) ⁽³⁾	\$ 12,598	\$ 12,669	\$ 8,530	47.7 %	48.5 %
Total same store margin	31.6 %	31.6 %	28.1 %	353 bps	346 bps
Same store rent and storage margin ⁽⁴⁾	65.3 %	65.2 %	62.6 %	274 bps	259 bps
Same store services margin ⁽⁵⁾	4.0 %	4.0 %	2.9 %	115 bps	111 bps

	Three Months Ended September 30,				Change	
	2022 Constant		2021 Actual	Actual	Constant Currency	
	2022 Actual	Currency ⁽¹⁾				
Number of same store sites	212		212		n/a	n/a
Same store revenues:						
Rent and storage	\$ 225,588	\$ 230,422	\$ 201,574	11.9 %	14.3 %	
Warehouse services	304,091	311,587	293,052	3.8 %	6.3 %	
Total same store revenues	529,679	542,009	494,626	7.1 %	9.6 %	
Same store cost of operations:						
Power	41,381	42,990	34,366	20.4 %	25.1 %	
Other facilities costs	50,648	51,706	46,795	8.2 %	10.5 %	
Labor	223,261	228,411	222,125	0.5 %	2.8 %	
Other services costs	57,878	59,743	52,274	10.7 %	14.3 %	
Total same store cost of operations	\$ 373,168	\$ 382,850	\$ 355,560	5.0 %	7.7 %	
Same store contribution (NOI)	\$ 156,511	\$ 159,159	\$ 139,066	12.5 %	14.4 %	
Same store rent and storage contribution (NOI) ⁽²⁾	\$ 133,559	\$ 135,726	\$ 120,413	10.9 %	12.7 %	
Same store services contribution (NOI) ⁽³⁾	\$ 22,952	\$ 23,433	\$ 18,653	23.0 %	25.6 %	
Total same store margin	29.5 %	29.4 %	28.1 %	143 bps	125 bps	
Same store rent and storage margin ⁽⁴⁾	59.2 %	58.9 %	59.7 %	-53 bps	-83 bps	
Same store services margin ⁽⁵⁾	7.5 %	7.5 %	6.4 %	118 bps	116 bps	

	Three Months Ended September 30,				Three Months Ended March 31,				Change	
	2022 Constant		2021 Actual	Actual	Constant Currency	2023 Constant		2022 Actual	Actual	Constant Currency
	2022 Actual	Currency ⁽¹⁾				2023 Actual	Currency ⁽¹⁾			
Number of non-same store sites ⁽⁶⁾	Number of non-same store sites ⁽⁶⁾	28	27	n/a	n/a	Number of non-same store sites ⁽⁶⁾	17	19	n/a	n/a
Non-same store revenues:										
Rent and storage	Rent and storage	\$ 34,661	\$ 35,940	\$ 23,660	n/r	Rent and storage	\$ 12,713	\$ 13,178	\$ 10,428	n/r
Warehouse services	Warehouse services	34,637	35,622	23,761	n/r	Warehouse services	8,612	9,021	12,050	n/r
Total non-same store revenues	Total non-same store revenues	69,298	71,562	47,421	n/r	Total non-same store revenues	21,325	22,199	22,478	n/r
Non-same store cost of operations:	Non-same store cost of operations:					Non-same store cost of operations:				

Power	Power	7,212	7,746	4,565	n/r	n/r	Power	2,795	2,914	2,791	n/r	n/r
Other facilities	Other facilities						Other facilities					
costs	costs	8,144	8,423	6,255	n/r	n/r	costs	4,323	4,437	4,728	n/r	n/r
Labor	Labor	33,550	34,272	23,391	n/r	n/r	Labor	13,281	13,624	11,190	n/r	n/r
Other services	Other services						Other services					
costs	costs	10,241	10,443	7,284	n/r	n/r	costs	7,661	7,743	3,282	n/r	n/r
Total non-same store cost of operations	Total non-same store cost of operations	\$ 59,147	\$ 60,884	\$ 41,495	n/r	n/r	Total non-same store cost of operations	\$ 28,060	\$ 28,718	\$ 21,991	n/r	n/r
Non-same store contribution (NOI)	Non-same store contribution (NOI)	\$ 10,151	\$ 10,678	\$ 5,926	n/r	n/r	Non-same store contribution (NOI)	\$ (6,735)	\$ (6,519)	\$ 487	n/r	n/r
Non-same store rent and storage contribution (NOI) ⁽²⁾	Non-same store rent and storage contribution (NOI) ⁽²⁾	\$ 19,305	\$ 19,771	\$ 12,840	n/r	n/r	Non-same store rent and storage contribution (NOI) ⁽²⁾	\$ 5,595	\$ 5,827	\$ 2,909	n/r	n/r
Non-same store services contribution (NOI) ⁽³⁾	Non-same store services contribution (NOI) ⁽³⁾	\$ (9,154)	\$ (9,093)	\$ (6,914)	n/r	n/r	Non-same store services contribution (NOI) ⁽³⁾	\$ (12,330)	\$ (12,346)	\$ (2,422)	n/r	n/r
Total non-same store margin	Total non-same store margin	14.6 %	14.9 %	12.5 %	n/r	n/r	Total non-same store margin	(31.6) %	(29.4) %	2.2 %	n/r	n/r
Non-same store rent and storage margin ⁽⁴⁾	Non-same store rent and storage margin ⁽⁴⁾	55.7 %	55.0 %	54.3 %	n/r	n/r	Non-same store rent and storage margin ⁽⁴⁾	44.0 %	44.2 %	27.9 %	n/r	n/r
Non-same store services margin ⁽⁵⁾	Non-same store services margin ⁽⁵⁾	(26.4) %	(25.5) %	(29.1) %	n/r	n/r	Non-same store services margin ⁽⁵⁾	(143.2) %	(136.9) %	(20.1) %	n/r	n/r

4739

	Total warehouse segment revenues	Three Months Ended September 30,				Change		Three Months Ended March 31,				Change	
		2022 Constant		Constant		2023 Constant		Constant		Constant		Constant	
		2022 Actual	Currency ⁽¹⁾	2021 Actual	Actual	2023 Actual	Currency ⁽¹⁾	2022 Actual	Actual	2023 Actual	Currency ⁽¹⁾	2022 Actual	Actual
Total warehouse segment revenues	Total warehouse segment revenues	\$ 598,977	\$ 613,571	\$ 542,047	10.5 %	13.2 %	Total warehouse segment revenues	\$ 595,052	\$ 604,512	\$ 540,925	10.0 %	11.8 %	
Total warehouse cost of operations	Total warehouse cost of operations	\$ 432,315	\$ 443,734	\$ 397,055	8.9 %	11.8 %	Total warehouse cost of operations	\$ 420,225	\$ 427,149	\$ 394,667	6.5 %	8.2 %	

Total warehouse segment contribution	Total warehouse segment contribution	Total warehouse segment contribution
\$ 166,662	\$ 169,837	\$ 144,992
14.9 %	17.1 %	19.5 %

(1) The adjustments from our U.S. GAAP operating results to calculate our operating results on a constant currency basis is the effect of changes in foreign currency exchange rates relative to the comparable prior period.

(2) Calculated as rent and storage revenues less power and other facilities costs.

(3) Calculated as warehouse services revenues less labor and other services costs.

(4) Calculated as rent and storage contribution (NOI) divided by rent and storage revenues.

(5) Calculated as warehouse services contribution (NOI) divided by warehouse services revenues.

(6) Refer to our Same Store Analysis previously disclosed that includes the composition of our Non-same store warehouse count of 28 includes one facility acquired through the De Bruyn Cold Storage acquisition on July 1, 2022, one recently leased warehouse in Australia, one recently constructed facility in Denver we purchased in November 2021, three facilities acquired through the Lago Cold Stores acquisition on November 15, 2021, one warehouse acquired through the Newark Facility Management acquisition on September 1, 2021, two facilities acquired through the ColdCo acquisition on August 2, 2021, one warehouse acquired through the Bowman stores acquisition on May 28, 2021, two warehouses acquired through the KMT Brrr! acquisition on May 5, 2021, four warehouses acquired through the Liberty Freezers acquisition on March 1, 2021, and 12 facilities under development or expansion, one of which was completed during the second quarter of 2022. During the third quarter of 2021, a leased facility from the Liberty Freezers acquisition was exited upon expiration of the lease. During the first quarter of 2022, a leased facility from the Lago Cold Stores acquisition was exited upon expiration of the lease, and we ceased operations within a facility that is being prepared for lease to a third-party. During the second quarter of 2022, we purchased a previously leased facility. During the third quarter of 2022, a leased facility from the Lago Cold Stores acquisition was exited upon expiration of the lease, and we purchased a previously leased facility in New Zealand. The results of the facilities exited are included in the results above, and the results of these acquisitions are reflected in the results above since date of ownership pool.

n/a - not applicable, the change in actual and constant currency metrics does not apply to site count.

n/r - not relevant

The following table provides certain operating metrics to explain the drivers of our same store performance.

4840

Units in thousands except per pallet and site number data - unaudited	Three Months Ended September 30,			Change	Three Months Ended March 31,		
	Units in thousands except per pallet and site number data - unaudited		Change		Units in thousands except per pallet and site number data - unaudited		Change
	2022	2021	Number of same store sites		2023	2022	Change
Number of same store sites	Number of same store sites	212	212	n/a	n/a sites	221	221
Same store rent and storage: Economic occupancy ⁽¹⁾	Same store rent and storage: Economic occupancy ⁽¹⁾				Same store rent and storage: Economic occupancy ⁽¹⁾		
Average occupied economic pallets	Average occupied economic pallets	3,910	3,699	5.7 %	Average occupied economic pallets	4,359	4,012
Economic occupancy percentage	Economic occupancy percentage	80.7 %	76.3 %	437 bps	Economic occupancy percentage	84.6 %	77.1 %
Same store rent and storage revenues per economic occupied pallet	Same store rent and storage revenues per economic occupied pallet	\$ 57.69	\$ 54.50	5.9 %	Same store rent and storage revenues per economic occupied pallet	\$ 59.35	\$ 54.66

Constant currency same store rent and storage revenues per economic occupied pallet	Constant currency same store rent and storage revenues per economic occupied pallet	\$ 58.93	\$ 54.50	8.1	% occupied pallet	\$ 60.28	\$ 54.66	10.3	%
<u>Physical occupancy⁽²⁾</u>	<u>Physical occupancy⁽²⁾</u>								
Average physical occupied pallets	Average physical occupied pallets	3,644	3,375	8.0	%	4,018	3,649	10.1	%
Average physical pallet positions	Average physical pallet positions	4,847	4,848	0.0	%	5,154	5,205	(1.0)	%
Physical occupancy percentage	Physical occupancy percentage	75.2 %	69.6 %	555 bps	percentage	78.0 %	70.1 %		786 bps
Same store rent and storage revenues per physical occupied pallet	Same store rent and storage revenues per physical occupied pallet	\$ 61.91	\$ 59.72	3.7	% occupied pallet	\$ 64.38	\$ 60.10	7.1	%
Constant currency same store rent and storage revenues per physical occupied pallet	Constant currency same store rent and storage revenues per physical occupied pallet	\$ 63.24	\$ 59.72	5.9	% occupied pallet	\$ 65.39	\$ 60.10	8.8	%
Same store warehouse services:	Same store warehouse services:								
Throughput pallets (in thousands)	Throughput pallets (in thousands)	9,146	9,263	(1.3)	% thousands)	9,234	9,382	(1.6)	%
Same store warehouse services revenues per throughput pallet	Same store warehouse services revenues per throughput pallet	\$ 33.25	\$ 31.64	5.1	% pallet	\$ 34.12	\$ 31.88	7.0	%
Constant currency same store warehouse services revenues per throughput pallet	Constant currency same store warehouse services revenues per throughput pallet	\$ 34.07	\$ 31.64	7.7	% pallet	\$ 34.61	\$ 31.88	8.6	%
Number of non-same store sites ⁽³⁾	Number of non-same store sites ⁽³⁾	28	27	n/a	sites ⁽³⁾	17	19		n/a
Non-same store rent and storage:	Non-same store rent and storage:								

<u>Economic occupancy</u> ⁽¹⁾	<u>Economic occupancy</u> ⁽¹⁾				<u>Economic occupancy</u> ⁽¹⁾			
Average economic occupied pallets	Average economic occupied pallets	447		362	n/r	pallets	194	162
Economic occupancy percentage	Economic occupancy percentage	75.3	%	71.9	%	n/r percentage	73.6	69.8
Non-same store rent and storage revenues per economic occupied pallet	Non-same store rent and storage revenues per economic occupied pallet	\$ 77.60		\$ 65.30	n/r occupied pallet	\$ 65.57	\$ 64.29	n/r
Constant currency non-same store rent and storage revenues per economic occupied pallet	Constant currency non-same store rent and storage revenues per economic occupied pallet	\$ 80.46		\$ 65.30	n/r occupied pallet	\$ 67.97	\$ 64.29	n/r
<u>Physical occupancy</u> ⁽²⁾	<u>Physical occupancy</u> ⁽²⁾				<u>Physical occupancy</u> ⁽²⁾			
Average physical occupied pallets	Average physical occupied pallets	399		334	n/r pallets	172	155	n/r
Average physical pallet positions	Average physical pallet positions	593		504	n/r positions	263	232	n/r
Physical occupancy percentage	Physical occupancy percentage	67.3	%	66.3	%	n/r percentage	65.2	66.9
Non-same store rent and storage revenues per physical occupied pallet	Non-same store rent and storage revenues per physical occupied pallet	\$ 86.85		\$ 70.88	n/r occupied pallet	\$ 74.04	\$ 67.15	n/r
Constant currency non-same store rent and storage revenues per physical occupied pallet	Constant currency non-same store rent and storage revenues per physical occupied pallet	\$ 90.06		\$ 70.88	n/r occupied pallet	\$ 76.75	\$ 67.15	n/r
Non-same store warehouse services:	Non-same store warehouse services:				Non-same store warehouse services:			
Throughput pallets (in thousands)	Throughput pallets (in thousands)	1,063		879	n/r thousands)	419	478	n/r

Non-same store warehouse services revenues per throughput pallet	Non-same store warehouse services revenues per throughput pallet	\$ 32.58	\$ 27.03	n/r	Non-same store warehouse services revenues per throughput pallet	\$ 20.56	\$ 25.23	n/r
Constant currency non-same store warehouse services revenues per throughput pallet	Constant currency non-same store warehouse services revenues per throughput pallet	\$ 33.51	\$ 27.03	n/r	Constant currency non-same store warehouse services revenues per throughput pallet	\$ 21.54	\$ 25.23	n/r

(1) We define average economic occupancy as the aggregate number of physically occupied pallets and any additional pallets otherwise contractually committed for a given period, without duplication. We estimate the number of contractually committed pallet positions by taking into account actual pallet commitments specified in each customer's contract, and subtracting the physical pallet positions.

4941

(2) We define average physical occupancy as the average number of occupied pallets divided by the estimated number of average physical pallet positions in our warehouses for the applicable period. We estimate the number of physical pallet positions by taking into account actual racked space and by estimating unracked space on an as-if racked basis. We base this estimate on a formula utilizing the total cubic feet of each room within the warehouse that is unracked divided by the volume of an assumed rack space that is consistent with the characteristics of the relevant warehouse. On a warehouse by warehouse basis, rack space generally ranges from three to four feet depending upon the type of facility and the nature of the customer goods stored therein. The number of our pallet positions is reviewed and updated quarterly, taking into account changes in racking configurations and room utilization.

(3) Refer to our Same Store Analysis previously disclosed that includes the composition of our Non-same store warehouse count of 28 includes one facility acquired through the De Bruyn Cold Storage acquisition on July 1, 2022, one recently leased warehouse in Australia, one recently constructed facility in Denver we purchased in November 2021, three facilities acquired through the Lago Cold Stores acquisition on November 15, 2021, one warehouse acquired through the Newark Facility Management acquisition on September 1, 2021, two facilities acquired through the ColdCo acquisition on August 2, 2021, one warehouse acquired through the Bowman stores acquisition on May 28, 2021, two warehouses acquired through the KMT Brr! acquisition on May 5, 2021, four warehouses acquired through the Liberty Freezers acquisition on March 1, 2021, and 12 facilities under development or expansion, one of which was completed during the second quarter of 2022. During the third quarter of 2021, a leased facility from the Liberty Freezers acquisition was exited upon expiration of the lease. During the first quarter of 2022, a leased facility from the Lago Cold Stores acquisition was exited upon expiration of the lease, and we ceased operations within a facility that is being prepared for lease to a third-party. During the second quarter of 2022, we purchased a previously leased facility. During the third quarter of 2022, a leased facility from the Lago Cold Stores acquisition was exited upon expiration of the lease, and we purchased a previously leased facility in New Zealand. The results of the facilities exited are included in the results above, and the results of these acquisitions are reflected in the results above since date of ownership pool.

Economic occupancy at for our same stores store pool was 80.7% 84.6% for the three months ended September 30, 2022 March 31, 2023, an increase of 437 748 basis points compared to 76.3% 77.1% for the quarter ended September 30, 2021 March 31, 2022. Economic occupancy growth as compared to the prior year was due to improvements in customer service initiatives, as well as our customers increase in food production levels, which is benefiting from the improved labor market. Same store rent and storage revenues per economic occupied pallet increased 5.9% 8.6% period-over-period, primarily driven by our pricing initiative, contractual rate escalations and business mix. On a constant currency basis, our same store rent and storage revenues per occupied pallet increased 8.1% 10.3% period-over-period. Our economic occupancy at for our same stores store pool for the three months ended September 30, 2022 March 31, 2023 was 549 661 basis points higher than our corresponding average physical occupancy of 75.2% 78.0%.

Throughput pallets at for our same stores were 9.1 million store pool was 9.2 million pallets for the three months ended September 30, 2022 March 31, 2023, a decrease of 1.3% 1.6% from 9.3 million 9.4 million pallets for the three months ended September 30, 2021 March 31, 2022. This decrease was the result of a slight decline in end-consumer demand as basket sizes decreased due to the broader economic slowdown and a slight change in business mix. Same store warehouse services revenue per throughput pallet increased 5.1% 7.0% compared to the prior year primarily as a result of our pricing initiative and contractual rate escalations, offset by unfavorable foreign currency translation as previously discussed. On a constant currency basis, our same store services revenue per throughput pallet increased 7.7% 8.6% compared to the prior year.

50

Third-Party Managed Segment

The following table presents the operating results of our third-party managed segment for the three months ended September 30, 2022 and 2021.

	Three Months Ended September 30,				Change	
	2022 Constant		2021 Actual	Actual	Constant Currency	
	2022 Actual	Currency ⁽¹⁾				
Number of managed sites	9		9	n/a	n/a	
(Dollars in thousands)						
Third-party managed revenues	\$ 82,436	\$ 82,870	\$ 87,782	(6.1)%	(5.6)%	
Third-party managed cost of operations	78,776	79,133	83,231	(5.4)%	(4.9)%	
Third-party managed segment contribution	\$ 3,660	\$ 3,737	\$ 4,551	(19.6)%	(17.9)%	
Third-party managed margin	4.4 %	4.5 %	5.2 %	-74 bps	-67 bps	

⁽¹⁾ The adjustments from our U.S. GAAP operating results to calculate our operating results on a constant currency basis are the effect of changes in foreign currency exchange rates relative to the comparable prior period.

Third-party managed revenues were \$82.4 million for the three months ended September 30, 2022, a decrease of \$5.3 million, or 6.1%, compared to \$87.8 million for the three months ended September 30, 2021. On a constant currency basis, third-party managed revenues were \$82.9 million for the three months ended September 30, 2022, a decrease of \$4.9 million, or 5.6%, from the three months ended September 30, 2021. This decrease was due to lower business volumes in our domestic managed operations and a reduction in certain costs that are a direct pass-through to the customer, discussed below.

Third-party managed cost of operations was \$78.8 million for the three months ended September 30, 2022, a decrease of \$4.5 million, or 5.4%, compared to \$83.2 million for the three months ended September 30, 2021. Third-party managed cost of operations decreased as a result of the lower business volume in our domestic managed operations and lower costs including health care and travel expenses.

Third-party managed segment contribution (NOI) was \$3.7 million for the three months ended September 30, 2022, a decrease of \$0.9 million, or 19.6%, compared to \$4.6 million for the three months ended September 30, 2021.

Transportation Segment The following table presents the operating results of our transportation segment for the three months ended September 30, 2022 and 2021.

	Three Months Ended September 30,				Change	
	2022 Constant		2021 Actual	Actual	Constant Currency	
	2022 Actual	Currency ⁽¹⁾				
Transportation revenues	\$ 76,367	\$ 82,174	\$ 78,979	(3.3)%	4.0 %	
Transportation cost of operations	65,532	71,486	72,728	(9.9)%	(1.7)%	
Transportation segment contribution (NOI)	\$ 10,835	\$ 10,688	\$ 6,251	73.3 %	71.0 %	
Transportation margin	14.2 %	13.0 %	7.9 %	627 bps	509 bps	

⁽¹⁾ The adjustments from our U.S. GAAP operating results to calculate our operating results on a constant currency basis are the effect of changes in foreign currency exchange rates relative to the comparable prior period.

Transportation revenues were \$76.4 million for the three months ended September 30, 2022, a decrease of \$2.6 million, or 3.3%, compared to \$79.0 million for the three months ended September 30, 2021. The decrease was primarily due to decrease in revenue from the rationalization of certain domestic market operations, lower volume in certain foreign market operations and the unfavorable impact of foreign currency translation, partially offset by

higher rates in our consolidation business, acquisitions and expansions in Australia, and the higher revenue associated with brokered transportation costs, inflation in wage and fuel rates and capacity surcharges due to challenges with driver availability.

Transportation cost of operations was \$65.5 million for the three months ended September 30, 2022, a decrease of \$7.2 million, or 9.9%, compared to \$72.7 million for the three months ended September 30, 2021. The decrease was due to the exit of certain domestic market operations, lower volume in certain foreign market operations and the favorable impact of foreign currency translation, partially offset by capacity constraints driving spot market higher than contract rate, which has caused an increase in carrier fees, higher wages and fuel costs impacted by inflation and the acquisitions mentioned above.

Transportation segment contribution (NOI) was \$10.8 million for the three months ended September 30, 2022, an increase of 73.3% compared to the three months ended September 30, 2021. Transportation segment margin increased 627 basis points from the three months ended September 30, 2021, to 14.2%. The increase in margin was primarily due to the rate increases implemented during 2022, paired with the exit of certain less profitable market operations.

Other Consolidated Operating Expenses

Depreciation and amortization. Depreciation and amortization expense was \$83.7 million for the three months ended September 30, 2022, an increase of \$13.1 million, or 18.6%, compared to \$70.6 million for the three months ended September 30, 2021. This increase was primarily due to the impact of purchase accounting adjustments made during 2021 which did not recur in 2022, paired with the impact of our recently completed expansion and developments and partially offset by the favorable impact of foreign currency translation.

Selling, general and administrative. Corporate-level selling, general and administrative expenses were \$57.1 million for the three months ended September 30, 2022, an increase of \$11.6 million, or 25.4%, compared to \$45.5 million for the three months ended September 30, 2021. Included in these amounts are business development expenses attributable to new business pursuits, supply chain solutions and underwriting, facility development, customer on-boarding, and engineering and consulting services to support our customers in the cold chain. We believe these costs are comparable to leasing costs for other publicly-traded REITs. The increase was driven by the resumption of performance-based compensation expense in connection with the short-term incentive plan, higher third-party legal and professional fees due to timing of services performed, higher travel costs and higher share-based compensation expense in connection with the November 2021 retention grant.

Acquisition, litigation and other, net. Corporate-level acquisition, litigation and other, net expenses were \$4.9 million for the three months ended September 30, 2022, a decrease of \$1.5 million compared to the three months ended September 30, 2021. During the three months ended September 30, 2022, we incurred \$5.8 million of acquisition and integration related costs, and \$1.6 million of severance primarily due to the realignment of certain international operations. These costs were partially offset by a benefit of \$2.2 million related to a favorable litigation settlement and \$0.3 million related to a leased facility which we acquired, and no longer required the accrual as a result. Refer to Note 3 of the condensed consolidated financial statements for details. During the three months ended September 30, 2021, we incurred \$6.3 million of acquisition related expenses primarily comprised of professional fees and integration related costs in connection with completed and potential acquisitions.

Impairment of indefinite and long-lived assets. For the three months ended September 30, 2022, the Company recorded impairment charges totaling \$6.6 million. This included a 'Goodwill' impairment charge of \$3.2 million as we are strategically shifting our focus to our core warehouse portfolio, and terminating and winding down business with one of the largest customers in the Third-party managed segment. It also included an impairment charge of 'Assets under construction' of \$2.2 million associated with a development project which management determined it would no longer pursue and \$1.2 million in Warehouse segment assets which we reduced the

carrying value of in anticipation of the exit of certain leased facilities. During the three months ended September 30, 2021, the Company recorded impairment charges totaling \$1.8 million, related to the write-off of certain software costs for programs which would no longer be used and costs incurred for development projects which management determined it would not continue to pursue.

Loss from sale of real estate. For the three months ended September 30, 2022, we recorded a \$5.7 million loss from the sale of real estate related to a facility where a customer exercised its option to purchase the facility and we recorded a loss for the excess book value.

Other Expense and Income

The following table presents other items of expense and income for the three months ended September 30, 2022 and 2021.

	Three Months Ended September 30,		Change
	2022	2021	
(Dollars in thousands)			
Other (expense) income:			
Interest expense	\$ (30,402)	\$ (25,303)	20.2 %
Loss on debt extinguishment, modifications and termination of derivative instruments	\$ (1,040)	\$ (627)	65.9 %
Other, net	\$ (2,593)	\$ (57)	n/r
Loss from investments in partially owned entities	\$ (1,440)	\$ (489)	194.5 %
n/r=not relevant			

Interest expense. Interest expense was \$30.4 million for the three months ended September 30, 2022, an increase of \$5.1 million, or 20.2%, compared to \$25.3 million for the three months ended September 30, 2021. Our effective interest rate of our outstanding debt increased from 3.09% in the third quarter of 2021 to 3.95% in the third quarter of 2022, primarily due to the rising interest rates associated with our Senior Unsecured Credit Facility. In August 2022 we completed a refinancing of our Senior Unsecured Credit Facility and entered into interest rate swaps to fix the interest rate on a substantial portion of the term loans associated facility. Our revolving credit facility borrowings and \$175.0 million of the U.S. dollar term loan A-1 facility continue to incur interest under the applicable variable, floating rate. Refer to Note 4 and Note 5 of the Condensed Consolidated Financial Statements regarding the details of these transactions.

Loss on debt extinguishment, modifications and termination of derivative instruments. Loss on debt extinguishment, modifications, and termination of derivative instruments was \$1.0 million and \$0.6 million for the three months ended September 30, 2022 and 2021, respectively. For the three months ended September 30, 2022 and 2021, we incurred \$0.6 million related to the amortization of fees paid for the termination of interest rate swaps in each of the periods. These interest rate swaps were terminated in 2020 and will amortize through 2024. Additionally, for the three months ended September 30, 2022 we incurred \$0.3 million due to the August 2022 refinancing of our Senior Unsecured Credit Facility.

Other, net. Other, net was \$2.6 million for the three months ended September 30, 2022, an increase of \$2.5 million, compared to \$0.1 million for the three months ended September 30, 2021. This is primarily due to a \$2.1 million increase in foreign currency exchange loss from unfavorable foreign currency exchange rates because of the relative strength of the US dollar against foreign currencies that we transact in and an increase of \$1.4 million in loss on asset disposals compared to 2021. This is partially offset by a \$0.5 million decrease in non-service pension costs and a \$0.5 million increase in various tax incentives.

53

Loss from investments in partially owned entities. Loss from investments in partially owned entities was \$1.4 million and \$0.5 million for the three months ended September 30, 2022 and 2021, respectively. The increase is primarily driven by higher interest expense incurred by our joint ventures given rising interest rates.

Income Tax Benefit (Expense)

Income tax benefit for the three months ended September 30, 2022 was \$3.4 million, an increase of \$3.2 million from an income tax benefit of \$0.2 million for the three months ended September 30, 2021. The change in income tax benefit was primarily attributable to the losses generated by our foreign operations for the three months ended September 30, 2022.

Comparison of Results for the Nine Months Ended September 30, 2022 and 2021

Warehouse Segment

The following table presents the operating results of our warehouse segment for the nine months ended September 30, 2022 and 2021.

	Nine Months Ended September 30,	Change

	2022 Constant			Actual	Constant Currency
	2022 Actual	Currency ⁽¹⁾	2021 Actual		
	(Dollars in thousands)				
Rent and storage	\$ 732,357	\$ 746,033	\$ 642,787	13.9 %	16.1 %
Warehouse services	971,924	992,712	888,445	9.4 %	11.7 %
Total warehouse segment revenues	1,704,281	1,738,745	1,531,232	11.3 %	13.6 %
Power	117,698	121,542	97,315	20.9 %	24.9 %
Other facilities costs ⁽²⁾	173,039	176,245	155,143	11.5 %	13.6 %
Labor	751,682	766,746	684,475	9.8 %	12.0 %
Other services costs ⁽³⁾	197,957	202,808	158,747	24.7 %	27.8 %
Total warehouse segment cost of operations	\$ 1,240,376	\$ 1,267,341	\$ 1,095,680	13.2 %	15.7 %
Warehouse segment contribution (NOI)	\$ 463,905	\$ 471,404	\$ 435,552	6.5 %	8.2 %
Warehouse rent and storage contribution (NOI) ⁽⁴⁾	\$ 441,620	\$ 448,246	\$ 390,329	13.1 %	14.8 %
Warehouse services contribution (NOI) ⁽⁵⁾	\$ 22,285	\$ 23,158	\$ 45,223	(50.7)%	(48.8)%
Total warehouse segment margin	27.2 %	27.1 %	28.4 %	-122 bps	-133 bps
Rent and storage margin ⁽⁶⁾	60.3 %	60.1 %	60.7 %	-42 bps	-64 bps
Warehouse services margin ⁽⁷⁾	2.3 %	2.3 %	5.1 %	-280 bps	-276 bps

(1) The adjustments from our U.S. GAAP operating results to calculate our operating results on a constant currency basis are the effect of changes in foreign currency exchange rates relative to the comparable prior period.

(2) Includes real estate rent expense of \$31.8 million and \$30.7 million, on an actual basis, for the nine months ended September 30, 2022 and 2021, respectively.

(3) Includes non-real estate rent expense (equipment lease and rentals) of \$9.2 million and \$8.7 million, on an actual basis, for the nine months ended September 30, 2022 and 2021, respectively.

(4) Calculated as rent and storage revenues less power and other facilities costs.

(5) Calculated as warehouse services revenues less labor and other services costs.

(6) Calculated as warehouse rent and storage contribution (NOI) divided by warehouse rent and storage revenues.

(7) Calculated as warehouse services contribution (NOI) divided by warehouse services revenues.

Warehouse segment revenues were \$1.70 billion for the nine months ended September 30, 2022 an increase of \$173.0 million, or 11.3%, compared to \$1.53 billion for the nine months ended September 30, 2021. On a constant currency basis, our warehouse segment revenues were \$1.74 billion for the nine months ended

September 30, 2022, an increase of \$207.5 million, or 13.6%, from the nine months ended September 30, 2021. This growth was driven by \$112.7 million of growth in our same store pool on a constant currency basis primarily due to our pricing initiative and rate escalations and an improvement in economic occupancy, partially offset by COVID-19 and the related labor challenges which continued to negatively impact food production during the first half of 2022 and slightly lower throughput. Approximately \$76.9 million of the increase, on a constant currency basis, was driven by acquisitions completed during 2021 and 2022, including the growth experienced period-over-period during overlapping periods of ownership. We acquired four facilities on March 1, 2021 as a result of the Liberty acquisition (including one leased facility that was exited upon expiration during the fourth quarter of 2021), two facilities on May 5, 2021 as a result of the KMT Brrr! acquisition, one facility on May 28, 2021 as a result of the Bowman Stores acquisition, two facilities on August 2, 2021 as a result of the ColdCo acquisition, one facility on September 1, 2021 as a result of the Newark Facility Management acquisition, three facilities on November 15, 2021 as a result of the Lago Cold Stores acquisition (including one leased facility that was exited upon expiration during the first quarter of 2022 and another leased facility that was exited during the third quarter of 2022) and one facility on July 1, 2022 as a result of the De Bruyn Cold Storage acquisition, and therefore we did not have ownership of these facilities for the entirety of the prior comparable period. Revenue growth was also due to our recently completed expansion and developments in our non-same store pool, which increased approximately \$17.9 million, on a constant currency basis. The foreign currency translation of revenues earned by our foreign operations had a \$34.5 million unfavorable impact during the nine months ended September 30, 2022, which was mainly driven by the strengthening of the U.S. dollar over the local currencies in our foreign subsidiaries.

Warehouse segment cost of operations was \$1.24 billion for the nine months ended September 30, 2022, an increase of \$144.7 million, or 13.2%, compared to the nine months ended September 30, 2021. On a constant currency basis, our warehouse segment cost of operations was \$1.27 billion for the three months ended September 30, 2022, an increase of \$171.7 million, or 15.7%, from the nine months ended September 30, 2021. The cost of operations for our same store pool increased \$93.8 million on a constant currency basis, across most of our cost categories, reflective of the labor inefficiencies and inflationary pressure. Labor was also impacted by employee absenteeism and associated disruption throughout the first quarter of 2022 due to the Omicron variant. Approximately \$56.0 million of the increase, on a constant currency basis, was driven by the additional facilities in the warehouse segment we acquired in connection with the aforementioned acquisitions. We also incurred higher costs of \$21.8 million related to our recently completed and in progress expansion and development projects, inclusive of incremental start-up costs of \$8.7 million during the first nine months of 2022, which have not yet stabilized. Additionally, the foreign currency translation of expenses incurred by our foreign operations had a net \$27.0 million favorable impact during the nine months ended September 30, 2022.

For the nine months ended September 30, 2022, warehouse segment contribution (NOI), increased \$28.4 million, or 6.5%, to \$463.9 million for the nine months ended September 30, 2022, compared to \$435.6 million for the nine months ended September 30, 2021. On a constant currency basis, warehouse segment NOI increased \$35.9 million period-over-period. Approximately \$20.9 million of the increase, on a constant currency basis, was driven by the additional facilities in the warehouse segment as a result of the aforementioned acquisitions, including the growth and synergies experienced period-over-period during overlapping periods of ownership. The NOI for our same store pool increased \$18.9 million on a constant currency basis, attributable to revenue and cost of operations factors previously described. This was the result of the various factors previously discussed, and notably the lag in timing of implementing our price initiative as compared to the inflationary pressure on our cost of operations. Additionally, warehouse segment NOI was negatively impacted by the start-up costs incurred in connection with our expansion and development projects in the non-same store pool as they continue to ramp up prior to stabilization. The foreign currency translation of our results of operations had a \$7.5 million unfavorable impact to the warehouse segment contribution period-over-period.

Same Store and Non-Same Store Analysis

We had 212 same stores for the nine months ended September 30, 2022. Please see "How We Assess the Performance of Our Business—Same Store Analysis" above for a reconciliation of the change in the same store portfolio from period to period. Amounts related to the acquisitions of Bowman Stores, ColdCo, De Bruyn Cold Storage, KMT Brrr!, Lago Cold Stores, Liberty, Newark, one recently leased warehouse in Australia, a recently constructed facility in Denver purchased in November 2021, a leased facility which we purchased during the second quarter of 2022, as well as certain expansion and development projects not yet stabilized are reflected within non-same store results.

The following table presents revenues, cost of operations, contribution (NOI) and margins for our same stores and non-same stores with a reconciliation to the total financial metrics of our warehouse segment for the nine months ended September 30, 2022 and 2021.

	Nine Months Ended September 30,				Change	
	2022 Constant		2021 Actual	Actual	Constant Currency	
	2022 Actual	Currency ⁽¹⁾				
Number of same store sites	212		212	n/a	n/a	
Same store revenues:						
(Dollars in thousands)						
Rent and storage	\$ 638,320	\$ 649,070	\$ 587,474	8.7 %	10.5 %	
Warehouse services	868,332	886,843	835,748	3.9 %	6.1 %	
Total same store revenues	1,506,652	1,535,913	1,423,222	5.9 %	7.9 %	
Same store cost of operations:						
Power	100,338	103,286	87,782	14.3 %	17.7 %	
Other facilities costs	148,538	151,006	138,956	6.9 %	8.7 %	
Labor	653,985	667,375	628,575	4.0 %	6.2 %	
Other services costs	165,673	169,926	142,438	16.3 %	19.3 %	
Total same store cost of operations	\$ 1,068,534	\$ 1,091,593	\$ 997,751	7.1 %	9.4 %	
Same store contribution (NOI)	\$ 438,118	\$ 444,320	\$ 425,471	3.0 %	4.4 %	

Same store rent and storage contribution (NOI) ⁽²⁾	\$ 389,444	\$ 394,778	\$ 360,736	8.0 %	9.4 %
Same store services contribution (NOI) ⁽³⁾	\$ 48,674	\$ 49,542	\$ 64,735	(24.8)%	(23.5)%
Total same store margin	29.1 %	28.9 %	29.9 %	-82 bps	-97 bps
Same store rent and storage margin ⁽⁴⁾	61.0 %	60.8 %	61.4 %	-39 bps	-58 bps
Same store services margin ⁽⁵⁾	5.6 %	5.6 %	7.7 %	-214 bps	-216 bps

56

	Nine Months Ended September 30,			Change	
	2022 Constant		2021 Actual	Actual	Constant Currency
	2022 Actual	Currency ⁽¹⁾			
Number of non-same store sites	28		27	n/a	n/a
Non-same store revenues:					
(Dollars in thousands)					
Rent and storage	\$ 94,036	\$ 96,963	\$ 55,313	n/r	n/r
Warehouse services	103,593	105,868	52,697	n/r	n/r
Total non-same store revenues	197,629	202,831	108,010	n/r	n/r
Non-same store cost of operations:					
Power	17,361	18,256	9,533	n/r	n/r
Other facilities costs	24,502	25,239	16,187	n/r	n/r
Labor	97,697	99,371	55,899	n/r	n/r
Other services costs	32,282	32,882	16,310	n/r	n/r
Total non-same store cost of operations	\$ 171,842	\$ 175,748	\$ 97,929	n/r	n/r
Non-same store contribution (NOI)	\$ 25,787	\$ 27,083	\$ 10,081	n/r	n/r
Non-same store rent and storage contribution (NOI) ⁽²⁾	\$ 52,173	\$ 53,468	\$ 29,593	n/r	n/r
Non-same store services contribution (NOI) ⁽³⁾	\$ (26,386)	\$ (26,385)	\$ (19,512)	n/r	n/r
Total non-same store margin	13.0 %	13.4 %	9.3 %	n/r	n/r
Non-same store rent and storage margin ⁽⁴⁾	55.5 %	55.1 %	53.5 %	n/r	n/r
Non-same store services margin ⁽⁵⁾	(25.5)%	(24.9)%	(37.0)%	n/r	n/r
	Nine Months Ended September 30,			Change	
	2022 Constant		2021 Actual	Actual	Constant Currency
	2022 Actual	Currency ⁽¹⁾			
Total warehouse segment revenues	\$ 1,704,281	\$ 1,738,745	\$ 1,531,232	11.3 %	13.6 %
Total warehouse cost of operations	\$ 1,240,376	\$ 1,267,341	\$ 1,095,680	13.2 %	15.7 %
Total warehouse segment contribution	\$ 463,905	\$ 471,404	\$ 435,552	6.5 %	8.2 %

(1) The adjustments from our U.S. GAAP operating results to calculate our operating results on a constant currency basis is the effect of changes in foreign currency exchange rates relative to the comparable prior period.

(2) Calculated as rent and storage revenues less power and other facilities costs.

(3) Calculated as warehouse services revenues less labor and other services costs.

(4) Calculated as rent and storage contribution (NOI) divided by rent and storage revenues.

(5) Calculated as warehouse services contribution (NOI) divided by warehouse services revenues.

(6) Non-same store warehouse count of 28 includes one facility acquired through the De Bruyn Cold Storage acquisition on July 1, 2022, one recently leased warehouse in Australia, one recently constructed facility in Denver we purchased in November 2021, three facilities acquired through the Lago Cold Stores acquisition on November 15, 2021, one warehouse acquired through the Newark Facility Management acquisition on September 1, 2021, two facilities acquired through the ColdCo acquisition on August 2, 2021, one warehouse acquired through the Bowman stores acquisition on May 28, 2021, two warehouses acquired through the KMT Brrr! acquisition on May 5, 2021, four warehouses acquired through the Liberty Freezers

acquisition on March 1, 2021, and 12 facilities under development or expansion, one of which was completed during the second quarter of 2022. During the third quarter of 2021, a leased facility from the Liberty Freezers acquisition was exited upon expiration of the lease. During the first quarter of 2022, a leased facility from the Lago Cold Stores acquisition was exited upon expiration of the lease, and we ceased operations within a facility that is being prepared for lease to a third-party. During the second quarter of 2022, we purchased a previously leased facility. During the third quarter of 2022, a leased facility from the Lago Cold Stores acquisition was exited upon expiration of the lease, and we purchased a previously leased facility in New Zealand. The results of the facilities exited are included in the results above, and the results of these acquisitions are reflected in the results above since date of ownership.

n/a - not applicable, the change in actual and constant currency metrics does not apply to site count n/r - not relevant

The following table provides certain operating metrics to explain the drivers of our same store performance.

Units in thousands except per pallet and site number data - unaudited	Nine Months Ended September 30,		
	2022	2021	Change
Number of same store sites	212	212	n/a
Same store rent and storage:			
<u>Economic occupancy⁽¹⁾</u>			
Average occupied economic pallets	3,821	3,694	3.4 %
Economic occupancy percentage	78.7 %	76.2 %	249 bps
Same store rent and storage revenues per economic occupied pallet	\$ 167.06	\$ 159.05	5.0 %
Constant currency same store rent and storage revenues per economic occupied pallet	\$ 169.87	\$ 159.05	6.8 %
<u>Physical occupancy⁽²⁾</u>			
Average physical occupied pallets	3,522	3,373	4.4 %
Average physical pallet positions	4,853	4,844	0.2 %
Physical occupancy percentage	72.6 %	69.6 %	296 bps
Same store rent and storage revenues per physical occupied pallet	\$ 181.22	\$ 174.16	4.0 %
Constant currency same store rent and storage revenues per physical occupied pallet	\$ 184.27	\$ 174.16	5.8 %
Same store warehouse services:			
Throughput pallets (in thousands)	26,999	27,304	(1.1)%
Same store warehouse services revenues per throughput pallet	\$ 32.16	\$ 30.61	5.1 %
Constant currency same store warehouse services revenues per throughput pallet	\$ 32.85	\$ 30.61	7.3 %
Number of non-same store sites ⁽³⁾	28	27	n/a
Non-same store rent and storage:			
<u>Economic occupancy⁽¹⁾</u>			
Average economic occupied pallets	424	301	n/r
Economic occupancy percentage	72.7 %	74.0 %	n/r
Non-same store rent and storage revenues per economic occupied pallet	\$ 221.62	\$ 184.03	n/r
Constant currency non-same store rent and storage revenues per economic occupied pallet	\$ 228.52	\$ 184.03	n/r
<u>Physical occupancy⁽²⁾</u>			
Average physical occupied pallets	389	275	n/r
Average physical pallet positions	584	406	n/r
Physical occupancy percentage	66.7 %	67.6 %	n/r
Non-same store rent and storage revenues per physical occupied pallet	\$ 241.54	\$ 201.39	n/r
Constant currency non-same store rent and storage revenues per physical occupied pallet	\$ 249.06	\$ 201.39	n/r

Non-same store warehouse services:

Throughput pallets (in thousands)	3,126	2,287	n/r
Non-same store warehouse services revenues per throughput pallet	\$ 33.14	\$ 23.04	n/r
Constant currency non-same store warehouse services revenues per throughput pallet	\$ 33.87	\$ 23.04	n/r

(1) We define average economic occupancy as the aggregate number of physically occupied pallets and any additional pallets otherwise contractually committed for a given period, without duplication. We estimate the number of contractually committed pallet positions by taking into account actual pallet commitments specified in each customer's contract, and subtracting the physical pallet positions.

(2) We define average physical occupancy as the average number of occupied pallets divided by the estimated number of average physical pallet positions in our warehouses for the applicable period. We estimate the number of physical pallet positions by taking into account actual racked space and by estimating unracked space on an as-if racked basis. We base this estimate on a formula utilizing the total cubic feet of each room within the warehouse that is unracked divided by the volume of an assumed rack space that is consistent with the characteristics of the relevant warehouse. On a warehouse by warehouse basis, rack space generally ranges from three to four feet depending upon the type of facility and the nature of the customer goods stored therein. The number of our pallet positions is reviewed and updated quarterly, taking into account changes in racking configurations and room utilization.

(3) Non-same store warehouse count of 28 includes one facility acquired through the De Bruyn Cold Storage acquisition on July 1, 2022, one recently leased warehouse in Australia, one recently constructed facility in Denver we purchased in November 2021, three facilities acquired through the Lago Cold Stores acquisition on November 15, 2021, one warehouse acquired through the Newark Facility Management acquisition on September 1, 2021, two facilities acquired through the ColdCo acquisition on August 2, 2021, one warehouse acquired through the Bowman stores acquisition on May 28, 2021, two warehouses acquired through the KMT Brrr! acquisition on May 5, 2021, four warehouses acquired through the Liberty Freezers acquisition on March 1, 2021, and 12 facilities under development or expansion, one of which was completed during the second quarter of 2022. During the third quarter of 2021, a leased facility from the Liberty Freezers acquisition was exited upon expiration of the lease. During the first quarter of 2022, a leased facility from the Lago Cold Stores acquisition was exited upon expiration of the lease, and we ceased operations within a facility that is being prepared for lease to a third-party. During the second quarter of 2022, we purchased a previously leased facility. During the third quarter of 2022, a leased facility from the Lago Cold Stores acquisition was exited upon expiration of the lease, and we purchased a previously leased facility in New Zealand. The results of the facilities exited are included in the results above, and the results of these acquisitions are reflected in the results above since date of ownership.

(4) n/r - not relevant

Economic occupancy at our same stores was 78.7% for the nine months ended September 30, 2022, a increase of 249 basis points compared to 76.2% for the nine months ended September 30, 2021. Economic occupancy was higher than the prior year due to improvements in the labor market which allowed our customers to increase food production levels during the second and third quarter of 2022, partially offset by food production challenges throughout the first quarter of 2022 as a result of the COVID Omicron variant impacting employee absenteeism. Same store rent and storage revenues per economic occupied pallet increased 5.0% period-over-period, primarily driven by our pricing initiative and contractual rate escalations, partially offset by unfavorable foreign currency translation. On a constant currency basis, our same store rent and storage revenues per occupied pallet increased 6.8% period-over-period. Our economic occupancy at our same stores was 615 basis points higher than our corresponding average physical occupancy of 72.6%.

Throughput pallets at our same stores were 27.0 million pallets for the nine months ended September 30, 2022, a decrease of 1.1% from the nine months ended September 30, 2021. This decrease was the result of a change in business mix year over year. Same store warehouse services revenues per throughput pallet increased 5.1% period-over-period, as a result of our pricing initiative and contractual rate escalations and an increase in higher priced value-added services within the retail sector such as case-picking, blast freezing and repackaging, partially offset by unfavorable foreign currency translation as previously discussed. On a constant currency basis, our same store services revenues per throughput pallet increased 7.3% from the nine months ended September 30, 2021.

Third-Party Managed Segment

The following table presents the operating results of our third-party managed segment for the nine months ended September 30, 2022 and 2021.

	Nine Months Ended September 30,			Change	
	2022 Constant		2021 Actual	Actual	Constant Currency
	2022 Actual	Currency ⁽¹⁾			
Number of managed sites	9		9	n/a	n/a
(Dollars in thousands)					
Third-party managed revenues	\$ 251,782	\$ 252,987	\$ 233,027	8.0 %	8.6 %
Third-party managed cost of operations	240,900	241,880	222,401	8.3 %	8.8 %
Third-party managed segment contribution	\$ 10,882	\$ 11,107	\$ 10,626	2.4 %	4.5 %
Third-party managed margin	4.3 %	4.4 %	4.6 %	-24 bps	-17 bps

(1) The adjustments from our U.S. GAAP operating results to calculate our operating results on a constant currency basis are the effect of changes in foreign currency exchange rates relative to the comparable prior period.

Third-party managed revenues were \$251.8 million for the nine months ended September 30, 2022, an increase of \$18.8 million, or 8.0%, compared to \$233.0 million for the nine months ended September 30, 2021. On a constant currency basis, third-party managed revenues were \$253.0 million for the nine months ended September 30, 2022, an increase of \$20.0 million, or 8.6%, from the nine months ended September 30, 2021. The increase was a result of higher business volume in our domestic managed operations paired with higher pass-through costs associated with this business, primarily labor and related costs due to inflation and the challenging labor market.

Third-party managed cost of operations was \$240.9 million for the nine months ended September 30, 2022, an increase of \$18.5 million, or 8.3%, compared to \$222.4 million for the nine months ended September 30, 2021. On a constant currency basis, third-party managed cost of operations was \$241.9 million for the nine months ended September 30, 2022, an increase of \$19.5 million, or 8.8%, from the nine months ended September 30, 2021. Third-party managed cost of operations increased as a result of the revenue trends described above.

Third-party managed segment contribution (NOI) was \$10.9 million for the nine months ended September 30, 2022, an increase of \$0.3 million, or 2.4%, compared to \$10.6 million for the nine months ended September 30, 2021. On a constant currency basis, third-party managed segment contribution (NOI) was \$11.1 million for the nine months ended September 30, 2022, an increase of \$0.5 million, or 4.5%.

60

Transportation Segment

The following table presents the operating results of our transportation segment for the **nine** **three** months ended **September 30, 2022** **March 31, 2023** and **2021**.

	Nine Months Ended September 30,			Change	
	2022 Constant		2021 Actual	Actual	Constant Currency
	2022 Actual	Currency ⁽¹⁾			
(Dollars in thousands)					
Transportation revenues	\$ 237,168	\$ 249,920	\$ 234,051	1.3 %	6.8 %
Total transportation cost of operations	204,218	216,598	211,847	(3.6)%	2.2 %
Transportation segment contribution (NOI)	\$ 32,950	\$ 33,322	\$ 22,204	48.4 %	50.1 %
Transportation margin	13.9 %	13.3 %	9.5 %	441 bps	385 bps

2022.

	Three Months Ended March 31,			Change	
	2023 Constant		2022 Actual	Actual	Constant Currency
	2023 Actual	Currency ⁽ⁱ⁾			
Transportation revenues	\$ 68,078	\$ 71,255	\$ 78,910	(13.7)%	(9.7)%
Transportation cost of operations	56,418	59,305	70,381	(19.8)%	(15.7)%
Transportation segment contribution (NOI)	<u>\$ 11,660</u>	<u>\$ 11,950</u>	<u>\$ 8,529</u>	36.7 %	40.1 %
Transportation margin	17.1 %	16.8 %	10.8 %	632 bps	596 bps

(i) The adjustments from our U.S. GAAP operating results to calculate our operating results on a constant currency basis are the effect of changes in foreign currency exchange rates relative to the comparable prior period.

Transportation revenues were \$237.2 million \$68.1 million for the nine three months ended September 30, 2022 March 31, 2023, an increase a decrease of \$3.1 million \$10.8 million, or 1.3% 13.7%, compared to \$234.1 million \$78.9 million for the nine three months ended September 30, 2021. On a constant currency basis, transportation revenues were \$249.9 million for the nine months ended September 30, 2022, an increase of \$15.9 million, or 6.8%, from the nine months ended September 30, 2021 March 31, 2022. The increase decrease was primarily due to the softening of transportation demand in the general macro-environment and the unfavorable impact of foreign currency translation, partially offset by higher rates in our consolidation business, the KMT Brrr! acquisition which closed in early May 2021, acquisitions

42

and expansions in Australia, and the higher revenue associated with brokered transportation costs, and inflation in wage and fuel rates and capacity surcharges due to challenges with driver availability. This is partially offset by the net decrease in revenue from the rationalization of certain domestic market operations and the unfavorable impact of foreign currency translation rates.

Transportation cost of operations was \$204.2 million \$56.4 million for the nine three months ended September 30, 2022 March 31, 2023, a decrease of \$7.6 million \$14.0 million, or 3.6% 19.8%, compared to \$211.8 million \$70.4 million for the nine three months ended September 30, 2021. On a constant currency basis, transportation cost of operations was \$216.6 million for the nine months ended September 30, 2022, an increase of \$4.8 million, or 2.2%, from the nine months ended September 30, 2021 March 31, 2022. The decrease was due to the decrease softening of transportation demand in the general macro-environment which has also resulted in lower carrier costs, from the exit of lower volume in certain domestic foreign market operations paired with and the favorable impact of foreign currency translation, partially offset by capacity constraints driving spot market higher than contract rate, which has caused an increase in carrier fees, higher wage and fuel costs impacted by inflation and the acquisitions mentioned above.

Transportation segment contribution (NOI) was \$33.0 million \$11.7 million for the nine three months ended September 30, 2022 March 31, 2023, an increase of \$10.7 million 36.7% compared to the nine three months ended September 30, 2021 March 31, 2022. Transportation segment margin increased 441 632 basis points from the nine three months ended September 30, 2021 March 31, 2022, to 13.9% from 9.5%. On a constant currency basis, transportation segment contribution was \$33.3 million for the nine months ended September 30, 2022, an increase of \$11.1 million compared to the nine months ended September 30, 2021 17.1%. The increase in margin was primarily due to the rate increases implemented during 2022, increases.

Third-Party Managed Segment

The following table presents the operating results of our third-party managed segment for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,			Change	
	2023 Constant		2022 Actual	Actual	Constant Currency
	2023 Actual	Currency ⁽ⁱ⁾			
Number of managed sites	5		9	n/a	n/a
Third-party managed revenues	\$ 13,359	\$ 13,769	\$ 85,860	(84.4)%	(84.0)%
Third-party managed cost of operations	12,280	12,620	82,359	(85.1)%	(84.7)%

Third-party managed segment contribution	\$ 1,079	\$ 1,149	\$ 3,501	(69.2)%	(67.2)%
Third-party managed margin	8.1 %	8.3 %	4.1 %	400 bps	427 bps

(i) The adjustments from our U.S. GAAP operating results to calculate our operating results on a constant currency basis are the effect of changes in foreign currency exchange rates relative to the comparable prior period.

Third-party managed revenues were \$13.4 million for the three months ended March 31, 2023, a decrease of \$72.5 million, or 84.4%, compared to \$85.9 million for the three months ended March 31, 2022. On a constant currency basis, third-party managed revenues were \$13.8 million for the three months ended March 31, 2023, a decrease of \$72.1 million, or 84.0%, from the three months ended March 31, 2022.

Third-party managed cost of operations was \$12.3 million for the three months ended March 31, 2023, a decrease of \$70.1 million, or 85.1%, compared to \$82.4 million for the three months ended March 31, 2022.

Third-party managed segment contribution (NOI) was \$1.1 million for the three months ended March 31, 2023, a decrease of \$2.4 million, or 69.2%, compared to \$3.5 million for the three months ended March 31, 2022. The decreases in revenue, cost, and NOI were primarily due to the strategic exit of operations of our historically largest domestic customer in this segment.

Other Consolidated Operating Expenses

Depreciation and amortization. Depreciation and amortization expense was \$249.0 million \$85.0 million for the nine three months ended September 30, 2022 March 31, 2023, an increase of \$16.7 million \$2.4 million, or 7.2% 2.9%, compared to \$232.2 million \$82.6 million for the nine three months ended September 30, 2021 March 31, 2022. This increase was primarily due to the acquisitions and impact of our recently completed developments, expansion and developments and partially offset by the favorable impact of foreign currency translation.

6143

Selling, general and administrative. Corporate-level selling, general and administrative expenses were \$171.0 million \$62.9 million for the nine three months ended September 30, 2022 March 31, 2023, an increase of \$37.9 \$5.3 million, or 28.5% 9.1%, compared to \$133.1 million \$57.6 million for the nine three months ended September 30, 2021 March 31, 2022. Included in these amounts are business development expenses attributable to new business pursuits, supply chain solutions and underwriting, facility development, customer on-boarding, and engineering and consulting services to support our customers in the cold chain. We believe these costs are comparable to leasing costs for other publicly-traded REITs. The increase was driven by the resumption higher travel and conference expenses that resumed in 2023 and timing of performance-based compensation expense in connection with the short-term incentive plan, higher third-party legal and professional fees, higher travel costs and higher share-based which is partially offset by a decrease in stock-based compensation expense in connection with the November 2021 retention grant, a significant portion of which vested in November 2022.

Acquisition, litigation and other, net. Corporate-level acquisition, litigation and other, net expenses were \$20.6 million \$7.1 million for the nine three months ended September 30, 2022 March 31, 2023, a decrease of \$10.4 million \$2.9 million compared to the nine three months ended September 30, 2021 March 31, 2022. During the nine three months ended September 30, 2022 March 31, 2023, we incurred \$15.9 million \$3.4 million of severance primarily due to the realignment of certain international operations, \$1.9 million of implementation costs related to Project Orion, and \$1.8 million of acquisition and integration related costs. Refer to Note 3 of the Condensed Consolidated Financial Statements for details. During the three months ended March 31, 2022, we incurred \$6.3 million of acquisition and integration related expenses, an aggregate \$5.1 million \$2.6 million of severance related expenses due to the realignment of certain international operations and senior leadership changes \$0.2 million and \$1.2 million of litigation fees and \$0.4 million of facility termination costs in connection with a site we intend to vacate upon lease expiration, partially offset by an aggregate \$1.0 million insurance claim recoveries. During the nine months ended September 30, 2021, we incurred \$22.9 million of acquisition related expenses composed of professional fees and integration related costs, including severance and employee retention expenses, in connection with completed and potential acquisitions, primarily related to the Agro acquisition. We also incurred \$3.5 million of costs related to the cyber event that happened in late 2020. fees.

Impairment of indefinite and long-lived assets. For the nine months ended September 30, 2022, the Company recorded impairment charges totaling \$6.6 million. This included a 'Goodwill' impairment charge of \$3.2 million as we are strategically shifting our focus to our core warehouse portfolio, and terminating and winding down business with one of the largest customers in the Third-party managed segment. It also included an impairment charge of 'Assets under construction' of \$2.2 million associated with a development project which management determined it would no longer pursue and \$1.2 million in Warehouse segment assets which we reduced the carrying value of in anticipation of the exit of certain leased facilities. During the nine months ended September 30, 2021, the Company recorded impairment charges totaling \$3.3 million, of which \$1.7 million related to costs associated with development projects that management determined it would no longer pursue and a charge of \$1.6 million for certain software costs that were determined no longer usable.

Loss from sale of real estate. For the nine months ended September 30, 2022, we recorded a \$5.7 million loss from the sale of real estate related to a facility where a customer exercised its option to purchase the facility and we recorded a loss for the excess book value.

Other Expense and Income

The following table presents other items of income and expense for the nine months ended September 30, 2022, March 31, 2023 and 2021.

	Nine Months Ended September 30,		Change %	Three Months Ended March 31,		Change %		
	2022	2021		2023	2022			
Other (expense) income:	Other (expense) income:			Other (expense) income:				
		(Dollars in thousands)			(Dollars in thousands)			
Interest expense	Interest expense	\$ (82,720)	\$ (77,838)	6.3 %	Interest expense	\$ (34,423)	\$ (25,773)	33.6 %
Loss on debt extinguishment, modifications and termination of derivative instruments	Loss on debt extinguishment, modifications and termination of derivative instruments	\$ (2,284)	\$ (5,051)	(54.8) %	Loss on debt extinguishment, modifications and termination of derivative instruments	\$ (545)	\$ (616)	(11.5) %
Other, net	Other, net	\$ (1,197)	\$ 1,021	n/r	Other, net	\$ 1,433	\$ 2,357	(39.2) %
Loss from investments in partially owned entities	Loss from investments in partially owned entities	\$ (7,199)	\$ (1,250)	n/r	Loss from investments in partially owned entities	\$ (3,029)	\$ (2,112)	43.4 %
n/r=not relevant	n/r=not relevant				n/r=not relevant			

Interest expense. Interest expense was \$82.7 million for the nine months ended September 30, 2022, an increase of \$4.9 million or 6.3%, compared to \$77.8 million for the nine months ended September 30, 2021. Our effective interest rate of our outstanding debt increased from 3.19% for 3.06% in the nine months ended September 30, 2021 first quarter of 2022 to 3.47% for 4.08% in the nine months ended September 30, 2022 first quarter of 2023, primarily due to the rising interest rates associated with our Senior Unsecured Credit Facility. In August 2022, we completed a refinancing of floating rate borrowings under our Senior Unsecured Credit Facility, and entered into as well as higher outstanding borrowings, partially offset by the impact of our interest rate swaps to fix the interest rate on a substantial portion of this facility. Our revolving credit facility borrowings and \$175.0 million of the U.S. dollar term loan A-1 facility continue to incur interest under the applicable variable, floating rate. Refer to Note 4 and Note 5 of the Condensed Consolidated Financial Statements for additional information regarding these transactions.

Loss on debt extinguishment, modifications and termination of derivative instruments. Loss on debt extinguishment, modifications, and termination of derivative instruments of \$2.3 million was \$0.5 million and \$0.6 million for the nine months ended September 30, 2022 decreased as compared to the nine months ended September 30, 2021 primarily due to the early repayment of \$200 million of principal on the Senior Unsecured Term Loan A Facility during the first quarter of 2021, which resulted in a charge of \$2.9 million for the write-off of unamortized deferred financing costs, partially offset by approximately \$0.3 million recorded loss due to the refinancing occurred in the third quarter of 2022. Additionally, during the nine months ended September 30, 2022 and 2021, we recorded \$1.9 million and \$2.1 million, respectively, for the amortization of fees paid for the termination of interest rate swaps in each of the periods. These interest rate swaps were terminated during 2020, in 2020 and will amortize through 2024.

Other, net. Other, expense net income was \$1.2 million for the nine months ended September 30, 2022, an increase of \$1.4 million for the three months ended March 31, 2023, an increase of \$2.2 million, \$0.9 million, compared to Other income of \$1.0 million for the nine months ended September 30, 2021, an increase of \$2.4 million for the three months ended March 31, 2022. This is primarily due to a \$4.1 million loss in connection with the deconsolidation of our Chilean operations upon contribution to the LATAM JV, a \$3.1 million increase in foreign currency exchange loss non-service pension costs due to unfavorable foreign currency exchange rates because of a reduction in the assumed long-term rate of return on the relative strength of the US dollar against foreign currencies that we transact in pension asset, and an increase of \$1.8 million in loss on asset disposals compared to 2021. These charges are partially offset by a \$3.4 million gain related to the dissolution of the New Market Tax Credit entities during 2022, a \$1.4 million decrease in non-service pension costs and a \$1.9 million increase in various tax incentives and energy rebates, interest income earned from the loan to our Comfrío joint venture.

Loss from investments in partially owned entities. Loss from investments in partially owned entities was \$7.2 million for the nine months ended September 30, 2022, \$3.0 million for the three months ended March 31, 2023, and \$1.3 million for the three months ended March 31, 2021, respectively. The increase is primarily driven by higher interest expense incurred by our joint ventures driven by rising interest rates.

63

Income Tax Benefit (Expense)

Income tax benefit for the nine months ended September 30, 2022, March 31, 2023 was \$16.1 million, \$1.6 million, an increase of \$24.1 million when compared to \$8.0 million of \$0.9 million from an income tax expense benefit of \$0.7 million for the nine months ended September 30, 2021, March 31, 2022. The change in income tax expense benefit was primarily attributable to the following: 1) \$13.8 million increase in deferred tax benefit is primarily due to a year-over-year increase in operating losses generated by our U.S. and foreign operations 2) \$6.5 million deferred tax benefit in 2022 for the removal of a net deferred tax liability associated with the deconsolidation of our Chilean operations upon contribution to the LATAM JV, 3) \$11.7 million deferred tax expense due to the tax effects of the rate change from 19% to 25% in the United Kingdom in 2021. The UK rate impact was partially offset by \$7.9 million deferred tax benefit in 2021 for a decrease in valuation allowance related to prior year acquisitions. three months ended March 31, 2023.

6445

Non-GAAP Financial Measures

We use the following non-GAAP financial measures as supplemental performance measures of our business: FFO, Core FFO, Adjusted FFO, EBITDA, Core EBITDA and net debt to pro-forma Core EBITDA.

We calculate funds from operations, or FFO, in accordance with the standards established by the Board of Governors of the National Association of Real Estate Investment Trusts, or NAREIT. NAREIT defines FFO as net income or loss determined in accordance with U.S. GAAP, excluding extraordinary items as defined under U.S. GAAP and gains or losses from sales of previously depreciated operating real estate assets, plus specified non-cash items, such as real estate asset depreciation and amortization and our share of reconciling items for partially owned entities. We believe that FFO is helpful to investors as a supplemental performance measure because it excludes the effect of depreciation, amortization and gains or losses from sales of real estate, all of which are based on historical costs, which implicitly assumes that the value of real estate diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, FFO can facilitate comparisons of operating performance between periods and among other equity REITs.

We calculate core funds from operations, or Core FFO, as FFO adjusted for the effects of gain or loss on the sale of non-real estate assets, acquisition, litigation and other, net, **goodwill and other non-core impairment share-based compensation expense for the IPO retention grants, (when applicable), loss on debt extinguishment, modifications and termination of derivative instruments and foreign currency exchange loss, gain on extinguishment of New Market Tax Credit structure, and loss on deconsolidation of subsidiary contributed to LATAM joint venture, loss.** We also adjust for the impact of Core FFO attributable to partially owned entities. We have elected to reflect our share of Core FFO attributable to partially owned entities since the Brazil joint ventures are strategic partnerships, which we continue to actively participate in on an ongoing basis. The previous joint venture, the China JV, was considered for disposition during the periods presented. We believe that Core FFO is helpful to investors as a supplemental performance measure because it excludes the effects of certain items which can create significant earnings volatility, but which do not directly relate to our core business operations. We believe Core FFO can facilitate comparisons of operating performance between periods, while also providing a more meaningful predictor of future earnings potential.

However, because FFO and Core FFO add back real estate depreciation and amortization and do not capture the level of maintenance capital expenditures necessary to maintain the operating performance of our properties, both of which have material economic impacts on our results from operations, we believe the utility of FFO and Core FFO as a measure of our performance may be limited.

We calculate adjusted funds from operations, or Adjusted FFO, as Core FFO adjusted for the effects of amortization of deferred financing costs and pension withdrawal liability, amortization of above or below market leases, non-real estate asset impairment, straight-line net rent, benefit or expense from deferred income taxes, **share-based stock-based compensation expense, from grants of stock options and restricted stock units under our equity incentive plans, excluding IPO grants, non-real estate depreciation and amortization and maintenance capital expenditures.** We also adjust for AFFO attributable to our share of reconciling items of partially owned entities. **entities and operating results from business segments which are not core to our long term business strategy and we intend to divest.** We believe that Adjusted FFO is helpful to investors as a meaningful supplemental comparative performance measure of our ability to make incremental capital investments in our business and to assess our ability to fund distribution requirements from our operating activities.

FFO, Core FFO and Adjusted FFO are used by management, investors and industry analysts as supplemental measures of operating performance of equity REITs. FFO, Core FFO and Adjusted FFO should be evaluated along with U.S. GAAP net income and net income per diluted share (the most directly comparable U.S. GAAP measures) in evaluating our operating performance. FFO, Core FFO and Adjusted FFO do not represent net income or cash flows from operating activities in accordance with U.S. GAAP and are not indicative of our results of operations or cash flows from operating activities as disclosed in our consolidated statements of operations included elsewhere in this Quarterly Report on Form 10-Q. FFO, Core FFO and Adjusted FFO should be considered as supplements, but not alternatives, to our net income or cash flows from operating activities as indicators of our operating performance. Moreover, other REITs may not calculate FFO in accordance with the NAREIT definition or may interpret the NAREIT definition differently than we do. Accordingly, our FFO may not be comparable to FFO as calculated by other REITs. In addition, there is no industry definition of Core FFO or Adjusted FFO and, as a result, other REITs may also calculate Core FFO or Adjusted FFO, or other similarly-captioned metrics, in a manner different than we do. The table below reconciles FFO, Core FFO and Adjusted FFO to net (loss) income, which is the most directly comparable financial measure calculated in accordance with U.S. GAAP.

6546

Reconciliation of Net (Loss) Income to NAREIT FFO, Core FFO, and Adjusted FFO					
Reconciliation of			Reconciliation of Net Loss to NAREIT FFO, Core FFO, and Adjusted FFO		
Net Loss to NAREIT FFO, Core FFO, and Adjusted FFO	(in thousands)				
Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
2022	2021	2022	2021	2023	2022

Net (loss) income	\$ (8,937)	\$ 5,308	\$ (22,429)	\$ (22,327)	Net loss	\$ (2,571)	\$ (17,445)
Net loss					Net loss	\$ (2,571)	\$ (17,445)
Adjustments:	Adjustments:				Adjustments:		
Real estate related depreciation	Real estate related depreciation	53,139	48,217	157,077	145,368	Real estate related depreciation	54,541
Loss on sale of real estate	Loss on sale of real estate	5,710	—	5,710	—	Loss on sale of real estate	191
Net loss (gain) on asset disposals		893	(1)	960	(53)		
Net loss on asset disposals					Net loss on asset disposals	—	63
Impairment charges on certain real estate assets		3,407	224	3,407	1,752		
Our share of reconciling items related to partially owned entities	Our share of reconciling items related to partially owned entities	822	463	3,201	1,590	Our share of reconciling items related to partially owned entities	903
NAREIT Funds from operations applicable to common stockholders		\$ 55,034	\$ 54,211	\$ 147,926	\$ 126,330		
NAREIT Funds from operations applicable to common stockholders					NAREIT Funds from operations applicable to common stockholders	\$ 53,064	\$ 35,851
Adjustments:	Adjustments:				Adjustments:		
Net loss (gain) on sale of non-real estate assets	Net loss (gain) on sale of non-real estate assets	310	(171)	147	(594)	Net loss (gain) on sale of non-real estate assets	420
Acquisition, litigation and other, net	Acquisition, litigation and other, net	4,874	6,338	20,612	31,011	Acquisition, litigation and other, net	7,147
Goodwill impairment		3,209	—	3,209	—		10,075
Share-based compensation expense, IPO grants		—	—	—	163		
Loss on debt extinguishment, modifications and termination of derivative instruments	Loss on debt extinguishment, modifications and termination of derivative instruments	1,040	627	2,284	5,051	Loss on debt extinguishment, modifications and termination of derivative instruments	545
Foreign currency exchange loss		2,488	349	3,453	316		616
Gain on extinguishment of New Market Tax Credit structure		—	—	(3,410)	—		
Loss on deconsolidation of subsidiary contributed to LATAM joint venture		—	—	4,148	—		
Foreign currency exchange gain					Foreign currency exchange gain	(458)	(325)
Our share of reconciling items related to partially owned entities	Our share of reconciling items related to partially owned entities	136	122	447	365	Our share of reconciling items related to partially owned entities	128
Core FFO applicable to common stockholders		67,091	61,476	178,816	162,642		
Core FFO applicable to common stockholders					Core FFO applicable to common stockholders	60,846	46,329
Adjustments:	Adjustments:				Adjustments:		

Amortization of deferred financing costs and pension withdrawal liability	Amortization of deferred financing costs and pension withdrawal liability	1,222	1,088	3,528	3,321	Amortization of deferred financing costs and pension withdrawal liability	1,240	1,146
Amortization of below/above market leases	Amortization of below/above market leases	540	1,017	1,597	1,418	Amortization of below/above market leases	402	508
Non-real estate asset impairment		—	1,560	—	1,560			
Straight-line net rent	Straight-line net rent	133	411	414	86	Straight-line net rent	(491)	204
Deferred income taxes (benefit) expense		(4,374)	(3,562)	(19,149)	1,004			
Share-based compensation expense, excluding IPO grants		6,720	4,291	22,101	14,625			
Deferred income taxes benefit						Deferred income taxes benefit	(3,621)	(1,889)
Stock-based compensation expense						Stock-based compensation expense	6,970	8,349
Non-real estate depreciation and amortization	Non-real estate depreciation and amortization	30,530	22,352	91,902	86,871	Non-real estate depreciation and amortization	30,483	30,420
Maintenance capital expenditures (a)	Maintenance capital expenditures (a)	(22,586)	(18,938)	(58,810)	(55,157)	Maintenance capital expenditures (a)	(16,244)	(16,106)
Our share of reconciling items related to partially owned entities	Our share of reconciling items related to partially owned entities	57	(100)	1,663	889	Our share of reconciling items related to partially owned entities	304	(107)
Adjusted FFO applicable to common shareholders		\$ 79,333	\$ 69,595	\$ 222,062	\$ 217,259	Adjusted FFO applicable to common stockholders	\$ 79,889	\$ 68,854

(a) Maintenance capital expenditures include capital expenditures made to extend the life of, and provide future economic benefit from, our existing temperature-controlled warehouse network and its existing supporting personal property and information technology.

6647

We calculate EBITDA for Real Estate, or EBITDAre, in accordance with the standards established by the Board of Governors of NAREIT, defined as, earnings before interest expense, taxes, depreciation and amortization, and adjustment to reflect share of EBITDAre of partially owned entities. EBITDAre is a measure commonly used in our industry, and we present EBITDAre to enhance investor understanding of our operating performance. We believe that EBITDAre provides investors and analysts with a measure of operating results unaffected by differences in capital structures, capital investment cycles and useful life of related assets among otherwise comparable companies.

We also calculate our Core EBITDA as EBITDAre further adjusted for acquisition, litigation and other, net, loss from investments in partially owned entities, impairment of indefinite and long-lived assets (when applicable), foreign currency exchange loss or gain, share-based stock-based compensation expense, loss on debt extinguishment, modifications and termination of derivative instruments, net gain on other asset disposals, gain on extinguishment of New Market Tax Credit structure, loss on deconsolidation of subsidiary contributed to LATAM joint venture, and reduction in EBITDAre from partially owned entities, entities, and operating results from business segments which are not core to our long term business strategy and we intend to divest. We believe that the presentation of Core EBITDA provides a measurement of our operations that is meaningful to investors because it excludes the effects of certain items that are otherwise included in EBITDAre but which we do not believe are indicative of our core business operations. EBITDAre and Core EBITDA are not measurements of financial performance under U.S. GAAP, and our EBITDAre and Core EBITDA may not be comparable to similarly titled measures of other companies. You should not consider our EBITDAre and Core EBITDA as alternatives to net income or cash flows from operating activities determined in accordance with U.S. GAAP. Our calculations of EBITDAre and Core EBITDA have limitations as analytical tools, including:

- these measures do not reflect our historical or future cash requirements for maintenance capital expenditures or growth and expansion capital expenditures;
- these measures do not reflect changes in, or cash requirements for, our working capital needs;
- these measures do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our indebtedness;
- these measures do not reflect our tax expense or the cash requirements to pay our taxes; and
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future and these measures do not reflect any cash requirements for such replacements.

We use EBITDAre and Core EBITDA as measures of our operating performance and not as measures of liquidity. The table below reconciles EBITDAre and Core EBITDA to net (loss) income, which is the most directly comparable financial measure calculated in accordance with U.S. GAAP.

Net debt to proforma Core EBITDA is calculated using total debt, plus capital lease obligations, less cash and cash equivalents, divided by pro-forma Core EBITDA. We calculate pro-forma Core EBITDA as Core EBITDA further adjusted for acquisitions, dispositions and for rent expense associated with lease buy-outs and lease exits. The pro-forma adjustment for acquisitions reflects the Core EBITDA for the period of time prior to acquisition. The pro-forma adjustment for leased facilities exited or purchased reflects the add-back for the related lease expense from the last year. The pro-forma adjustment for dispositions reduces Core EBITDA for the earnings of facilities disposed of or exited during the year, including the strategic exit of certain third-party managed business.

6748

Reconciliation of Net Loss to NAREIT
EBITDAre and Core EBITDA (In
thousands)

	Three Months Ended September 30,				Nine Months Ended September 30,				Three Months Ended March 31,			
	2022		2021		2022		2021		2023		2022	
	Net (loss) income	\$ (8,937)	Net loss	\$ 5,308	Net loss	\$ (22,429)	Net loss	\$ (22,327)	Net loss	\$ (2,571)	Net loss	\$ (17,445)
Net loss												
Adjustments:	Adjustments:											
Depreciation and amortization	Depreciation and amortization	83,669	70,569	248,979	232,239				Depreciation and amortization	85,024	82,620	
Interest expense	Interest expense	30,402	25,303	82,720	77,838				Interest expense	34,423	25,773	
Income tax (benefit) expense		(3,368)	(226)	(16,145)	7,957							

Income tax benefit		Income tax benefit	(1,644)	(708)
Loss on sale of real estate	Loss on sale of real estate	5,710	—	5,710
Adjustment to reflect share of EBITDAre of partially owned entities	Adjustment to reflect share of EBITDAre of partially owned entities	3,383	1,854	12,796
NAREIT EBITDAre	NAREIT EBITDAre	\$110,859	\$102,808	\$311,631
				\$299,995
Adjustments:	Adjustments:			Adjustments:
Acquisition, litigation, and other, net				
1		4,874	6,338	20,612
				31,011
Acquisition, litigation, and other, net				
Loss on partially owned entities	Loss on partially owned entities	1,440	490	7,199
				1,251
Impairment of indefinite and long-lived assets		6,616	1,784	6,616
Foreign currency exchange loss		2,488	349	3,453
Share-based compensation expense		6,720	4,291	22,101
				14,788
Foreign currency exchange gain				
Stock-based compensation expense				
Loss on debt extinguishment, modifications, and termination of derivative instruments	Loss on debt extinguishment, modifications, and termination of derivative instruments	1,040	627	2,284
				5,051
Loss (gain) on other asset disposals	Loss (gain) on other asset disposals	1,203	(172)	1,107
				(647)
Gain on extinguishment of New Market Tax Credit structure		—	—	(3,410)
Loss on deconsolidation of subsidiary contributed to LATAM joint venture		—	—	4,148
Reduction in EBITDAre from partially owned entities	Reduction in EBITDAre from partially owned entities	(3,383)	(1,854)	(12,796)
				(4,288)
Core EBITDA	Core EBITDA	\$131,857	\$114,661	\$362,945
				\$350,789
				Core EBITDA
				\$133,076
				\$110,895

6849

LIQUIDITY AND CAPITAL RESOURCES

The Company and the Operating Partnership have filed a registration statement on Form S-3 with the SEC registering, among other securities, debt securities of the Operating Partnership, which will be fully and unconditionally guaranteed by the Company. Separate consolidated financial statements of the Operating Partnership have not been presented in accordance with the amendments to Rule 3-10 of Regulation S-X. Furthermore, as permitted under Rule 13-01(a)(4)(vi), the Company has excluded the summarized financial information for the Operating Partnership as the assets, liabilities and results of operations of the Company and the Operating Partnership are not materially different than the corresponding amounts presented in the consolidated financial statements of the Company, and management believes such summarized financial information would be repetitive and not provide incremental value to investors.

We currently expect that our principal sources of funding for working capital, facility acquisitions, business combinations, expansions, maintenance and renovation of our properties, developments projects, debt service and distributions to our stockholders will include:

- current cash balances;
- cash flows from operations;
- our 2022 Senior Unsecured Revolving Credit Facility;
- our ATM Equity Programs; and
- other forms of debt financings and equity offerings, including capital raises through joint ventures.

We expect that our funding sources as noted above are adequate and will continue to be adequate to meet our short-term liquidity requirements and capital commitments. These liquidity requirements and capital commitments include:

- operating activities and overall working capital;
- capital expenditures;
- capital contributions and investments in joint ventures;
- debt service obligations; and
- quarterly stockholder distributions.

We expect to utilize the same sources of capital we will rely on to meet our short-term liquidity requirements to also meet our long-term liquidity requirements, which include funding our operating activities, our debt service obligations and stockholder distributions, and our future development and acquisition activities.

We are a well-known seasoned issuer with an effective shelf registration statement filed on April 16, 2020 March 17, 2023, which registered an indeterminate amount of common shares, preferred shares, depositary shares and warrants, as well as debt securities of the Operating Partnership, which will be fully and unconditionally guaranteed by us. As circumstances warrant, we may issue equity securities from time to time on an opportunistic basis, dependent upon market conditions and available pricing. We may use the proceeds for general corporate purposes, which may include the repayment of outstanding indebtedness, the funding of development, expansion and acquisition opportunities and to increase working capital.

On May 10, 2021 March 17, 2023, we entered into an equity distribution agreement pursuant to which we may sell, from time to time, up to an aggregate sales price of \$900.0 million of our common shares through an ATM equity program (the "2021 ATM Equity Program"), program. Sales of our common stock made pursuant to the 2021 2023 ATM Equity Program may be made in negotiated transactions or transactions that are deemed to be "at the market" offerings as defined in Rule 415 under the Securities Act, including sales made directly on the NYSE, or sales made to or through a market maker other than

6950

market maker other than on an exchange, or as otherwise agreed between the applicable Agent and us. Sales may also be made on a forward basis pursuant to separate forward sale agreements. We intend to use the net proceeds from sales of our common stock pursuant to the 2021 2023 ATM Equity Program for general corporate purposes, which may include funding acquisitions and development projects. There was no activity under the 2021 2023 ATM Equity Program during the nine three months ended September 30, 2022, and we have approximately \$809.4 million availability remaining for distribution under the 2021 ATM Equity Program as of September 30, 2022 March 31, 2023.

Security Interests in Customers' Products

By operation of law and in accordance with our customer contracts (other than leases), we typically receive warehouseman's liens on products held in our warehouses to secure customer payments. Such liens permit us to take control of the products and sell them to third parties in order to recover any monies receivable on a delinquent account, but such products may be perishable or otherwise not readily salable by us. Historically, in instances where we have warehouseman's liens and our customer sought bankruptcy protection, we have been successful in receiving "critical vendor" status, which has allowed us to fully collect on our accounts receivable during the pendency of the bankruptcy proceeding.

Our bad debt expense was \$0.3 million and \$0.7 million for the three months ended September 30, 2022 March 31, 2023 and 2021, respectively, and \$4.1 million and \$2.5 million for the nine months ended September 30, 2022 and 2021, 2022, respectively. As of September 30, 2022 March 31, 2023, we maintained bad debt allowances of approximately \$12.4 million, which we believed to be adequate.

Collective Bargaining Agreements

As of September 30, 2022, approximately 37% of the Company's labor force is covered by collective bargaining agreements. Collective bargaining agreements covering less than 2% of the labor force are set to expire through the end of the year.

Dividends and Distributions

We are required to distribute 90% of our taxable income (excluding capital gains) on an annual basis in order to continue to qualify as a REIT for federal income tax purposes. Accordingly, we intend to make, but are not contractually bound to make, regular quarterly distributions to stockholders from cash flows from our operating activities. While historically we have satisfied this distribution requirement by making cash distributions to our stockholders, we may choose to satisfy this requirement by making distributions of cash or other property. All such distributions are at the discretion of our Board of Directors. We consider market factors and our performance in addition to REIT requirements in determining distribution levels. We have distributed at least 100% of our taxable income annually since inception to minimize corporate-level federal income taxes. Amounts accumulated for distribution to stockholders are invested primarily in interest-bearing accounts which are consistent with our intention to maintain our status as a REIT.

As a result of this distribution requirement, we cannot rely on retained earnings to fund our ongoing operations to the same extent that other companies which are not REITs can. We may need to continue to raise capital in the debt and equity markets to fund our working capital needs, as well as potential developments in new or existing properties, acquisitions or investments in existing or newly created joint ventures. In addition, we may be required to use borrowings under our revolving credit facility, if necessary, to meet REIT distribution requirements and maintain our REIT status.

70

For further information regarding dividends and distributions, see Note 14 refer to our consolidated financial statements included in our 2021 2022 Annual Report on Form 10-K as filed with the SEC.

51

Outstanding Indebtedness

The following table summarizes our outstanding indebtedness as of September 30, 2022 March 31, 2023 (in thousands):

Debt Summary:

Fixed rate ⁽¹⁾	\$ 2,330,029	2,592,875
Variable rate - unhedged	643,286	610,500
Total mortgage notes, senior unsecured notes, term loans and borrowings under revolving line of credit	2,973,315	3,203,375
Sale-leaseback financing obligations	173,344	168,919
Financing lease obligations	83,353	78,421
Total debt and debt-like obligations	\$ 3,230,012	3,450,715

Percent of total debt and debt-like obligations:

Fixed rate	80	82 %
Variable rate	20	18 %
Effective interest rate as of September 30, 2022	3.95	4.08 %

(1) The total includes borrowings with a variable interest rate that have been effectively hedged through interest rate swaps.

The variable rate debt shown above bears interest at interest rates based on various one-month SOFR, CDOR, SONIA, BBSW, EURIBOR, and BKBM rates, depending on the respective agreement governing the debt, including our global revolving credit facilities. As of September 30, 2022 March 31, 2023, our debt had a weighted average term to maturity of approximately 5.6 5.9 years, assuming exercise of extension options.

For further information regarding outstanding indebtedness, please see Note 43 and Note 54 to our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q and Note 9 to our consolidated financial statements included in our 2021 2022 Annual Report on Form 10-K as filed with the SEC.

52

Aggregate future repayments of indebtedness

The aggregate maturities of indebtedness as of March 31, 2023 for each of the next five years and thereafter, are as follows (in thousands):

Twelve Months Ending March 31:

2024	\$	—
2025		—
2026		200,000
2027		985,500
2028		454,950
Thereafter		1,562,925
Aggregate principal amount of indebtedness		3,203,375
Less: unamortized deferred financing costs		(12,434)
Total indebtedness, net of deferred financing costs	\$	3,190,941

Credit Ratings

Our capital structure and financial practices have earned us investment grade credit ratings from three nationally recognized credit rating agencies. We have investment grade ratings of BBB with a negative outlook from Fitch, BBB with a Stable Trends outlook from DBRS Morningstar, and an investment grade rating of Baa3 with a stable outlook from Moody's. These credit ratings are important to our ability to issue debt at favorable rates of interest, among other terms. Refer to our risk factor "Adverse changes in our credit ratings could negatively impact our financing activity" in our Annual Report on Form 10-K.

Maintenance Capital Expenditures and Repair and Maintenance Expenses

We utilize a strategic and preventative approach to maintenance capital expenditures and repair and maintenance expenses to maintain the high quality and operational efficiency of our warehouses and ensure that our warehouses meet the "mission-critical" role they serve in the cold chain.

Maintenance Capital Expenditures

Maintenance capital expenditures are capitalized investments made to extend the life of, and provide future economic benefit from, our existing temperature-controlled warehouse network and its existing supporting personal property and information technology systems. Examples of maintenance capital expenditures related to our existing temperature-controlled warehouse network include replacing roofs and refrigeration equipment, and upgrading our racking systems. Examples of maintenance capital expenditures related to personal property include expenditures on material handling equipment (e.g., fork lifts and pallet jacks) and related batteries. Examples of maintenance capital expenditures related to information technology include expenditures on existing servers, networking equipment and current software. Maintenance capital expenditures do not include acquisition costs contemplated when underwriting the purchase of a building or costs which are incurred to bring a building up to Americold's operating standards. The following table sets forth our maintenance capital expenditures for the three and nine months ended **September 30, 2022** **March 31, 2023** and **2021**.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022		2021	
	(In thousands, except per cubic foot amounts)			
Real estate	\$ 18,426	\$ 14,497	\$ 50,115	\$ 45,398
Personal property	1,357	1,231	3,788	4,441
Information technology	2,803	3,210	4,907	5,318
Maintenance capital expenditures ⁽¹⁾	<u>\$ 22,586</u>	<u>\$ 18,938</u>	<u>\$ 58,810</u>	<u>\$ 55,157</u>
Maintenance capital expenditures per cubic foot	\$ 0.015	\$ 0.013	\$ 0.040	\$ 0.038
	53			
Three Months Ended March 31,				
	2023		2022	
(In thousands, except per cubic foot amounts)				
Real estate	\$ 14,899	\$ 13,864		
Personal property	325	974		
Information technology	1,020	1,268		
Maintenance capital expenditures ⁽¹⁾	<u>\$ 16,244</u>	<u>\$ 16,106</u>		
Maintenance capital expenditures per cubic foot	\$ 0.011	\$ 0.011		

⁽¹⁾ Excludes **\$21.3 million** **\$2.2 million** and **\$12.8 million** **\$1.8 million** of deferred acquisition maintenance capital expenditures incurred for the **nine** **three** months ended **September 30, 2022** **March 31, 2023** and **2021**, respectively.

Repair and Maintenance Expenses

We incur repair and maintenance expenses that include costs of normal maintenance and repairs and minor replacements that do not materially extend the life of the property or provide future economic benefits. Repair and maintenance expenses consist of expenses related to our existing temperature-controlled warehouse network and its existing supporting personal property and are reflected as operating expenses on our income statement. Examples of repair and maintenance expenses related to our warehouse portfolio include ordinary repair and maintenance on roofs, racking, walls, doors, parking lots and refrigeration equipment. Examples of repair and maintenance expenses related to personal property include ordinary repair and maintenance expenses on material handling equipment (e.g., fork lifts and pallet jacks) and related batteries. The increase in costs is due to rising inflationary pressures. The following table sets forth our repair and maintenance expenses for the three and nine months ended **September 30, 2022** **March 31, 2023** and **2021**.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022		2021	
	(In thousands, except per cubic foot amounts)			

Real estate	\$ 10,323	\$ 6,435	\$ 29,454	\$ 20,760
Personal property	14,264	15,655	42,519	40,731
Repair and maintenance expenses	<u>\$ 24,587</u>	<u>\$ 22,090</u>	<u>\$ 71,973</u>	<u>\$ 61,491</u>
Repair and maintenance expenses per cubic foot	\$ 0.017	\$ 0.015	\$ 0.049	\$ 0.042

	Three Months Ended March 31,	
	2023	2022
	(In thousands, except per cubic foot amounts)	
Real estate	\$ 8,802	\$ 8,843
Personal property	19,966	14,446
Repair and maintenance expenses	<u>\$ 28,768</u>	<u>\$ 23,289</u>
Repair and maintenance expenses per cubic foot	\$ 0.020	\$ 0.016

External Growth, Expansion and Development Capital Expenditures

External growth expenditures represent asset acquisitions or business combinations. Expansion and development capital expenditures are capitalized investments made to support both our customers and our warehouse expansion and development initiatives. It also includes investments in enhancing our information technology platform. Examples of capital expenditures associated with expansion and development initiatives include funding of construction costs, increases to warehouse capacity and pallet positions, acquisitions of reusable incremental material handling equipment, and implementing energy efficiency projects, such as thermal energy storage, LED lighting, motion-sensor technology, variable frequency drives for our fans and compressors, rapid-close doors and alternative-power generation technologies. Examples of capital expenditures to enhance our information technology platform include the delivery of new systems and software and customer interface functionality.

Acquisitions

For information regarding acquisitions completed during 2022, refer to Note 2 of the Notes to the Condensed Consolidated Financial Statements. For information regarding acquisitions completed during 2021, refer to our 2021 2022 Annual Report on Form 10-K which includes details of the purchase price allocation for each acquisition.

Expansion and development

The expansion and development expenditures for the nine three months ended September 30, 2022 March 31, 2023 are primarily driven by \$25.3 \$2.7 million related to our two fully-automated, build-to-suit, development sites in Connecticut and Pennsylvania, \$15.7 \$5.1 million for the Spearwood, Australia expansion, \$12.1 million related to the Dunkirk, NY development, \$13.7 million in our Dublin expansion, \$5.9 million for the Barcelona expansion, \$20.4 \$4.8 million related to our Russellville expansion \$11.6 and \$3.7 million related to Atlanta Major Market Strategy Phase 2, and \$8.0 million related to the Rochelle facility. During the nine three months ended September 30, 2022 March 31, 2023, we also incurred capitalized interest of \$8.8 million \$3.4 million and capitalized insurance, property taxes, and compensation and travel expense aggregating to \$4.2 million \$1.9 million related to our ongoing expansion and development projects.

Expansion and development initiatives also include \$13.3 million \$2.2 million of corporate initiatives and smaller customer driven growth projects, which are designed to reduce future spending over the course of time. This category reflects return on investment projects, conversion of leases to owned assets, and other cost-saving initiatives.

Finally, we incurred approximately \$5.5 million \$4.9 million during the **nine** **three** months ended September 30, 2022 March 31, 2023 for contemplated future expansion or development projects.

The decrease in costs from the three months ended March 31, 2022 to the three months ended March 31, 2023 is due to fewer outstanding expansion and development projects as compared to the prior year.

The following table sets forth our acquisition, expansion and development capital expenditures for the three and nine months ended **September 30, 2022** **March 31, 2023** and **2021**.

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2022		2021		2023	
	(In thousands)				(In thousands)	
Acquisitions, net of cash acquired and adjustments	\$ 16,040	\$ 400,987	\$ 15,228	\$ 616,316		
Asset acquisitions	7,705	—	14,581	—		
Expansion and development initiatives	Expansion and development initiatives	32,300	75,960	144,467	243,072	Expansion and development initiatives
Information technology	Information technology	1,637	1,682	3,398	5,255	Information technology
Growth and expansion capital expenditures	Growth and expansion capital expenditures	\$ 57,682	\$ 478,629	\$ 177,674	\$ 864,643	Growth and expansion capital expenditures
						73

Historical Cash Flows

	Nine Months Ended September 30,				Three Months Ended March 31,			
	2022		2021		2023		2022	
	(In thousands)				(In thousands)			
Net cash provided by operating activities	Net cash provided by operating activities	\$ 182,883	\$ 164,319		Net cash provided by operating activities	\$ 41,481	\$ 15,586	
Net cash used in investing activities	Net cash used in investing activities	\$ (288,008)	\$ (945,491)		Net cash used in investing activities	\$ (87,592)	\$ (94,244)	
Net cash provided by financing activities	Net cash provided by financing activities	\$ 74,473	\$ 315,269		Net cash provided by financing activities	\$ 38,867	\$ 46,256	
								55

Operating Activities

For the nine months ended **September 30, 2022** **March 31, 2023**, our net cash provided by operating activities was **\$182.9 million** **\$41.5 million**, an increase of **\$18.6 million** **\$25.9 million**, compared to **\$164.3 million** **\$15.6 million** for the nine months ended **September 30, 2021** **March 31, 2022**. The increase is primarily due to an increase in segment contribution, partially offset by higher selling, general and administrative expenses.

Investing Activities

Our net cash used in investing activities was **\$288.0 million** **\$87.6 million** for the nine months ended **September 30, 2022** **March 31, 2023** compared to **\$945.5 million** **\$94.2 million** for the nine months ended **September 30, 2021** **March 31, 2022**. Additions to property, buildings and equipment were **\$254.1 million** **\$69.3 million**, reflecting maintenance capital expenditures and investments in our various expansion and development projects. Additionally, we invested **\$14.6 million** **\$18.4 million** in acquisitions of property, buildings, and equipment for the buyout of two previously leased facilities and **\$15.2 million** for the acquisition of De Bruyn Cold Storage. Finally, we invested **\$4.4 million** in capital contributions a loan to the SuperFrio Comfrio joint venture and as well as minority equity interest in the formation of the LATAM RSA joint venture.

Net cash used in investing activities was **\$945.5 million** **\$94.2 million** for the nine months ended **September 30, 2021**. Cash used in connection with business combinations during 2021 was **\$616.3 million** **March 31, 2022** related to the Bowman, ColdCo, KMT Brrl, Liberty and Newark Facility Management acquisitions. Additions cash used for additions to property, buildings and equipment were **\$313.2 million** of **\$93.0 million** reflecting maintenance capital expenditures and investments in the Ahold, Atlanta, New Zealand, Calgary Dunkirk, Dublin, Barcelona, Spearwood and Russellville expansion and development projects. Additionally, we invested **\$6.3 million** **\$1.9 million** of cash in the SuperFrio joint venture for the nine months ended **September 30, 2021**, and paid **\$11.6 million** to purchase the noncontrolling interest holders share in the Chilean business, which we now wholly own. venture.

Financing Activities

Net cash provided by financing activities was **\$74.5 million** **\$38.9 million** for the nine months ended **September 30, 2022** **March 31, 2023** compared to **\$315.3 million** **\$46.3 million** for the nine months ended **September 30, 2021** **March 31, 2022**. Cash provided by financing activities for the current period primarily consisted of **\$100.7 million** **\$110.1 million** in proceeds from our Senior Unsecured Revolving Credit Facility, net of repayments, **\$200.0 million** in proceeds from our refinancing of the term loan under the Senior Unsecured Credit Facility, offset by **\$179.6 million** **\$60.1 million** of quarterly dividend distributions paid **\$30.3 million** and **\$11.8 million** aggregate lease repayments and **\$11.6 million** for payment of debt issuance costs. repayments.

Net cash provided by financing activities was **\$315.3 million** **\$46.3 million** for the nine months ended **September 30, 2021** **March 31, 2022**. Cash provided by financing activities for the current period primarily consisted of **\$420.2 million** net proceeds from equity forward contracts settled during the period upon the issuance of common shares, **\$590.8 million** **\$115.0 million** in proceeds from our revolving line of credit, and **\$5.2 million** of proceeds received upon exercise of stock options, Senior Unsecured Revolving Credit Facility, offset by cash outflows of **\$280.0 million** in repayments on the revolving line of credit, **\$205.2 million** for repayments on term loan and mortgage notes, **\$168.5 million** **\$59.9 million** of quarterly dividend distributions paid, **\$27.5 million** of financing lease payments, and **\$15.8 million** in payment of withholding taxes related to share-based payment arrangements. paid.

SIGNIFICANT ACCOUNTING POLICIES UPDATE

See Critical accounting policies are those that are both important to the accurate portrayal of a company's financial condition and results, and require subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. To prepare financial statements that conform to generally accepted accounting principles, we make estimates and assumptions that affect the amounts reported in our financial statements and accompanying notes. Certain estimates are particularly sensitive due to their significance to the financial statements and the possibility that future events may be significantly different from our expectations.

Refer to Note 1 to our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q, Part II, "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Form 10-K for a discussion of our critical accounting estimates and assumptions.

NEW ACCOUNTING PRONOUNCEMENTS

See Note 1 to our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

Our future income and cash flows relevant to financial instruments are dependent upon prevalent market interest rates. Market risk refers to the risk of loss from adverse changes in market prices and interest rates.

As of **September 30, 2022** **March 31, 2023**, we had **\$375.0 million** **\$645.0 million** of outstanding USD-denominated variable-rate debt and **\$250 million** **\$250 million** of outstanding CAD-denominated variable-rate debt under the Senior Unsecured Term Loan Facility. This consisted of our Senior Unsecured Term Loan A Facility bearing interest at one-month SOFR for the USD tranche and one-month CDOR for the CAD tranche, plus a margin of up to **0.95%** **0.94%**. We have entered into interest rate swaps to effectively lock in the floating rates on **\$200 million** **all** of our USD-denominated term loan at a weighted average rate of **4.70%** **4.39%** and **\$250 million** of our outstanding CAD-denominated term loan at a weighted average rate of **4.54%** **4.53%**. After incorporating the effects of the interest rate swaps, **our we have no outstanding variable rate variable term loan debt is \$175 million.** **debt.**

Additionally, we had **C\$50.0** **45.0** million, **E68.5** **E78.0** million, **AUD\$133.5** **A\$152.0** million, **\$233** **\$323.0** million USD, **€30.5** **€44.5** million, and **\$13.0 million** **\$13.0 million** NZD outstanding of Senior Unsecured Revolving Credit Facility draws. At **September 30, 2022** **March 31, 2023**, one-month term and daily SOFR was at approximately **3.08%** and **2.99%** **4.80%**, respectively, one-month CDOR was at **3.69%** **approximately 4.94%**, one-month SONIA was at **2.19%** **4.18%**, one-month AUD BBSW was approximately **2.53%** **3.68%**, one-month EURIBOR was approximately **0.70%** **2.91%**, and one-month BKBM was approximately **3.41%** **4.37%**. The interest rate paid on borrowings can never drop below 0%, although the associated benchmark rate does. Therefore, a 100 basis point increase in market interest rates would result in an increase in annual interest expense to service our variable-rate debt of approximately **\$6.4 million** **\$6.1 million**, and a 100 basis point decrease in market interest rates would result in a **\$6.3 million** **\$6.1 million** decrease in annual interest expense.

Foreign Currency Risk

As it relates to the currency of countries where we own and operate warehouse facilities and provide logistics services, our foreign currency risk exposure at **September 30, 2022** **March 31, 2023** was not materially different than what we disclosed in our **2022 Annual Report on Form 10-K** **for as filed with the year ended December 31, 2021, SEC.** The information concerning market risk in Item 7A under the caption "Quantitative and Qualitative Disclosures about Market Risk" of our **2022 Annual Report on Form 10-K**, **for the year ended December 31, 2021,** is hereby incorporated by reference in this Quarterly Report on Form 10-Q.

Item 4. Controls and Procedures

Evaluation of Controls and Procedures

In accordance with Rule 13a-15(b) of the Exchange Act, the Company's management, with the participation of the Chief Executive Officer and the Chief Financial Officer, carried out an evaluation of the effectiveness of the Company's "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act, as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of **September 30, 2022** **March 31, 2023.**

Our management is responsible for establishing and maintaining adequate "internal control over financial reporting," as defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Our management, including the Chief Executive Officer and Chief Financial Officer do not expect that our internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the

fact that there are resource constraints and the benefits of controls must be considered relative to their costs.

Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rule 13a - 15(f) of the Exchange Act) identified in connection with the evaluation required by Rule 13a-15(d) under the Exchange Act during the quarter ended **September 30, 2022** **March 31, 2023** that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

7758

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may be party to a variety of legal proceedings arising in the ordinary course of our business. We are not a party to, nor is any of our property a subject of, any material litigation or legal proceedings or, to the best of our knowledge, any threatened litigation or legal proceedings which, in the opinion of management, individually or in the aggregate, would have a material impact on our business, financial condition, liquidity, results of operations and prospects.

See Note **98** - Commitments and Contingencies to our Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for information regarding material legal proceedings in which we are involved.

Item 1A. Risk Factors

Investing The following risk factor provides a supplement and update to the risk factors described in **our common shares involves risks and uncertainties. You should consider and read the information contained in our 2021 Company's Annual Report on Form 10-K including for the risk factors identified year ended December 31, 2022 in response to Item 1A of Part I thereof (Risk Factors) of such Form 10-K, in order to provide information regarding a recent cybersecurity incident.**

A failure of our information technology systems, cybersecurity attacks or a breach of our information security systems, networks or processes could cause business disruptions and the loss of confidential information and may materially adversely affect our business.

We rely extensively on our computer systems to process transactions, operate and manage our business. Despite efforts to avoid or mitigate such risks, external and internal risks, such as malware, ransomware, insecure coding, data leakage and human error pose direct threats to the stability and effectiveness of our information technology systems. The failure of our information technology systems to perform as anticipated, and the failure to integrate disparate systems effectively or to collect data accurately and consolidate it a useable manner efficiently could adversely affect our business through transaction errors, billing and invoicing errors, processing inefficiencies or errors and loss of sales, receivables, collections and customers, in each case, which could result in reputational damage and have an ongoing adverse effect on our business, results of operation and financial condition.

We may also be subject to cybersecurity attacks and other intentional hacking. These attacks could include attempts to gain unauthorized access to our data and computer systems. In particular, as discussed further below, our operations have been, and may in the future be, subject to ransomware or cyber-extortion attacks, which could significantly disrupt our operations. Generally, such attacks involve restricting access to computer systems or vital data. We employ a number of measures to prevent, detect and mitigate these threats, which include password protection, frequent password changes, firewall detection systems, frequent backups, a redundant data system for core applications and annual penetration testing; however, there is no

guarantee such efforts will be successful in preventing a cybersecurity attack. A cybersecurity attack or breach could compromise the confidential information of our associates, customers and vendors. A successful attack could result in service interruptions, operational difficulties, loss of revenue or market share, liability to our customers or others, diversion of corporate resources and injury to our reputation and increased costs. In such cases, we may have to operate manually, which may result in considerable delays in our **Quarterly Report** handling of and damage to perishable products or interruption to other key business processes. Addressing such issues could prove difficult or impossible and be very costly. Responding to claims or liability could similarly involve substantial costs. In addition, our customers rely extensively on **Form 10-Q** for computer systems to process transactions and manage their business and thus their businesses are also at risk from, and may be impacted by, cybersecurity attacks. An interruption in the **quarter ended March 31, 2022**. Any business operations of our

customers or a deterioration in their reputation resulting from a cybersecurity attack could indirectly impact our business operations.

Our computer network has been subjected to cyber attacks from time to time. We previously suffered a cyber attack in November 2020 and more recently identified a separate cyber incident in April 2023. In late April 2023, we determined that our information technology system had experienced a cybersecurity incident. We immediately implemented containment measures and took operations offline to secure our systems and reduce disruption to our business and customers. We have launched a review of the **risks discussed** nature and scope of the incident, are working closely with cybersecurity experts and legal counsel, and have reported the matter to law enforcement.

As a result of the April 2023 cyber incident, our operations have been impacted. In particular, the incident resulted in a significant number of our **2021 Annual Report** facilities being unable to receive or deliver products for a period of time. Such operational impacts have resulted in, and may continue to result in, considerable delays in the delivery of our products to our customers or interruption to other key business processes.

While our full investigation into the April 2023 cyber incident is still ongoing, our initial examination revealed unauthorized access to personal information. We are currently working to identify populations of impacted individuals in order to make notifications to impacted individuals and to regulators, in accordance with applicable law. As a result of this unauthorized access, we may be subject to subsequent investigations, claims or actions in addition to other costs, fines, penalties, or other obligations related to impacted data. In addition, the misuse, or perceived misuse, of sensitive or confidential information regarding our business could cause harm to our reputation and result in the loss of business with existing or potential customers, which could adversely impact our business, results of operations and financial condition.

Based on **Form 10-K** the information currently known, we cannot yet determine whether the April 2023 cybersecurity attack will have a material impact on our business, results of operations or financial condition, and in other reports no assurances can be given as we file with continue to assess the **SEC**, and other risks we have not anticipated or discussed, full impact from the incident. We may also be subject to future incidents that could have a material adverse impact effect on our business, results of operations or financial condition or results of operations. may result in operational impairments and financial losses, as well as significant harm to our reputation.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits**Index to Exhibits**

Exhibit No.	Description
<u>10.1</u> #	Form of Waiver ATM Equity Offering Sales Agreement, dated March 17, 2023, among the Company, the Operating Partnership, the Agents and Release the Forward Purchasers (incorporated by reference to Exhibit 10.1.1 to Americold Realty Trust, Inc.'s Trust's Current Report on Form 8-K filed on July 7, 2022 (File No. 001-34723))
<u>10.2</u> #	David Moore Offer Letter (incorporated by reference to Exhibit 10.1 to Americold Realty Trust, Inc.'s Current Report on Form 8-K filed on August 15, 2022 (File No. 001-34723))
<u>10.3</u> #	Richard Winnall Offer Letter (incorporated by reference to Exhibit 10.2 to Americold Realty Trust, Inc.'s Current Report on Form 8-K filed on August 15, 2022 (File No. 001-34723))
<u>10.4</u>	Credit Agreement (incorporated by reference to Exhibit 10.1 to Americold Realty Trust, Inc.'s Current Report on Form 8-K filed on August 24, 2022 March 17, 2023 (File No. 001-34723))
<u>31.1</u>	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 - Americold Realty Trust
<u>31.2</u>	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 - Americold Realty Trust
<u>32.1</u>	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 - Americold Realty Trust
<u>32.2</u>	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 - Americold Realty Trust
101	The following financial statements of Americold Realty Trust's Form 10-Q for the quarter ended September 30, 2022 March 31, 2023, formatted in XBRL interactive data files: (i) Condensed Consolidated Balance Sheets as of September 30, 2022 March 31, 2023 and December 31, 2021 December 31, 2022; (ii) Condensed Consolidated Income Statements for the three and nine months ended September 30, 2022 March 31, 2023 and 2021; 2022; (iii) Condensed Consolidated Statements of Comprehensive Income for the three and nine months ended September 30, 2022 March 31, 2023 and 2021; 2022; (iv) Condensed Consolidated Statements of Equity for the three and nine months ended September 30, 2022 March 31, 2023 and 2021; 2022; (v) Condensed Consolidated Statements of Cash Flows for the nine three months ended September 30, 2022 March 31, 2023 and 2021; 2022; and (vi) Notes to Condensed Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

SIGNATURES

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.

AMERICOLD REALTY TRUST, INC.

(Registrant)

Date: **November** **May** 4, 2022 2023

By: **/s/ Marc J. Smernoff**

Name: **Marc J. Smernoff**

Title: **Chief Financial Officer and Executive Vice President**

(On behalf of the registrant and as principal financial officer)

Exhibit 31.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) OF THE EXCHANGE ACT, AS AMENDED,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, George Chappelle Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Americold Realty Trust, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (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 and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **November** 4, 2022 **May** 4, 2023

/s/ George F. Chappelle Jr.
George F. Chappelle Jr.
Chief Executive Officer and Director

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) OF THE EXCHANGE ACT, AS AMENDED,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Marc Smernoff, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Americold Realty Trust, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (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 and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **November 4, 2022** **May 4, 2023**

/s/ Marc J. Smernoff
Marc J. Smernoff
Chief Financial Officer and Executive Vice President

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 this Quarterly Report on Form 10-Q of Americold Realty Trust, Inc. (the "Company") for the fiscal period ended **September 30, 2022** **March 31, 2023** as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, George Chappelle Jr., Chief Executive Officer and Trustee of the Company, certify, pursuant to 18 U.S.C.

Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or Section 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 the Company.

Dated: **November 4, 2022** **May 4, 2023**

/s/ George F. Chappelle Jr.

George F. Chappelle Jr.
Chief Executive Officer and Director

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Quarterly Report on Form 10-Q of Americold Realty Trust, Inc. (the "Company") for the fiscal period ended **September 30, 2022** **March 31, 2023** as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Marc Smernoff, Chief Financial Officer and Executive Vice President of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or Section 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 the Company.

Dated: **November 4, 2022** **May 4, 2023**

/s/ Marc J. Smernoff

Marc J. Smernoff
Chief Financial Officer and Executive Vice President

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