Risk Factors Comparison 2024-02-29 to 2023-02-27 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

Risks Related to our Business and Operations • our investments are concentrated in the temperature- controlled warehouse industry; • inflation could continue to have a negative impact on our business and results of operation; • labor shortages, increased turnover and work stoppages may have a material adverse effect on us ~~; • wage increases driven by competitive pressures~~ and ~~applicable legislation; • labor shortages, disruptions or inefficiencies~~ may negatively impact our customers' ability to produce and ship products for storage; • supply chain disruptions may continue to have a material adverse impact on us; • risks associated with expansion and development, which could result in lower than expected returns and unforeseen costs and liabilities; • the short- term nature and lack of fixed storage commitments of many of our customer contracts; • ~~our growth may strain our management and resources; • a portion of our growth depends upon acquisitions and we may be unable to identify, complete and successfully integrate acquisitions; •~~ we may be unable to successfully expand our operations into new markets; • ~~we face various risks and uncertainties related to public health crises, such as the novel coronavirus and its variants (COVID-19); •~~ a failure or breach of our information technology systems, cybersecurity attacks or a breach of our information security systems, networks or processes could cause business disruptions, loss of confidential information, remediation costs or damages; • issues with maintaining, upgrading and implementing our information technology systems, potential cost overruns, timing and control risks and failure to recognize anticipated savings and increased productivity; • privacy and data security concerns and restrictions may adversely affect our business ~~; • we may not be reimbursed for increases in operating expenses and other real estate costs~~ ; • our temperature- controlled warehouses are concentrated in certain geographic areas, some of which are susceptible to adverse local conditions such as natural disasters, economic slowdown and localized oversupply of warehouse space; • ~~our current and potential international operations and properties subject us to risks different from those we face domestically and we may not be able to manage our international business effectively; •~~ competition in our markets may increase over time as our competitors open new or expand existing warehouses; • ~~our power costs may increase or be subject to volatility; •~~ we depend on certain customers for a substantial amount of our warehouse segment revenues ~~; • foreign exchange rates and other hedging activity exposes us to risks, including the risk that a counterparty will not perform and that the hedge will not yield the benefits we anticipate~~ ; • we may incur liabilities or reputational harm from quality- control issues associated with our services; • ~~we are subject to risks related to corporate governance, social and environmental responsibility and reputation; •~~ our temperature- controlled warehouse infrastructure may become obsolete or unmarketable; • we ~~use in- house trucking services to provide transportation services to our customers and any increased severity or frequency of accidents or other claims, changes in regulation or disruptions in service could have a material adverse effect on us; • we use third- party trucking service providers to provide transportation services to our customers and any delay or disruption in these services or damage to products during transport could have a material adverse effect on us; • we could face liability from our participation in multiemployer pension plans administered by labor unions; • we~~ could experience power outages or breakdowns of our refrigeration equipment; • we hold leasehold interests in ~~59~~ **57** of our warehouses, which we may be forced to vacate if we default on our obligations thereunder or are unable to renew such leases upon their expiration; • charges for impairment of goodwill or other long- lived assets and declining real estate valuations could adversely affect our earnings and financial condition; • ~~political and economic conditions could negatively impact our investment in our foreign joint ventures; •~~ geopolitical conflicts ~~, including the conflict between Russia and Ukraine,~~ may adversely affect our business and results of operation. General Risks Related to the Real Estate Industry • ~~our performance is subject to economic conditions in the real estate market and the broader economy; • costs relating to the presence, removal or abatement of asbestos, ammonia and other chemicals and underground storage tanks; •~~ we could incur significant costs ~~related~~ **and liabilities due** to environmental ~~conditions and liabilities~~ **problems, climate change or natural disasters** ; • ~~risks related to climate change or natural disasters could have a material adverse effect on our results of operations; •~~ our insurance coverage may be insufficient to cover potential ~~environmental~~ liabilities **or losses** ; • our properties may contain or develop harmful molds or have other air quality issues; • illiquidity of real estate developments could ~~significantly~~ impede our ability to respond to adverse changes ~~; • we could experience uninsured or under- insured losses relating to our warehouses or other assets; • costs of complying with governmental laws and regulations could adversely affect us or our customers~~ ; • ongoing litigation risks which could result in material liabilities and harm our business; • our current and future joint venture investments face risks stemming from our partial ownership interests **in such properties** ~~, lack of sole decision making authority, reliance upon our partners' financial condition, disputes and other risks~~ . Risks Related to our Debt Financings • we have a substantial amount of indebtedness that may limit our financial and operating activities; • increases in interest rates could increase the amount of our debt service **;** • we are dependent on external sources of capital, the continuing availability of which is uncertain; • adverse changes in our credit ratings could negatively impact our financing activity; • any indebtedness containing covenants restricting our ability to engage in certain activities. Risks Related to our Organization and Structure • ~~provisions of Maryland law may limit the ability of a third party to acquire control of our company; •~~ our board of directors can take many actions even if our stockholders disagree or if they are otherwise not in the stockholders' ~~s~~ best interest ~~; • our articles of incorporation contain provisions that make removal of our directors difficult~~ ; • certain rules and restrictions in our articles of incorporation have an anti- takeover effect ~~; • our rights and the rights of our stockholders to take action against our directors and officers are limited~~ ; • we have fiduciary duties as the general partner of our Operating Partnership. Risks Related to our Common Stock • cash available for distribution to stockholders may not be sufficient to pay distributions at expected levels; • any future debt could dilute our existing stockholders and may be senior to our common stock ~~; • any future issuance of additional equity could dilute our existing stockholders~~ ; • common stock eligible for future sale may have adverse effects on the market price of our common stock. REIT and Tax Related Risks • our failure to qualify as a REIT for U. S. federal income tax purposes, or our failure to remediate if we failed, could have a material adverse effect on us; • meeting annual distribution requirements could result in material harm to our company; • we conduct a portion of our business through TRSs, which are subject to certain tax risks; • complying with REIT requirements may cause us to forgo otherwise attractive opportunities; • future changes to the U. S. federal income tax laws could have a material adverse impact on us; • distributions payable by REITs generally do not qualify for any reduced tax rates; • we may be subject to U. S. federal, state, local and foreign taxes, reducing funds available for distribution; • complying with REIT requirements may result in tax liabilities and limit our ability to hedge; and • ~~if~~ our Operating Partnership ~~fails~~ **' s failure** to qualify as a partnership for U. S. federal income tax purposes ~~.~~ **could have a material adverse impact on us** Risk Factors Set forth below are certain risk factors that could harm our business, results of operations and financial condition. You should carefully read the following risk factors, together with the financial statements, related notes and other information contained in this Annual Report on Form 10- K. Our business, financial condition and operating results may suffer if any of the following risks are realized. If any of these risks or uncertainties occur, the trading price of our common stock could decline and you might lose all or part of your investment. This Annual Report on Form 10- K contains forward- looking statements that contain risks and uncertainties. Please refer to the discussion of " Cautionary Statement Regarding Forward- Looking Statements. " Our investments are concentrated in the temperature- controlled warehouse industry ~~, and our business would be materially and adversely affected by an economic downturn in that industry or the markets for our customers' products~~ . Our investments in real estate assets are concentrated in the industrial real estate industry, specifically in temperature- controlled warehouses. This concentration exposes us to the risk of economic downturns in this industry to a greater extent than if our business activities included a more significant portion of other sectors of the real estate market. We are also exposed to fluctuations in the markets for, and production of, the commodities and finished products that we store in our warehouses ~~. For example, the demand for poultry and poultry products and the production of such products directly impacts the need for temperature- controlled warehouse space to store poultry and poultry products for our customers~~ . Although our customers store a diverse product mix in our temperature- controlled warehouses, declines in production of or demand for their products could cause our customers to reduce their inventory levels at our warehouses, which could reduce the storage and other fees payable to us and materially and adversely affect us. Inflation has and may continue to have a negative impact on our business and results of operation. ~~Inflation in the United States, Europe, Australia / New Zealand and South America has risen to levels not experienced in recent decades and we are seeing its impact on various aspects of our business.~~ Certain of our expenses, including ~~, but not limited to,~~ utility costs (power in particular), labor costs, interest expense, property taxes, insurance premiums, equipment repair and replacement, and other operating expenses are subject to inflationary pressures that have and may continue to negatively impact our business and results of operation. While we seek to mitigate the impact of inflation by increased operating efficiencies and ~~embedded rate escalation or~~ price increases to our customers ~~to offset increased costs~~ , there can be no assurance that we will be able to offset ~~future inflationary~~ cost increases in whole or in part, which could adversely impact our profit margins. Labor shortages, increased turnover and work stoppages may disrupt our operations, increase costs and negatively impact our profitability. Our ability to successfully implement our business strategy depends upon our ability to attract and retain talented people and effectively manage our human capital. The labor markets in the industries in which we operate are competitive. We have recently experienced increased labor shortages at some of our warehouses and other locations, and while we have historically experienced some level of ordinary course turnover of employees, ~~the~~ **these trends** ~~COVID- 19 pandemic and resulting actions, as well as other macro- economic headwinds such as inflation and supply change disruptions~~ have ~~exacerbated labor shortages and~~ increased ~~turnover~~ . A number of factors have had and may continue to have adverse effects on the labor force available to us, including reduced employment pools, and other government regulations, which include laws and regulations related to workers' health and safety, wage and hour practices and immigration. In addition, we seek to optimize our mix of permanent and temporary associates in our facilities, as temporary associates typically result in higher costs and lower efficiency. Labor shortages and increased turnover rates within our associate ranks have led to and could in the future lead to increased costs, such as increased overtime to meet demand and increased wage rates to attract and retain associates and could negatively affect our ability to efficiently operate our facilities or otherwise operate at full capacity. An overall or prolonged labor shortage, lack of skilled labor, inability to maintain a stable mix of permanent to temporary associates, increased turnover and labor inflation could have a material adverse impact on our operations, results of operations, liquidity or cash flows. Furthermore, certain portions of our operations are subject to collective bargaining agreements. As of December 31, ~~2022~~ **2023** , worldwide, we employed **14** ~~approximately 15~~ , ~~484~~ **706** people, approximately 29 % of whom were represented by various local labor unions. Unlike owners of industrial warehouses, we hire our own workforce to handle product in and out of storage for our customers. Strikes, slowdowns, lockouts or other industrial disputes could cause us to experience a significant disruption in our operations, as well as increase our operating costs, which could materially and adversely affect us. If a greater percentage of our workforce becomes unionized, or if we fail to re- negotiate our expired or expiring collective bargaining agreements on favorable terms in a timely manner ~~or at all~~ , we could be materially and adversely affected **. Finally, our customers' operations are subject to labor shortages and disruptions that could negatively impact their production capability, resulting in reduced volume of product for storage. In addition, labor shortages and disruptions impacting the transportation industry may hamper the timely movement of goods into and out of our warehouses. These labor shortages and disruptions could in turn have a material adverse effect on us** . Wage increases driven by competitive pressures or applicable legislation on employee wages and benefits could negatively affect our operating margins and our ability to attract qualified personnel. Our hourly associates in the U. S. and internationally are typically paid wage rates above the applicable minimum wage. However, increases in the minimum wage will increase our labor costs if we are to continue paying our hourly associates above the applicable minimum wage. If we are unable to continue paying our hourly associates above the applicable minimum wage **and otherwise offer attractive employee benefits at a suitable cost** , we may be unable to hire and retain qualified personnel. The U. S. federal minimum wage has been $ 7. 25 per hour since July 24, 2009. From time to time, various U. S. federal, state and local legislators have proposed or enacted significant changes to the minimum wage requirements. For example, certain local or regional governments in places such as Chicago, Los Angeles, Seattle, San Francisco, Portland and New York have approved phased- in increases that eventually will take their minimum wage to as high as $ 16. 00 per hour. In addition, specific legislative and regulatory proposals regarding an increase in the federal minimum wage have been discussed recently. If such increases were to occur nationally or in specific markets in which we operate, our operating margins would be negatively affected ~~unless we are able to increase our rent, storage fees and handling fees in order to pass increased labor costs on to our customers~~ . Our standard contract forms include rate protection for uncontrollable costs such as labor, or costs associated with regulatory action, however, despite such provisions, we may not be able to fully pass through these increased costs. ~~Competitive pressures may also require that we enhance our pay and benefits package to compete effectively for such personnel (including costs associated with health insurance coverage or workers' compensation insurance) or offer retention bonuses. If we fail to attract and retain qualified and skilled personnel, we could be materially and adversely affected. Labor shortages, disruptions or inefficiencies may continue to negatively impact our customers' ability to produce products for storage and ability to ship products to our warehouses. Our customers' operations are subject to labor shortages and disruptions that could continue to negatively impact their production capability, resulting in reduced volume of product for storage. In addition, labor shortages and disruptions impacting the transportation industry may hamper the timely movement of goods into and out of our warehouses. These labor shortages and disruptions could in turn have a material adverse effect on us. Supply chain disruptions may continue to negatively impact our business. Our business has been impacted by ongoing supply chain disruptions, which have impacted, among other things, labor availability, raw material availability, manufacturing and food production, construction materials and transportation. Continued disruptions in the supply chain impacting the availability of materials, causing delays in manufacturing and production, including in our customers' products, shipping delays and other supply chain problems could materially and adversely impact us.~~ We are exposed to risks associated with expansion and development, which could result in returns below expectations and unforeseen costs and liabilities. We have engaged, and expect to continue to engage, in expansion and development activities with respect to certain of our legacy or newly acquired properties. Expansion and development activities subject us to certain risks not present in the acquisition of existing properties (the risks of which are described below), including, without limitation, the following: • our pipeline of expansion and development opportunities is at various stages of discussion and consideration and ~~, based on historical experiences,~~ many of them may not be pursued or completed ~~as contemplated or at all~~ ; • the availability and timing of financing on favorable terms ~~or at all~~ ; • the availability and timely receipt of zoning and regulatory approvals ~~, which could result in increased costs and could require us to abandon our activities entirely with respect to the warehouse for which we are unable to obtain permits or authorizations~~ ; • the cost and timely completion within budget of construction due to increased land, materials, equipment, labor or other costs (including risks beyond our control, such as weather or labor conditions, or material shortages), which could make completion of ~~the~~ **a** warehouse or the expansion thereof uneconomical, and we may not be able to increase revenues to compensate for the increase in construction costs; • we may be unable to complete construction of a warehouse or the expansion thereof on schedule due to availability of labor, equipment or materials or other factors outside of our control, resulting in increased debt service expense and construction costs; • supply chain disruptions or delays in receiving materials or support from vendors or contractors could impact the timing of stabilization of expansion and development projects; • the potential that we may expend funds on and devote management time and attention to projects which we do not complete; • a completed expansion project or a newly- developed warehouse may fail to achieve, or take longer than anticipated to achieve, expected occupancy rates and may fail to perform as expected; • projects to automate our existing or new warehouses may not perform as expected or achieve the anticipated operational efficiencies; and • we may not be able to achieve targeted returns and budgeted stabilized returns on invested capital on our expansion and development opportunities due to the risks described above, and an expansion or development may not be profitable and could lose money. These risks could create substantial unanticipated delays and expenses and, in certain circumstances, prevent the initiation or completion of expansion or development as contemplated or at all, any of which could materially and adversely affect us. The short- term nature and lack of fixed storage commitments of many of our customer contracts exposes us to certain risks that could have a material adverse effect on us. On an annualized basis assuming all ~~2022~~ **2023** acquisitions occurred as of the beginning of the year, ~~41~~ **52** . ~~9~~ **2** % of rent and storage revenue were generated from fixed commitment storage contracts or leases with customers for the year ended December 31, ~~2022~~ **2023** . Our customer contracts that do not contain fixed storage commitments typically do not require our customers to utilize a minimum number of pallet positions or provide for guaranteed fixed payment obligations from our customers to us. ~~As a result, most of our customers may discontinue or otherwise reduce their use of our warehouses or other services in their discretion at any time which could have a material adverse effect on us.~~ Additionally, we have discrete pricing for our customers based upon their unique profiles. Therefore, a shift in the mix of business types or customers could negatively impact our financial results. The storage and other fees we generate from customers with month- to- month warehouse rate agreements may be adversely affected by declines in market storage and other fee rates more quickly than with respect to our contracts that contain stated terms. There also can be no assurance that we will be able to retain any customers upon the expiration of their contracts (whether month- to- month warehouse rate agreements or contracts) or leases. If we cannot retain our customers, or if our customers that are not party to contracts with fixed storage commitments elect not to store goods in our warehouses, we may be unable to find replacement customers on favorable terms ~~or at all or on a timely basis~~ and we may incur significant expenses in obtaining replacement customers and repositioning warehouses to meet their needs. Any of the foregoing could materially and adversely affect us ~~. Our growth may strain our management and resources, which may have a material adverse affect on us. We~~

~~have grown rapidly in recent years, including by expanding our internal resources, making acquisitions, and entering new markets. Our growth has, and may continue to, place a strain on our management, operational, financial and information systems, and procedures and controls to expand, train and control our employee base. Our need for working capital will increase as our operations grow. We can provide no assurance that we will be able to adapt our portfolio management, administrative, accounting, information technology and operational systems to support any growth we may experience. Failure to oversee our current portfolio of properties and manage our growth effectively, or to obtain necessary working capital and funds for capital improvements, could have a material adverse effect on our business, results of operations, cash flow, financial condition and stock price~~ . A portion of our future growth depends upon **our ability** ~~acquisitions and we may be unable~~ to identify ~~, complete~~ and successfully integrate acquisitions ~~, which may impede our growth, and our future acquisitions may not achieve their intended benefits or may disrupt our plans and operations~~ . Our ability to expand through acquisitions requires us to identify and complete acquisitions that are compatible with our growth strategy and to successfully integrate and operate these newly- acquired businesses. ~~We continually evaluate acquisition opportunities, but cannot guarantee that suitable opportunities currently exist or will exist in the future.~~ Our ability to identify and acquire suitable properties on favorable terms and to successfully integrate **is subject to** ~~and operate them may be constrained by~~ the following risks: • we face competition from other real estate investors with significant capital, ~~including REITs, institutional investment funds and special purpose acquisition companies,~~ which may be able to accept more risk than we can prudently manage, including risks associated with paying higher acquisition prices; • we ~~face competition from other potential acquirers that may significantly increase the purchase price for a property we acquire, which could reduce our growth prospects or returns; • we~~ may incur significant costs and divert management' s attention in connection with evaluating and negotiating potential acquisitions, including ones that we are subsequently unable to complete; • ~~we may acquire properties that are not accretive to our operating and financial results upon acquisition, and~~ we may be unsuccessful in integrating and operating such properties in accordance with our expectations; • our cash flow from an acquired property may be insufficient to meet our required principal and interest payments with respect to any debt used to finance the acquisition of such property ~~; • we may discover unexpected items, such as unknown liabilities, during our due diligence investigation of a potential acquisition or other customary closing conditions may not be satisfied, causing us to abandon an acquisition opportunity after incurring expenses related thereto~~ ; • we may face opposition from governmental authorities or third parties alleging that potential acquisition transactions are anti- competitive, and as a result, we may have to spend a significant amount of time and expense to respond to related inquiries, or governmental authorities may prohibit the transaction or impose terms or conditions that are unacceptable to us; • we may fail to obtain financing for an acquisition on favorable terms or at all; • we may ~~be unable to make, or may spend more than budgeted amounts to make, necessary improvements or renovations to acquired properties; • we may~~ spend more than budgeted amounts to meet customer specifications on a newly- acquired warehouse; • **we may, with limited recourse, acquire properties subject to environmental and other historical liabilities. •** market conditions may result in higher than expected vacancy rates and lower than expected storage charges, rent or ~~fees~~ - **fee** ~~;~~ **:** or • we may, without any recourse, or with only limited recourse, acquire properties subject to liabilities, such as liabilities for clean- up of undisclosed environmental contamination, claims by customers, vendors or other persons dealing with the former owners of the properties, liabilities incurred in the ordinary course of business and claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the properties ~~.~~ Our inability to identify and complete suitable property acquisitions on favorable terms or at all, could have a material adverse effect on us. The expected synergies and operating efficiencies of our acquisitions, may not be fully realized, which could result in increased costs and / or lower revenues and have a material adverse effect on us. In addition, the overall integration of the businesses may result in material unanticipated problems, expenses, liabilities, competitive responses, loss of customer relationships and diversion of management' s attention, among other potential consequences. Acquired businesses may also be subject to unknown or contingent liabilities for which we may have no or limited recourse against the sellers. The total amount of costs and expenses that we may incur with respect to liabilities associated with our acquisitions may exceed our expectations, which may materially and adversely affect us. We may be unable to successfully expand our operations into new markets. If the opportunity arises, we may acquire or develop properties in new markets ~~. In particular~~ , **including** ~~we have determined to strategically grow our warehouse portfolio in attractive~~ international markets. In addition ~~to~~ the risks **generally applicable** ~~described above under " — A portion of our future growth depends upon acquisitions and we may be unable~~ to ~~identify and complete acquisitions of suitable properties, which may impede~~ our ~~growth~~ **business** , ~~and our future acquisitions may not yield the returns we expect " and " — We are exposed to risks associated with expansion and development, which could result in returns below expectations and unforeseen costs and liabilities, "~~ the acquisition or development of properties in new markets will subject us to the risks associated with a lack of understanding of the related economy and unfamiliarity with government and permitting procedures. We will also not possess the same level of familiarity with the dynamics and market conditions of any new market that we may enter, which could adversely affect our ability to successfully expand and operate in such market. We may be unable to build a significant market share or achieve a desired return on our investments in new markets. If we are unsuccessful in expanding and operating in new, high- growth markets, it could have a material adverse effect on us. ~~Pandemics or disease outbreaks, such as the COVID- 19 pandemic and associated responses, may disrupt our business, including among other things, increasing our costs, impacting our supply chain, and impacting demand for cold storage, which could have a material adverse impact on our business. We face various risks and uncertainties related to public health crises, such as the COVID- 19 pandemic, including: • supply chain disruptions; • potential work stoppages, including stoppages due to spread of the disease among our associates or our customers' work forces or due to shutdowns that may be requested or mandated by governmental authorities; • labor unrest due to risks of disease from working with other associates and outside vendors; • economic impacts, including increased labor costs, from mitigation and other measures undertaken by us and / or third parties to support and protect our associates or the food supply; • completing developments on time or an inability of our~~

~~contractors to perform as a result of spread of disease among associates of our contractors and other construction partners, travel restrictions or due • limiting the ability of our customers to comply with the terms of their contracts with us, including making timely payments to us, due to, among other factors, labor shortages impacting our customers' ability to manufacture and transport product; • limiting the ability of our suppliers and partners to comply with the terms of their contracts with us, including in making timely delivery of supplies, such as ammonia, to us necessary for the operation of our temperature-controlled warehouses; • long- term volatility in or reduced demand for temperature- controlled warehouse storage and related handling and other warehouse services; • adverse impact on the value of our real estate; and • reduced ability to execute our growth strategies, including identifying and completing acquisitions and expanding into new markets. The extent to which a public health emergency, such the COVID- 19 pandemic, impacts our operations will depend on future developments, which are highly uncertain and cannot be predicted with any degree of confidence, including the scope, severity, duration and geographies of the outbreak, the actions taken to contain the outbreak or mitigate its impact requested or mandated by governmental authorities or otherwise voluntarily taken by individuals or businesses, and the direct and indirect economic effects of the illness and containment measures, among others.~~ 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 **in** 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~~ **operations** 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 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~~ **Additionally, a successful attack may result in our customers making monetary** claims ~~or liability could similarly involve substantial costs~~ **against us pursuant to the terms of their contracts with us, the amount of which may be significant**. In addition, our customers rely extensively on 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 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. ~~In~~ **We previously suffered a cyber attack in** November 2020 **and more recently identified** ~~, our computer network was affected by~~ a **separate** cyber ~~security~~ incident **in April 2023 (the " Cyber incident ")**. We **immediately implemented containment measures** ~~incurred costs relating to this event, including to retain third party consultants~~ and ~~forensic~~ **took operations offline to secure our systems and reduce disruption to our business and customers. We have reviewed the nature and scope of the incident, working closely with cybersecurity** experts ~~to assist with the restoration~~ and **legal counsel** ~~remediation of systems and~~, ~~with~~ **and have reported** the ~~assistance of~~ **matter to** law enforcement **. As a result of** ~~, to investigate and respond to~~ the **April 2023 Cyber** incident, **our operations were impacted. In particular, the incident resulted in a significant number of our facilities being unable to receive or deliver products for a period of time. Such operational impacts resulted in considerable delays in the delivery of our products to our customers and interruption to other key business processes for a period of time. We have also received a number of claims from our customers pursuant to the terms of their contracts** as ~~well~~ **a result of this incident, and we have established a reserve for these claims. The expense is reflected in " Acquisition, cyber incident and other, net " on the Consolidated Statement of Operations for the year ended December 31, 2023, and the reserve balance is included in " Accounts payable and accrued expenses " in our Consolidated Balance Sheet** as ~~increased expenditures for our~~ **of December 31, 2023. Our investigation into the April 2023 Cyber incident revealed unauthorized access to personal** information ~~technology (IT) infrastructure, systems and network and instituting in- house cyber security training for our associates~~. We ~~carry insurance~~ **are currently in the process of completing our notifications to impacted individuals and regulators**, **in accordance** ~~including cyber insurance commensurate~~ with ~~the size and nature~~ **applicable law. As a result** of **this unauthorized access, we have received inquiries from several regulators and purported class action lawsuits have been filed against the company. We may also be subject to subsequent investigations, claims** ~~our~~ - **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**. **We may** ~~While the November 2020 incident did not have a material impact on us, there can~~ be ~~no assurance that~~ **subject to unrelated** future incidents ~~will not~~ **that could** have a material adverse effect on our business, ~~consolidated~~ results of operations **or** ~~, and consolidated~~ financial condition **or may result in operational impairments and financial losses, as well as significant harm to our reputation** . We depend on information technology systems to operate our business, and issues with maintaining, upgrading or implementing these systems, could have a material adverse effect on our business. We rely on the efficient and uninterrupted operation of information technology systems to process, transmit and store electronic information in our day- to-day operations. All information technology systems are vulnerable to damage or interruption from a variety of sources. Our business has grown in size and complexity; this has placed, and will continue to place, significant demands on our information technology systems. To effectively manage this growth, our information systems and applications require an ongoing commitment of significant resources to maintain, protect, enhance and upgrade existing systems and develop and implement new systems to keep pace with changing technology and our business needs. We have ~~began~~ **begun** implementation of " Project Orion ", **a** new ERP and back- office software ~~systems~~ - **system** which will replace certain existing business, operational, and financial processes and systems. This ERP implementation project requires investment of capital and human resources, the re-engineering of business processes, and the attention of many associates who would otherwise be focused on other areas of our business. This system change entails certain risks, including difficulties with changes in business processes that could disrupt our operations, manage our supply chain and aggregate financial and operational data. During the transition, we may continue to rely on legacy information systems, which may be costly or inefficient, while the implementation of new initiatives may not achieve the anticipated benefits and may divert management' s attention from other operational activities, negatively affect associate morale, or have other unintended consequences. Delays in integration or disruptions to our business from implementation of new or upgraded systems could have a material adverse impact on our financial condition and operating results. Additionally, if we are not able to accurately forecast expenses and capitalized costs related to system upgrades and changes, this may have an adverse impact on our financial condition and operating results. If we fail to maintain or are unable to assert that our internal control over financial reporting is effective under the new ERP system, we could adversely affect our ability to accurately report our financial condition, operating results or cash flows. If we have a material weakness in our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be adversely affected, and we could become subject to investigations by the stock exchange on which our securities are listed, the SEC, or other regulatory authorities, which could require additional financial and management resources. If the information we rely upon to run our businesses were to be found to be inaccurate or unreliable, if we fail to maintain or protect our information technology systems and data integrity effectively, if we fail to develop and implement new or upgraded systems to meet our business needs in a timely manner, or if we fail to anticipate, plan for or manage significant disruptions to these systems, our competitive position could be harmed, we could have operational disruptions, we could lose existing customers, have difficulty preventing, detecting, and controlling fraud, have disputes with customers, have regulatory sanctions or penalties imposed or other legal problems, incur increased operating and administrative expenses, lose revenues as a result of a data privacy breach or theft of intellectual property or suffer other adverse consequences, any of which could have a material adverse effect on our business, results of operations, financial condition or cash flows. Privacy and data security concerns, and data collection and transfer restrictions and related regulations may adversely affect our business. Many foreign countries and governmental bodies, including the European Union, where we now conduct business, have laws and regulations concerning the collection and use of personal data obtained from their residents or by businesses operating within their jurisdiction. These laws and regulations often are more restrictive than those in the United States. Laws and regulations in these jurisdictions apply broadly to the collection, use, storage, disclosure and security of data that identifies or may be used to identify or locate an individual, such as names, email addresses and, in some jurisdictions, IP addresses. Recently, there has been heightened interest and enforcement focus on data protection regulations and standards both in the United States and abroad. For example, in ~~November 2020~~ **2023** , California **' s** ~~voters approved Proposition 24 (~~ Consumer Personal Information Law and Agency Initiative ~~)~~ , which ~~will increase~~ **increased** data privacy requirements for our business **took** ~~when its provisions take~~ effect ~~in 2023~~ . We expect that there will continue to be new proposed laws, regulations and industry standards concerning privacy, data protection and information security in the United States, the European Union, and other jurisdictions. ~~For example, the European Commission adopted a General Data Protection Regulation, or the GDPR, that became fully effective on May 25, 2018, superseding prior European Union data protection legislation, imposing more stringent European Union data protection requirements, and providing for greater penalties for noncompliance. The United Kingdom enacted the Data Protection Act that substantially implements the GDPR.~~ More generally, we cannot yet fully determine the impact these or future laws, regulations and standards may have on our business. Privacy, data protection and information security laws and regulations are often subject to differing interpretations, may be inconsistent among jurisdictions, and may be alleged to be inconsistent with our current or future practices. Additionally, we may be bound by contractual requirements applicable to our collection, use, processing, and disclosure of various types of data ~~, including personal data,~~ and may be bound by, or voluntarily comply with ~~, self- regulatory or other~~ industry standards relating to these matters. These and other requirements could increase our costs, impair our ability to grow our business, or restrict our ability to store and process data or, in some cases, impact our ability to operate our business in some locations and may subject us to liability ~~. Any failure or perceived failure to comply with applicable laws, regulations, industry standards, and contractual obligations may adversely affect our business. Further, in view of new or modified foreign laws and regulations, industry standards, contractual obligations and other legal obligations, or any changes in their interpretation, we may find it necessary or desirable to fundamentally change our business activities and practices or to expend significant resources to adapt to these changes. We may be unable to make such changes and modifications in a commercially reasonable manner or at all. The costs of compliance with and other burdens imposed by laws, regulations and standards may limit the use and adoption of our service and reduce overall demand for it~~ . Failure to comply with applicable data protection regulations or standards may expose us to litigation, fines, sanctions or other penalties, which could damage our reputation and adversely impact our business, results of operation and financial condition ~~. Privacy, information security, and data protection concerns may inhibit market adoption of our business, particularly in certain industries and foreign countries~~ . We may not be reimbursed for increases in operating expenses and other real estate costs. We may be limited in our ability to obtain reimbursement from customers under existing warehouse contracts for any increases in operating expenses such as labor, electricity charges, maintenance costs, taxes, including real estate and income taxes, or other real estate- related costs. Unless we are able to offset any unexpected costs, in a timely manner, or at all, with sufficient revenues through new warehouse contracts or new customers, increases in these costs would lower our operating margins and could materially and adversely affect us. Our temperature- controlled warehouses are concentrated in certain geographic areas, some of which are particularly susceptible to adverse local conditions. Although we own or hold leasehold interests in warehouses across the United States and globally, many of these warehouses are concentrated in a few geographic areas. For example, approximately 41 ~~. 2~~ % of our owned or leased warehouses are located in six states; with approximately ~~10~~ **11** . 2 % in Georgia, 7. ~~7~~ **9** % in New Jersey, ~~7~~ **6** . ~~5~~ **9** % in Pennsylvania ~~, 5. 6 % in California~~ , 5. 2 % in **Arkansas, 5. 1 % in** Texas, and ~~5~~ **4** . ~~0~~ **9** % in ~~Arkansas~~ **California,** and approximately 8. ~~2~~ **0** % in Europe (in each case, on a refrigerated cubic- foot basis based on information as of December 31, ~~2022~~ **2023**). We could be materially and adversely affected if conditions in any of the markets in which we have a concentration of properties become less favorable. Such conditions may include natural disasters, periods of economic slowdown or recession, localized oversupply in warehousing space or reductions in demand for warehousing space, adverse agricultural events, disruptions in logistics systems, such as transportation and tracking systems for our customers' inventory, and power outages. Adverse agricultural events include, but are not limited to, the cost of commodity inputs, drought and disease. In addition, adverse weather patterns may affect local harvests, which could have an adverse effect on our customers and cause them to reduce their inventory levels at our warehouses, which could in turn materially and adversely affect us. We are subject to additional risks with respect to our current and potential international operations and properties ~~and our European operations and properties~~ . As of December 31, ~~2022~~ **2023** , we owned or had a leasehold interest in ~~46~~ **47** temperature- controlled warehouses outside the United States, and we managed two warehouses outside the United States on behalf of third parties. We also intend to strategically grow our portfolio globally through acquisitions of temperature- controlled warehouses in attractive international markets ~~to service demonstrable customer demand where we believe the anticipated risk- adjusted returns are consistent with our investment objectives~~ . However, there is no assurance that our existing customer relationships will support our international operations in any meaningful way or at all ~~. Our international operations and properties and in particular our newly acquired European operations and properties, could be affected by factors peculiar to the laws, regulations and business practices of the jurisdictions in which our warehouses are located. These laws, regulations and business practices expose us to risks that are different than or in addition to those commonly found in the United States~~ . Risks relating to our international operations and properties include: • changing governmental rules and policies, including changes in land use and zoning laws; • enactment of laws relating to the international ownership and leasing of real property ~~or mortgages~~ and laws restricting the ability to remove profits earned from activities within a particular country to a person' s or company' s country of origin; • changes in laws or policies governing foreign trade or investment and use of foreign operations or workers, and any negative sentiments towards multinational companies as a result of any such changes to laws, ~~regulations~~ or policies or due to trends such as political populism and economic nationalism; • variations in currency exchange rates and the imposition of currency controls; • adverse market conditions caused by terrorism, civil unrest, natural disasters, infectious disease and changes in **political** ~~international, national or local governmental or economic~~ conditions; • business disruptions arising from public health crises and outbreaks of communicable diseases ~~, including the recent coronavirus outbreak~~ ; • the willingness of U. S. or international lenders to make mortgage loans in certain countries and changes in the availability, cost and terms of ~~secured and unsecured~~ debt resulting from varying governmental economic policies; • the imposition of unique tax structures and changes in real estate and other tax rates and other operating expenses in particular countries, including the potential imposition of adverse or confiscatory taxes; • ~~the potential imposition of restrictions on currency conversions or the transfer of funds; •~~ general political and economic instability; and • our limited experience and expertise in foreign countries, particularly European countries, relative to our experience and expertise in the United States. If any of the foregoing risks were to materialize, they could materially and adversely affect us. Competition in our markets may increase over time if our competitors open new or expand existing warehouses. We compete with other owners and operators of temperature- controlled warehouses (including our customers or potential customers who may choose to provide temperature- controlled warehousing in- house), some of which own properties similar to ours in similar geographic locations. In recent years, certain of our competitors have added, through construction, development and acquisition, temperature- controlled warehouses in certain of our markets. In addition, our customers or potential customers may choose to develop new temperature- controlled warehouses, expand their existing temperature- controlled warehouses or upgrade their equipment. Many of our warehouses are older, and as our warehouses and equipment age and newer warehouses and equipment come onto the market, we may ~~lose existing or potential customers, and we may~~ be pressured to reduce our rent and storage and other fees ~~below those we currently charge~~ in order to retain customers. If we lose one or more customers, we cannot assure ~~you~~ that we would be able to replace those customers on attractive terms or at all. We also may be forced to invest in new construction or reposition existing warehouses at significant costs in order to remain competitive. Increased capital expenditures or the loss of warehouse segment revenues resulting from lower occupancy or storage rates could have a material adverse effect on us. Power costs may increase or be subject to volatility, which could result in increased costs that we may be unable to recover. Power is a major operating cost for temperature- controlled warehouses, and the price of power varies substantially between the markets in which we operate, depending on the power source and supply and demand factors. For ~~each of~~ the years ended December 31, **2023 and** 2022 ~~and 2021~~ , power costs in our warehouse segment accounted for **8.** 9 **% and 9** . 3 ~~% and 8. 6~~ % of the segment' s operating expenses, respectively. We have implemented programs across our warehouses to reduce overall consumption and to reduce consumption at peak demand periods, when power prices are typically highest. However, there can be no assurance that these programs will be effective in reducing our power consumption or cost of power. We have entered into, or may in the future enter into, fixed price power purchase agreements in certain deregulated markets whereby we contract for the right to purchase an amount of electric capacity at a fixed rate per kilowatt. These contracts **generally** do not obligate us to purchase any minimum amounts but would require negotiation if our capacity requirements were to materially differ from historical usage or exceed the thresholds agreed upon. For example, exceeding these thresholds could have an adverse impact on our incremental power purchase costs ~~if we were to be unable to obtain favorable rates on the incremental purchases~~ . If the cost of electric power to operate our warehouses increases dramatically or fluctuates widely and we are unable to pass such costs through to customers, we could be materially and adversely affected. We depend on certain customers for a substantial amount of our warehouse segment revenues. During the year ended December 31, **2023 and** 2022 ~~and 2021~~ , our 25 largest customers in our warehouse segment contributed approximately **49 % and** 47 ~~% and 49~~ %, respectively, of our pro- forma warehouse segment revenues assuming all acquisitions occurred at the beginning of the year. As of December 31, ~~2022~~ **2023** , we had eight customers that each accounted for at least 2 % of our warehouse segment revenues, also on a pro- forma basis. In addition, as of December 31, ~~2022~~ **2023** , ~~45~~ **50** of our warehouses were predominantly single- customer warehouses. If any of our most significant customers were to discontinue or otherwise reduce their use of our warehouses or other services, which they are generally free to do at any time unless they are party to a contract that includes a fixed storage commitment, we would be materially and adversely affected. **A** ~~While we have contracts with stated terms with certain of our customers, most of our contracts do not obligate our customers to use our warehouses or provide for fixed storage commitments. Moreover, a~~ decrease in demand for certain commodities or products produced by our significant customers and stored in our temperature- controlled warehouses would lower our physical occupancy rates and use of our services, without lowering our fixed costs, which could have a material adverse effect on us. In addition, any of our significant customers could experience a downturn in their businesses which may weaken their financial condition and liquidity and result in their failure to make timely payments to us or otherwise default under their contracts. Cancellation of, or failure of a significant customer to perform under, a contract could require us to seek replacement customers. However, there can be no assurance that we would be able to find suitable replacements on favorable terms in a timely manner or at all or reposition the warehouses without incurring significant costs. ~~Moreover, a bankruptcy filing by or relating to any of our significant customers could prevent or delay us from collecting pre- bankruptcy obligations. The bankruptcy, insolvency or financial deterioration of our significant customers, could materially and adversely affect us.~~ In addition, ~~while~~ some of our warehouses are located in **specialized locations** ~~primary markets, others are located in secondary~~ and **often** ~~tertiary markets that are specifically suited to the particular needs of the customer utilizing these warehouses. For example, our production advantaged warehouses typically~~ serve ~~one or~~ a small number of customers ~~. These warehouses are also generally located adjacent to or otherwise in close proximity to customer processing or production facilities and were often build- to- suit at the time of their construction~~ . If customers who utilize this type of warehouse ~~, which may be located in remote areas,~~ relocate their **facilities** ~~processing or production plants, default~~ or otherwise cease to use our warehouses, then we may be unable to find replacement customers ~~for these warehouses~~ on favorable terms or ~~at all or, if we find replacement customers, we~~ may have to incur significant costs to reposition these warehouses for ~~the~~ replacement ~~customers'~~ needs, any of which could have a material adverse effect on us. Foreign exchange rates and other hedging activity exposes us to risks, including the risk that a counterparty will not perform and that the hedge will not yield the benefits we anticipate. Our warehouse business outside the United States exposes us to losses resulting from currency fluctuations, as the revenues associated with our international operations and properties are typically generated in the local currency of each of the countries in which the properties are located ~~. Fluctuations in exchange rates between these currencies and the U. S. dollar will therefore give rise to non- U. S. currency exposure, which could materially and adversely affect us~~ . We naturally hedge this exposure by incurring operating costs in the same currency as the revenue generated by the related property. We may attempt to mitigate any such effects by entering into currency exchange rate hedging arrangements ~~where it is practical to do so and where such hedging arrangements are available~~ and by structuring debt in local currency. These hedging arrangements may bear substantial costs, however, and may not eliminate all related risks. We cannot assure you that our efforts will successfully mitigate our currency risks. Moreover, if we do engage in currency exchange rate hedging activities, any income recognized with respect to these hedges (as well as any foreign currency gain recognized with respect to changes in exchange rates) may not qualify ~~under~~ **for** the ~~75 % gross income test~~ **tests** ~~or the 95 % gross income test~~ that we must satisfy annually in order to qualify as a REIT ~~under the Internal Revenue Code of 1986, as amended, or~~ **for** ~~the Code~~ **US income tax purposes** . As of December 31, ~~2022~~ **2023** , we were a party to **a** cross currency ~~swaps~~ - **swap** on **a** certain of our intercompany ~~loans~~ - **loan** , and to interest rate swaps on our variable rate indebtedness. ~~Periodically we enter into foreign currency forward contracts to manage our exposure to fluctuations in exchange rates. In addition, we have entered into certain forward contracts and other hedging~~ **Hedging** ~~arrangements in order to fix power costs for anticipated electricity requirements. These hedging~~ transactions expose us to certain risks, such as the risk that counterparties may fail to honor their obligations under these arrangements, and that these arrangements may not be effective in reducing our exposure to foreign exchange ~~rate~~ **rates** ~~,~~ **and / or** interest ~~rate~~ **rates** ~~, and power cost changes~~ . Moreover, there can be no assurance that our hedging arrangements will qualify for hedge accounting ~~or that our hedging activities will have the desired beneficial impact on our results of operations or cash flows~~ . ~~Should~~ **If** we ~~desire to~~ terminate a hedging agreement, there could be significant costs and cash requirements **associated with doing so** ~~involved to fulfill our obligation under the hedging agreement~~ . Failure to hedge effectively against foreign exchange rates, interest rates and power cost changes could have a material adverse effect on us. We may incur liabilities or harm our reputation as a result of quality- control issues associated with our warehouse storage and other services. We store frozen and perishable food and other products and provide food processing, repackaging and other services. Product contamination, spoilage, other adulteration, product tampering or other quality control issues could occur at any of our facilities or during the transportation of these products, which could cause our customers to lose all or a portion of their inventory. We could be liable for the costs incurred by our customers as a result of the lost inventory, and we also may be subject to liability, which could be material, if any of the frozen and perishable food products we stored, processed, repackaged or transported caused injury, illness or death. The occurrence of any of the foregoing may negatively impact our brand and reputation and otherwise have a material adverse effect on us. ~~We are subject to risks related to corporate social and environmental responsibility and reputation. A number of factors influence our reputation and brand value, including how we are perceived by our customers, business partners, investors, associates, other stakeholders and the communities in which we do business. We face increasing scrutiny related to environmental, social and governance (" ESG ") activities and disclosures and risk damage to our reputation if we fail to act appropriately and responsibly in ESG matters, including, among others, environmental stewardship, supply chain management, climate change, human rights, diversity and inclusion, workplace ethics and conduct, philanthropic activity and support for the communities we serve and in which we operate. Any damage to our reputation could impact the willingness of our business partners and customers to do business with us, or could negatively impact our associate hiring, engagement and retention, all of which could have a material adverse effect on our business, results of operations and cash flows.~~ Our temperature- controlled warehouse infrastructure may become obsolete or unmarketable, and we may not be able to upgrade our equipment cost- effectively or at all. The infrastructure at our temperature- controlled warehouses may become obsolete or unmarketable due to the development of, or demand for, more advanced equipment or enhanced technologies, including increased automation of our warehouses. Increased automation may entail significant start- up costs and time and may not perform as expected. In addition, our information technology platform pursuant to which we provide inventory management and other services to our customers may become outdated. When customers demand new equipment or technologies, the cost could be significant and we may not be able to upgrade our warehouses on a cost ~~-~~effective basis in a timely manner ~~, or at all, due to, among other things, increased expenses to us that cannot be passed on to customers or insufficient resources to fund the necessary capital expenditures~~ . The obsolescence of our infrastructure or our inability to upgrade our warehouses would likely reduce warehouse segment revenues, which could have a material adverse effect on us. We use in- house trucking services to provide transportation services to our customers, and any increased severity or frequency of accidents or other claims, changes in regulations or disruptions in services could have a material adverse effect on us. We use in- house transportation services to provide refrigerated transportation services to certain customers. The potential liability associated with accidents in the trucking industry is severe and occurrences are unpredictable. A material increase in the frequency or severity of accidents or workers' compensation claims or the unfavorable development of existing claims could materially and adversely affect our results of operations. In the event that accidents occur, we may be unable to obtain desired contractual indemnities, and our insurance ~~my~~ **may** prove inadequate ~~in certain cases~~ . The occurrence of an event not fully insured or indemnified against or the failure or inability of a customer or insurer to meet its indemnification or insurance obligations could result in substantial losses. In addition, our trucking services are subject to regulation as a motor carrier by the US Department of Transportation, by various state agencies and by similar authorities in our international operations ~~, whose regulations include certain permit requirements of state highway and safety authorities. These regulatory authorities exercise broad powers over our trucking operations~~ . The trucking industry is subject to possible regulatory and legislative changes that may impact our operations ~~and affect the economics of the industry by requiring changes in operating practices or by changing the demand for or the costs of providing trucking services~~ . Some of these possible changes include increasingly stringent fuel emission limits, changes in the regulations that govern the amount of time a driver may drive or work in any specific period, limits on vehicle weight and size and other matters including safety requirements. We ~~use third- party trucking service providers to provide transportation services to our customers and any delays or disruptions in providing these services or damages caused to products during transportation, could have a material averse effect on us. We also use third- party trucking service providers to provide refrigerated transportation services to our customers. We do not have an exclusive or long-term contractual relationship with any of these third- party trucking service providers, and we can provide no assurance that our customer will have uninterrupted or unlimited access to their transportation assets or services. Any delays or disruptions in providing these transportation services to our customers could reduce the confidence our customers have in our ability to provide transportation services and could impair our ability to retain existing customers or attract new customers. Moreover, in connection with any such delays or disruptions, or if customers' products are damaged or destroyed during transport, we may incur financial obligations or be subject to lawsuits by our customers. Any of these risks could have a material adverse effect on us. We~~ participate in multiemployer pension plans administered by labor unions. To the extent we or other employers withdraw from participation in any of these plans, we could face additional liability from our participation therein. As of December 31, ~~2022~~ **2023** , we participated in a number of multiemployer pension plans under the terms of collective bargaining agreements with labor unions representing ~~the Company' s~~ **a significant number of our** associates ~~. The Company contributes to multi-employer plans that cover approximately 34 % of union associates as of December 31, 2022~~ . We make periodic contributions to these plans pursuant to the terms of our collective bargaining agreements to allow the plans to meet their pension benefit obligations. We have also participated in additional multiemployer pension plans in the past. In the event that a withdrawal from any of the multiemployer pension plans in which we participate or have participated occurs or should any of the pension plans in which we participate or have participated fail, the documents governing the applicable plan and applicable law could require us to make an additional contribution to the applicable plan in the amount of the unfunded vested benefits allocable to our participation in the plan, and we would have to reflect that as an expense on our Consolidated ~~Statement~~ **Statements** of Operations and as a liability on our Consolidated Balance Sheets. Our liability for any multiemployer pension plan would depend on the extent of the plan' s funding of vested benefits as of the year in which the withdrawal or failure occurs, and may vary depending on the funded status of the applicable multiemployer pension plan, whether there is a mass withdrawal of all participating employers and whether any other participating employer in the applicable plan withdraws from the plan and is not able to contribute an amount sufficient to fund the unfunded liabilities associated with its participants in the plan. ~~Based on the~~

~~latest information available from plan administrators, we estimate our share of the aggregate withdrawal liability for such pension plans could have been as much as $ 820. 1 million as of December 31, 2022, of which we estimate that certain of our customers are contractually obligated to make indemnification payments to us for approximately $ 791. 7 million.~~ Multiemployer pension plans that we have previously participated in are also covered by indemnification provisions in our favor. However, there is no guarantee that, to the extent we incurred any such withdrawal liability, we would be successful in obtaining all or any of the indemnification payments therefor. In the ordinary course of our renegotiation of collective bargaining agreements with labor unions that maintain these plans, we could agree to discontinue participation in one or more plans, and in that event we could face a withdrawal liability. Additionally, we could be treated as withdrawing from a plan if the number of our associates participating in the plan is reduced to a certain degree over certain periods of time. Some multiemployer pension plans, including ones in which we participate, are reported to have significant underfunded liabilities. Such underfunding could increase the size of our potential withdrawal liability. ~~Additionally, changes to multiemployer pension plan laws and regulations could increase our potential cost of withdrawing from one or more multiemployer pension plans.~~ We could experience power outages or breakdowns of our refrigeration equipment. Our warehouses are subject to electrical power outages and breakdowns of our refrigeration equipment. We attempt to limit exposure to such occasions by conducting regular maintenance and upgrades to our refrigeration equipment, and using backup generators and power supplies, generally at a significantly higher operating cost than we would pay for an equivalent amount of power from a local utility. However, we may not be able to limit our exposure entirely even with these protections in place. Power outages that last beyond our backup and alternative power arrangements and refrigeration equipment breakdowns would harm our customers and our business. During prolonged power outages and refrigeration equipment breakdowns, changes in humidity and temperature could spoil or otherwise contaminate the frozen and perishable food and other products stored by our customers. We could incur financial obligations to, or be subject to lawsuits by, our customers in connection with these occurrences, which may not be covered by insurance. Any loss of services or product damage could reduce the confidence of our customers in our services and could consequently impair our ability to attract and retain customers. Additionally, in the event of the complete failure of our refrigeration equipment, we would incur significant costs in repairing or replacing our refrigeration equipment, which may not be covered by insurance. Any of the foregoing could have a material adverse effect on us. As of December 31, ~~2021~~ **2023** , we have not had a significant power outage or breakdown of our refrigeration equipment. We hold leasehold interests in ~~59~~ **57** of our warehouses, and we may be forced to vacate our warehouses if we default on our obligations thereunder and we will be forced to vacate our warehouses if we are unable to renew such leases upon their expiration. As of December 31, ~~2022~~ **2023** , we held leasehold interests in ~~59~~ **57** of our warehouses. These leases expire (taking into account our extension options) from March 2024 to September 2052, and have a weighted- average remaining term of ~~26~~ **29** years. If we default on any of these leases, we may be liable for damages and could lose our leasehold interest in the applicable property, including all improvements. We would incur significant costs if we were forced to vacate any of these leased warehouses due to, among other matters, the high costs of relocating the equipment in our warehouses. If we were forced to vacate any of these leased warehouses, we could lose customers that chose our storage or other services based on our location, which could have a material adverse effect on us. Our landlords could attempt to evict us for reasons beyond our control. Further, we may be unable to maintain good working relationships with our landlords, which could adversely affect our relationship with our customers and could result in the loss of customers. In addition, we cannot assure you that we will be able to renew these leases prior to their expiration dates on favorable terms or at all. If we are unable to renew our lease agreements, we will lose our right to operate these warehouses and be unable to derive revenues from these warehouses and, in the case of ground leases, we forfeit all improvements on the land. We could also lose the customers using these warehouses who are unwilling to relocate to another one of our warehouses, which could have a material adverse effect on us. Furthermore, unless we purchase the underlying fee interests in these properties, as to which no assurance can be given, we will not share in any increase in value of the land or improvements beyond the term of such lease, notwithstanding any capital we have invested in the applicable warehouse, especially warehouses subject to ground leases. Even if we are able to renew these leases, the terms and other costs of renewal may be less favorable than our existing lease arrangements. Failure to sufficiently increase revenues from customers at these warehouses to offset these projected higher costs could have a material adverse effect on us. Charges for impairment of goodwill or other long- lived assets and declines in real estate valuations could adversely affect our financial condition and results of operations. We regularly monitor the recoverability of our long- lived assets, such as buildings and improvements and machinery and equipment, and evaluate their carrying value for potential impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be fully recoverable. We review goodwill on an annual basis to determine if impairment has occurred and review the recoverability of fixed assets and intangible assets, generally on a quarterly basis and whenever events or changes in circumstances indicate that impairment may have occurred or the value of such assets may not be fully recoverable. Examples of indicators of potential impairment of our long- lived assets may include a significant decrease in the market price, an adverse change in how a property is being used, an accumulation of costs significantly in excess of the amount originally expected for the acquisition or development, a change in our intended holding period due to our intention to sell an asset, a history of operating losses or a material decline in profitability (of a property or a reporting unit). If such reviews indicate that impairment has occurred, we are required to record a non- cash impairment charge for the difference between the carrying value and fair value of the long- lived assets in the period the determination is made. The testing of long- lived assets and goodwill for impairment requires the use of estimates based on significant assumptions about our future revenue, profitability, cash flows, fair value of assets and liabilities, weighted average cost of capital, as well as other assumptions. Changes in these estimates, or changes in actual performance compared with these estimates, may affect the fair value of long- lived assets, which could result in an impairment charge ~~.~~ ~~Political and economic conditions could negatively impact our investments in our Brazilian joint ventures. We have an investment in two joint ventures in Brazil. The Brazilian government from time to time intervenes in the Brazilian economy and~~

~~makes changes in policy and regulations designed to control inflation and stimulate growth. These measures include, among others, increases in interest rates, changes in tax policy, price controls, currency devaluations, capital controls and import restrictions. Such measures and the economic and political environment in Brazil, may adversely affect the value of our investment in our Brazilian joint ventures and our results from operations~~ . Geopolitical conflicts, including the conflict between Russia and Ukraine, may adversely affect our business and results of operations. We have operations or activities in numerous countries and regions outside the United States, including throughout Europe and Asia- Pacific. As a result, our global operations are affected by economic, political and other conditions in the foreign countries in which we do business as well as U. S. laws regulating international trade. Specifically, the current conflict between Russia and Ukraine is creating substantial uncertainty about the future impact on the global economy. Countries across the globe are instituting sanctions and other penalties against Russia. The retaliatory measures that have been taken, and could be taken in the future, by the U. S., NATO, and other countries have created global security concerns that could result in broader European military and political conflicts and otherwise have a substantial impact on regional and global economies, any or all of which could adversely affect our business, particularly our European operations. While the broader consequences are uncertain at this time, the continuation and / or escalation of the Russian and Ukraine conflict, along with any expansion of the conflict to surrounding areas, create a number of risks that could adversely impact our business and results of operations, including: • increased inflation and significant volatility in commodity prices; • disruptions to our global technology infrastructure, including through cyberattacks, ransom attacks or cyber- intrusion; • adverse changes in international trade policies and relations; • our ability to maintain or increase our prices, including freight in response to rising fuel costs; • disruptions in global supply chains, specifically within the food supply chain and construction materials; • increased exposure to foreign currency fluctuations; and • constraints, volatility or disruption in the credit and capital markets. To the extent the current conflict between Russia and Ukraine adversely affects our business, it may also have the effect of heightening many other risks disclosed in this Annual Report under the heading " Risk Factors ", any of which could materially and adversely affect our business and results of operations. We are continuing to monitor the situation in the Ukraine and globally and assess its potential impact on our business. Our performance and value are subject to economic conditions affecting the real estate market generally, and temperature- controlled warehouses in particular, as well as the broader economy. Our performance and value ~~depend on~~ **are subject to** the **risk that if** ~~amount of revenues earned, as well as the expenses incurred, in connection with operating~~ our ~~warehouses. If our temperature- controlled~~ warehouses do not generate revenues ~~and operating cash flows~~ sufficient to meet our operating expenses, including debt service and capital expenditures, ~~we could~~ **our cash flow and ability to pay distributions to our stockholders will** be ~~materially and~~ adversely affected. ~~In addition,~~ **Events or conditions beyond our control that may adversely affect our operations or** ~~there~~ -- **the value of our properties include but** are ~~significant expenditures associated with our real estate (such as real estate taxes, maintenance costs and debt service payments) that generally do~~ not **limited to** ~~decline when circumstances reduce the revenues from our warehouses. Accordingly, our expenditures may stay constant, or increase, even if our revenues decline. The real estate market is affected by many factors that are beyond our control, and revenues from, and the value of, our properties may be materially and adversely affected by~~ : • ~~changes~~ **downturns** in the national, international or local economic climate; • availability, cost and terms of financing; • technological changes, such as expansion of e- commerce, reconfiguration of supply chains, automation, robotics or other technologies; • **local** ~~the attractiveness of our~~ - **or** ~~properties to potential customers~~ **regional oversupply, increased competition or reduction in demand for temperature- controlled warehouses** ; • inability to collect storage charges, rent and other fees from customers; • the ongoing need for, and significant expense of, capital improvements and addressing obsolescence in a timely manner, particularly in older structures; • ~~changes in supply of, or demand for, similar or competing properties in an area; • customer retention and turnover; • excess supply in the market area; •~~ availability of labor and transportation to service our sites ~~; • financial difficulties, defaults or bankruptcies by our customers~~ ; • changes in operating costs and expenses and a general decrease in real estate property rental rates; • changes in or increased costs of compliance with governmental rules, regulations and fiscal policies, including changes in tax, real estate, environmental and zoning laws, and our potential liability thereunder; • ~~our ability to provide adequate maintenance and insurance; •~~ changes in the cost or availability of insurance, including coverage for mold or asbestos ~~; • unanticipated changes in costs associated with known adverse environmental conditions, newly discovered environmental conditions and retained liabilities for such conditions~~ ; • changes in interest rates or other changes in monetary policy; and • disruptions in the global supply- chain caused by political, regulatory or other factors such as terrorism, political instability and public health crises. In addition, periods of economic slowdown or recession, rising interest rates or declining demand for real estate, or the public perception that any of these events may occur, could result in a general decrease in rates or an increased occurrence of defaults under existing contracts, which could materially and adversely affect us. We could incur significant costs ~~under~~ **and liabilities due to environmental problems. Our operations are subject to a wide range of** environmental laws **and regulations in each of the locations in which we operate, and compliance with these requirements involves significant capital and operating costs. Failure to comply with these environmental requirements can result in civil or criminal fines or sanctions, claims for environmental damages, remediation obligations, the revocation of environmental permits or restrictions on our operations. Under various federal, state and local laws and regulations, we may, as a current or previous owner, developer or operator of real estate, be liable for the costs of clean- up of certain conditions** relating to the presence **of hazardous or toxic materials on, in or emanating from a property and any related damages to natural resources. Environmental laws and regulations often impose liability without regard to whether the owner or operator knew of, or was responsible for, the presence of hazardous or toxic materials. The presence of such materials, or the failure to address those conditions properly, may adversely affect our ability to rent or sell a property or to borrow using a property as collateral. The disposal or treatment of hazardous or toxic materials, or the arrangement of such disposal or treatment, may cause us to be liable for the costs of clean- up of such materials or for related natural resource damages occurring at or emanating from an off-**

site disposal or treatment facility, whether or not the facility is owned or operated by us. No assurance can be given that existing environmental assessments with respect to any of our properties reveal all environmental liabilities, that any prior owner or operator of any of our properties did not create any material environmental condition not known to us or that a material environmental condition does not otherwise exist as to any of our properties. Moreover, there can be no assurance that (i) changes to existing laws and regulations will not impose any material environmental liability or (ii) the current environmental condition of our properties will not be affected by customers, by the condition of ~~and~~ **land or operations in** ~~management of asbestos, ammonia and other~~ -- **the** ~~chemicals and~~ **vicinity of our properties (such as releases from** underground storage tanks **), or by third parties unrelated to us** . Environmental laws **and regulations also** require that owners or operators of buildings containing asbestos properly manage asbestos, adequately inform or train those who may come into contact with asbestos and undertake special precautions, including removal or other abatement, in the event that asbestos is damaged, is decayed, poses a health risk or is disturbed during building renovation or demolition. ~~These laws impose fines and penalties on building owners or operators who fail to comply with these requirements and may allow third parties to seek recovery from owners or operators for personal injury associated with exposure to asbestos and other toxic or hazardous substances.~~ Some of our properties may contain asbestos or asbestos- containing building materials. Most of our warehouses utilize ammonia as a refrigerant. Ammonia is classified as a hazardous chemical regulated by the U. S. Environmental Protection Agency, or the EPA and similar international agencies. Releases of ammonia occur at our warehouses from time to time, and any number of unplanned events, including severe storms, fires, earthquakes, vandalism, equipment failure, operational errors, accidents, deliberate acts of associates or third parties, and terrorist acts could result in a significant release of ammonia that could result in injuries, loss of life, property damage and a significant interruption at affected facilities ~~. In 2021, we identified and reported one ammonia release across refrigeration systems in our facilities. This release resulted in no significant property damage or personal injury. In 2022, we identified and reported 1 ammonia release across refrigeration systems in our facilities. This release resulted in no significant property damage or personal injury~~ . Although our warehouses have risk management programs required by the Occupational Safety and Health Act of 1970, as amended, or OSHA, the EPA and other regulatory agencies in place, we could incur significant liability in the event of an unanticipated release of ammonia from one of our refrigeration systems. Releases could occur at locations or at times when trained personnel may not be available to respond quickly, increasing the risk of injury, loss of life or property damage. Some of our warehouses are not staffed 24 hours a day and, as a result, we may not respond to intentional or accidental events during closed hours as quickly as we could during open hours, which could exacerbate any injuries, loss of life or property damage. We also could incur liability in the event we fail to report such ammonia releases in a timely fashion. Environmental laws and regulations subject us and our customers to liability in connection with the storage, handling and use of ammonia and other hazardous substances utilized in our operations. Our warehouses also may have under- floor heating systems, some of which utilize ethylene glycol, petroleum compounds, or other hazardous substances; releases from these systems could potentially contaminate soil and groundwater. In addition, some of our properties have been operated for decades and have known or potential environmental impacts. Other than in connection with financings, we have not historically performed regular environmental assessments on our properties, and we may not do so in the future. Many of our properties contain, or may in the past have contained, features that pose environmental risks including underground tanks for the storage of petroleum products and other hazardous substances **,** ~~as well as~~ floor drains and wastewater collection and discharge systems, hazardous materials storage areas and septic systems **and under- floor heating systems, some of which utilize ethylene glycol, petroleum compounds, or other hazardous substances** . All of these features create a potential for the release of petroleum products or other hazardous substances. Some of our properties are adjacent to or near properties that have known environmental impacts or have in the past stored or handled petroleum products or other hazardous substances that could have resulted in environmental impacts to soils or groundwater that could affect our properties. In addition, former owners, our customers, or third parties outside our control (such as independent transporters) have engaged, or may in the future engage, in activities that have released or may release petroleum products or other hazardous substances on our properties. Any of these activities or circumstances ~~could materially and adversely affect us. We could incur significant costs related to environmental conditions and liabilities. Our operations are subject to a wide range of environmental laws and regulations in each of the locations in which we operate, and compliance with these requirements involves significant capital and operating costs. Failure to comply with these environmental requirements can result in civil or criminal fines or sanctions, claims for environmental damages, remediation obligations, the revocation of environmental permits or restrictions on our operations. Future changes in environmental laws, or in the interpretation of those laws, including potential future climate change regulations, such as those affecting electric power providers or regulations related to the control of greenhouse gas emissions, or stricter requirements affecting our operations could result in increased capital and operating costs, which could materially and adversely affect us. Under various U. S. federal, state and local environmental laws, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, commonly known as CERCLA, or the Superfund law, a current or previous owner or operator of real property may be liable for the entire cost of investigating, removing or remediating hazardous or toxic substances on such property. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the contamination. Even if more than one person may have been responsible for the contamination, each person covered by the environmental laws may be held responsible for the entire cleanup cost. We may also be subject to environmental liabilities under the regulatory regimes in place in the other countries in which we operate. The presence of hazardous or toxic substances on our properties, or the failure to properly remediate contaminated properties, could give rise to liens in favor of the government for failure to address the contamination, or otherwise adversely affect our ability to sell or lease properties or borrow using our properties as collateral. Environmental laws also may impose restrictions on the manner in which property may be used or our businesses may be operated. Under environmental laws, a property owner or operator is subject to compliance obligations, potential government sanctions for violations or natural resource damages,~~

~~claims from private parties for cleanup contribution or other environmental damages and investigation and remediation costs. In connection with the acquisition, ownership or operation of our properties, we may be exposed to such costs. The cost of resolving environmental, property damage or personal injury claims, of compliance with environmental regulatory requirements, of paying fines, or meeting new or stricter environmental requirements or of remediating contaminated properties~~ could materially and adversely affect us. Nearly all of our properties have been the subject of environmental assessments conducted by environmental consultants at some point in the past. Most of these assessments have not included soil sampling or subsurface investigations. Some of our older properties have not had asbestos surveys. In many instances, we have not conducted further investigations of environmental conditions disclosed in these environmental assessments nor can we be assured that these environmental assessments have identified all potential environmental liabilities associated with our properties. **While some of these assessments have led to further investigation and sampling, none of our environmental assessments of our properties have revealed an environmental liability that we believe would have a material adverse effect on our business, financial condition or results of operations taken as a whole. However, we cannot give any assurance that such conditions do not exist or may not arise in the future.** Material environmental conditions, liabilities or compliance concerns may have arisen or may arise after the date of the environmental assessments on our properties ~~. Moreover, there can be no assurance that (i) future laws, ordinances or regulations will not impose new material environmental obligations or costs, including the potential effects of climate change or new climate change regulations, (ii) we will not incur material liabilities in connection with both known and undiscovered environmental conditions arising out of past activities on our properties or (iii) our properties will not be materially and adversely affected by the operations of customers, by environmental impacts or operations on neighboring properties (such as releases from underground storage tanks), or by the actions of parties unrelated to us~~ . Risks related to climate change could have a material adverse effect on our results of operations. Climate change, including the impact of global warming, creates physical and financial risks. Physical risks from climate change include an increase in sea level and changes in weather conditions, such as an increase in storm intensity and severity of weather (e. g., floods, tornados or hurricanes) and extreme temperatures. The occurrence of sea level rise or one or more natural disasters, such as floods, tornados, hurricanes, tropical storms, wildfires and earthquakes (whether or not caused by climate change), could cause considerable damage to our warehouses, disrupt our operations and negatively affect our financial performance. Additional risks related to our business and operations as a result of climate change include physical and transition risks such as: • higher energy costs as a result of extreme weather events, extreme temperatures or increased demand for limited resources; • limited availability of water and higher costs due to limited sources and droughts; • higher materials cost due limited availability and environmental impacts of extraction and processing of raw materials and production of finished goods; • lost revenue or increased expense as a result of higher insurance costs, potential uninsured or under insured losses, diminished customer retention stemming from extreme weather events or resource availability constraints; • utility disruptions or outages due to demand or stress on electrical grids resulting from extreme weather events; and • reduced storage revenue due to crop damage or failure or to reduced protein production as a result of extreme weather events. In addition, risks associated with new or more stringent laws or regulations or stricter interpretations of existing laws could directly or indirectly affect our customers and could adversely affect our business, financial condition, results of operations and cash flows. For example, various federal, state and regional laws and regulations have been implemented or are under consideration to mitigate the effects of climate change caused by greenhouse gas emissions. Among other things, " green " building codes may seek to reduce emissions through the imposition of standards for design, construction materials, water and energy usage and efficiency, and waste management. Such codes could require us to make improvements to our warehouses, increase the cost of maintaining, operating or improving our warehouses, or increase taxes and fees assessed on us. Climate change regulations could also adversely impact companies with which we do business, which in turn may adversely impact our business, financial condition, results or operations or cash flows. In the future, our customers may demand lower indirect emissions associated with the storage and transportation of frozen and perishable food, which could make our facilities less competitive. Further, such demand could require us to implement various processes to reduce emissions from our operations in order to remain competitive, which could materially and adversely affect us. Our insurance coverage may be insufficient to cover potential environmental liabilities. We maintain a portfolio environmental insurance policy that provides coverage for sudden and accidental environmental liabilities, subject to the policy' s coverage conditions, deductibles and limits, for most of our properties. There is no assurance that future environmental claims will be covered under these policies or that, if covered, the loss will not exceed policy limits. From time to time, we may acquire properties, or interests in properties, with known adverse environmental conditions ~~where we believe that the environmental liabilities associated with these conditions are quantifiable and that the acquisition will yield an attractive risk- adjusted return. In such an instance, we factor the estimated costs of environmental investigation, cleanup and monitoring into the net cost~~ . Further, in connection with property dispositions, we may agree to remain responsible for, and to bear the cost of, remediating or monitoring certain environmental conditions on the properties. A failure to accurately estimate **any of** these costs ~~,~~ or **the** uninsured environmental liabilities, could materially and adversely affect us. Our properties may contain or develop harmful molds or have other air quality issues, which could lead to financial liability for adverse health effects to our associates or third parties, and costs of remediating the problem. Our properties may contain or develop harmful molds or suffer from other air quality issues, which could lead to liability for adverse health effects and costs of remediating the problem. When excessive moisture accumulates in buildings or on building materials, mold growth may occur, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds produce airborne toxins or irritants. Indoor air quality issues can also stem from inadequate ventilation, poor equipment maintenance, chemical contamination from indoor or outdoor sources and other biological contaminants, such as pollen, viruses and bacteria. Indoor exposure to airborne toxins or irritants present above certain levels can cause a variety of adverse health effects and symptoms, including allergic or other reactions. As a result, the presence of significant mold or other airborne contaminants at any of our properties could require us to undertake a costly remediation program to contain or remove the mold or other airborne contaminants from the affected property, to reduce indoor moisture levels, or to upgrade ventilation systems to improve indoor air quality. In addition, the presence of significant mold or other airborne contaminants could expose us to liability from our associates, our customers, associates of our customers and others if property damage or health concerns arise. Illiquidity of real estate investments, particularly our specialized temperature-controlled warehouses, could significantly impede our ability to respond to adverse changes in the performance of our business and properties. Real estate investments are relatively illiquid, and given that our properties are highly specialized temperature-controlled warehouses, our properties may be more illiquid than other real estate investments. ~~This illiquidity is driven by a number of factors, including the specialized and often customer- specific design of our warehouses, the relatively small number of potential purchasers of temperature- controlled warehouses, the difficulty and expense of repurposing our warehouses and the location of many of our warehouses in secondary or tertiary markets.~~ As a result, we may be unable to ~~complete an exit strategy or quickly~~ sell properties in our portfolio **on attractive terms** in response to adverse changes in the performance of our properties or in our business generally ~~. We cannot predict whether we will be able to sell any property for the price or on the terms set by us or whether any price or other terms offered by a prospective buyer would be acceptable to us. We also cannot predict the length of time it would take to complete the sale of any such property~~ . Such sales might also require us to expend funds to mitigate or correct defects to the property or make changes or improvements to the property prior to its sale. The ability to sell assets in our portfolio may also be restricted by certain covenants in our credit agreements. Code requirements relating to our status as a REIT may also limit our ability to vary our portfolio promptly in response to changes in economic or other conditions. We could experience uninsured or under- insured losses relating to our warehouses and other assets, including our real property. We carry insurance coverage on all of our properties in an amount that we believe adequately covers any potential casualty losses. However, there are certain losses, including losses from floods, earthquakes, acts of war or riots, that we are not generally insured against or that we are not generally fully insured against because it is not deemed economically feasible or prudent to do so. In addition, changes in the cost or availability of insurance could expose us to uninsured casualty losses. In the event that any of our properties incurs a casualty loss that is not covered by insurance (in part or at all), the value of our assets will be reduced by the amount of any such uninsured loss, and we could experience a significant loss of capital invested and potential revenues in these properties. Any such losses could materially and adversely affect us. In ~~addition, we may have no source of funding to repair or reconstruct the damaged property, and we cannot assure you that any such sources of funding will be available to us for such purposes in the future on favorable terms or at all. In~~ the event of a fire, flood or other occurrence involving the loss of or damage to stored products held by us but belonging to others, we may be liable for such loss or damage. Although we have an insurance program in effect, there can be no assurance that such potential liability will not exceed the applicable coverage limits under our insurance policies. A number of our properties are located in areas that are known to be subject to earthquake activity, such as California, Washington, Oregon and New Zealand, or in flood zones, such as Appleton, Wisconsin and Fort Smith, Arkansas and our Netherlands facilities, in each case exposing them to increased risk of casualty. ~~If we or one or more of our customers experiences a loss for which we are liable and that loss is uninsured or exceeds policy limits, we could lose the capital invested in the damaged properties as well as the anticipated future cash flows from those properties. In addition, if the damaged properties are subject to recourse indebtedness, we would continue to be liable for the indebtedness, even if these properties were irreparably damaged. We are self- insured for workers' compensation and health insurance under a large deductible program, meaning that we have accrued liabilities in amounts that we consider appropriate to cover losses in these areas. In addition, we maintain excess loss coverage to insure against losses in excess of the reserves that we have established for these claims in amounts that we consider appropriate. However, in the event that our loss experience exceeds our reserves and the limits of our excess loss policies, we could be materially and adversely affected.~~ Costs of complying with governmental laws and regulations could adversely affect us and our customers. Our business is highly regulated at the federal, state and local level. The food industry in all jurisdictions in which we operate is subject to numerous government standards and regulations. While we believe that we are currently in compliance with all applicable government standards and regulations, there can be no assurance that all of our warehouses or our customers' operations are currently in compliance with, or will be able to comply in the future with, all applicable standards and regulations or that the costs of compliance will not increase in the future. All real property and the operations conducted on real property are subject to governmental laws and regulations relating to environmental protection and human health and safety ~~. For example, our warehouses are subject to regulation and inspection by the United States Food and Drug Administration and the United States Department of Agriculture and our domestic trucking operations are subject to regulation by the U. S. Department of Transportation and the Federal Highway Administration~~ . In addition, our international facilities are subject to many local laws and regulations which govern a wide range of matters, including food safety, building, environmental, health and safety, hazardous substances, waste minimization, as well as specific requirements for the storage of meats, dairy products, fish, poultry, agricultural and other products. Any products destined for export must also satisfy applicable export requirements. Our ability to operate and to satisfy our contractual obligations may be affected by permitting and compliance obligations arising under such laws and regulations. Some of these laws and regulations could increase our operating costs, result in fines or impose joint and several liability on customers, owners or operators for the costs to investigate or remediate contamination, regardless of fault or whether the acts causing the contamination were legal. Some of these laws and regulations have been amended so as to require compliance with new or more stringent standards in the future. Compliance with new or more stringent laws or regulations or stricter interpretation of existing laws may require that we or our customers incur material expenditures. In addition, there are various governmental, environmental, fire, health, safety and similar regulations with which we and our customers may be required to comply and which may subject us and our customers to liability in the form of fines or damages for noncompliance. Any material expenditures, fines or damages imposed on our customers or us could directly or indirectly have a material adverse effect on us. In addition, changes in these governmental laws and regulations, or their interpretation by agencies and courts, could occur. ~~The Americans with Disabilities Act of 1990, as amended, or the ADA, generally requires that public buildings, including portions of our warehouses, be made accessible to disabled persons. Noncompliance could result in the imposition of fines by the federal government or the award of damages to private litigants. If, under the ADA, we are required to make substantial alterations and capital expenditures in one or more of our warehouses, including the removal of access barriers, it could materially and adversely affect us. Our properties are subject to regulation under OSHA, which requires employers to protect associates against many workplace hazards, such as exposure to harmful levels of 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 other jurisdictions in which we operate is substantial and any failure to comply with these regulations could expose us to penalties and potentially to liabilities to associates who may be injured at our warehouses, any of which could be material. Furthermore, any fines or violations that we face under OSHA could expose us to reputational risk.~~ We face ongoing litigation risks which could result in material liabilities and harm to our business regardless of whether we prevail in any particular matter. We are a large company operating in multiple U. S. and international jurisdictions, with thousands of associates and business counterparts. As such, there is an ongoing risk that we may become involved in legal disputes or litigation with these parties or others. The costs and liabilities with respect to such legal disputes may be material and may exceed our amounts accrued, if any, for such liabilities and costs. In addition, our defense of legal disputes or resulting litigation could result in the diversion of our management' s time and attention from the operation of our business, each of which could impede our ability to achieve our business objectives. Some or all of the amounts we may be required to pay to defend or to satisfy a judgment or settlement of any or all of our disputes and litigation may not be covered by insurance. We are currently invested in ~~three~~ **two** joint ventures and may invest in additional joint ventures in the future and face risks stemming from our partial ownership interests in such properties which could materially and adversely affect the value of any such joint venture investments. Our current and future joint- venture investments involve risks not present in investments in which a third party is not involved, including the possibility that: • we and a co- venturer or partner may reach an impasse on a major decision that requires the approval of both parties; • we may not have exclusive control over the development, financing, management and other aspects of the property or joint venture, which may prevent us from taking actions that are in our best interest ~~but opposed by a co- venturer or partner~~ ; • a co- venturer or partner may at any time have economic or business interests or goals that are or may become inconsistent with ours; • a co- venturer or partner may encounter liquidity or insolvency issues or may become bankrupt ~~, which may mean that we and any other remaining co- venturers or partners generally would remain liable for the joint venture' s liabilities~~ ; • a co- venturer or partner may take action contrary to our instructions, requests, policies or investment objectives, including our current policy with respect to maintaining our qualification as a REIT under the Code; • ~~a co- venturer or partner may take actions that subject us to liabilities in excess of, or other than, those contemplated; •~~ in certain circumstances, we may be liable for actions of our co- venturer or partner, and the activities of a co- venturer or partner could adversely affect our ability to qualify as a REIT, even if we do not control the joint venture; • our joint venture agreements may **contain** ~~restrict~~ **restrictions and / or affirmative covenants regarding** the transfer of ~~a~~ **our or our** co- venturer ~~' s~~ or partner' s ~~interest~~ **interests** ~~or otherwise restrict our ability to sell the interest when we desire or on advantageous terms; • our joint venture agreements may contain buy- sell provisions pursuant to which one co- venturer or partner may initiate procedures requiring the other co- venturer or partner to choose between buying the other co- venturer' s or partner' s interest or selling its interest to that co- venturer or partner~~ ; • if a joint venture agreement is terminated or dissolved, we may not continue to own or operate the interests or investments underlying the joint venture relationship or may need to purchase such interests or investments at a premium to the market price to continue ownership; or • disputes between us and a co- venturer or partner may result in litigation or arbitration that could increase our expenses and prevent our management from focusing their time and attention on our business. Any of the above could materially and adversely affect the value of our current joint venture investment or any future joint venture investments and potentially have a material adverse effect on us. ~~To the extent we expand our use of joint ventures in the future, our business will be more susceptible to these risks.~~ Risks Related to Our Debt Financings We have a substantial amount of indebtedness that may limit our financial and operating activities. As of December 31, ~~2022~~ **2023** , we had approximately $ 1. ~~3~~ **2** billion of variable- rate indebtedness outstanding under our Senior Unsecured Credit Facility, and we have entered into interest rate swaps to convert $ ~~829~~ **833** . ~~5~~ **8** million of this indebtedness to fixed- rate. Additionally, we had approximately $ 1. ~~7~~ **8** billion of fixed- rate indebtedness outstanding under our Debt Private Placement offerings. Additional information regarding our indebtedness may be found in our consolidated financial statements and in " Management' s Discussion and Analysis of Financial Condition and Results of Operations " included in Item 7 in this Annual Report. Our organizational documents contain no limitations regarding the maximum level of indebtedness that we may incur or keep outstanding. Payments of principal and interest on indebtedness may leave us with insufficient cash resources to operate our properties or to pay distributions to our stockholders at expected levels. Our substantial outstanding indebtedness could have other material and adverse consequences, including, without limitation, the following: • our cash flows may be insufficient to meet our required principal and interest payments; • we may use a substantial portion of our cash flows to make principal and interest payments and we may be unable to obtain additional financing as needed or on favorable terms, which could, among other things, have a material adverse effect on our ability to invest in acquisition opportunities, fund capital improvements or meet operational needs; • we may be unable to refinance our indebtedness at maturity or the refinancing terms may be less favorable than the terms of our original indebtedness; • we may ~~be forced to dispose of one or more of our properties, possibly on disadvantageous terms or in violation of certain covenants to which we may be subject; • we may~~ default on our indebtedness by failing to make required payments or violating covenants, which would entitle holders of such indebtedness and other indebtedness with a cross- default provision to accelerate the maturity of their indebtedness and, if such indebtedness is secured, to foreclose on our properties that secure their loans; • we may be unable to effectively hedge floating rate debt with respect to our Senior Unsecured Credit Facilities or any successor facilities thereto; • we are required to maintain certain debt and coverage and other financial ratios at specified levels, thereby reducing our operating and financial flexibility ~~; • our vulnerability to general adverse economic and industry conditions may be increased~~ ; and • we may be subject to greater exposure to increases in interest rates for our variable- rate debt and to higher interest expense upon refinancing of existing debt or the issuance of future fixed rate debt. If any one of these events were to occur, we could be materially and adversely affected. In addition, any foreclosure on our properties could create taxable income without accompanying cash proceeds, which could materially and adversely affect our ability to meet the REIT distribution requirements imposed by the Code. Increases in interest rates could increase the amount of our debt payments. As of December 31, ~~2022~~ **2023** , we had approximately $ 1. ~~3~~ **2** billion of variable- rate indebtedness outstanding under our Senior Unsecured Credit Facility, and we have entered into interest rate swaps to convert $ ~~829~~ **833** . ~~5~~ **8** million of this indebtedness to fixed- rate. Interest rates **may** ~~are expected to~~ increase in ~~2023~~ **2024** . Increases in interest rates on our variable- rate indebtedness would raise our interest costs, reduce our cash flows and funds from operations, reduce our access to capital markets and reduce our ability to make distributions to our stockholders. Increases in interest rates would also increase our interest expense on future fixed rate borrowings and have the same collateral effects. In addition, if we need to repay existing debt during periods of rising interest rates, we could be required to liquidate one or more of our investments in properties at times which may not permit realization of the maximum return on such investments. Interest rate increases may also increase the risk that the counterparties to our swap contracts will default on their obligations, which could further increase our exposure to interest rate increases. Conversely, if interest rates are lower than our swapped fixed rates, we will be required to pay more to service our debt than if we had not entered into the interest rate swaps. We are dependent on external sources of capital, the continuing availability of which is uncertain. In order to qualify as a REIT, we are required each year to distribute to our stockholders at least 90 % of our REIT taxable income (determined without regard to the dividends paid deduction and by excluding capital gains). In addition, we will be subject to income tax at regular corporate rates to the extent that we distribute less than 100 % of our REIT taxable income, including any net capital gains. Because of these distribution requirements, we may not be able to fund all of our future capital needs ~~, including capital for acquisitions, development activities and recurring and non- recurring capital improvements, from operating cash flows~~ . Consequently, we intend to rely on third- party sources of capital to fund a substantial amount of our future capital needs. We may not be able to obtain additional financing on favorable terms or at all when needed. Any additional debt we incur will increase our leverage, expose us to the risk of default and impose operating and financial restrictions on us. In addition, any equity financing could be materially dilutive to the equity interests held by our stockholders. Our access to third- party sources of capital depends, in part, on general market conditions, the market' s perception of our growth potential, our leverage **, our credit ratings** , our current and anticipated results of operations, liquidity, financial condition and cash distributions to stockholders and the market price of our common shares. If we cannot obtain sufficient capital on favorable terms when needed, we may not be able to execute our business and growth strategies, satisfy our debt service obligations, make the cash distributions to our stockholders necessary for us to qualify as a REIT (which would expose us to significant penalties and corporate ~~-~~ level taxation), or fund our other business needs, which could have a material adverse effect on us. ~~Adverse changes in our credit ratings could negatively impact our financing activity. Our credit ratings are based on our operating performance, liquidity and leverage ratios, overall financial condition and other factors utilized by rating agencies in their analysis. Our credit ratings can affect the amount of capital that we can access, as well as the terms and pricing of any future debt. We can provide no assurance that we will be able to maintain our current credit ratings, and a downgrade of our credit ratings would likely cause us to incur higher borrowing costs and make additional financing more difficult to obtain. In addition, a downgrade could trigger higher costs under our existing credit facilities and may have other negative consequences. Adverse changes in our credit ratings could negatively impact our business, particularly our refinancing and other capital market activities, our future growth, development and acquisition activity. At December 31, 2022, our credit ratings were " BBB " with a Stable Trend outlook from DBRS Morningstar, Inc., " BBB " with a Negative outlook from Fitch Ratings, Inc. and " Baa3 " with a Stable outlook from Moody' s. A securities rating is not a recommendation to buy, sell or hold securities and is subject to revision or withdrawal at any time by the rating organization.~~ Our existing indebtedness contains, and any future indebtedness is likely to contain, covenants that restrict our ability to engage in certain activities. Our outstanding indebtedness requires, and our future indebtedness is likely to require, us to comply with a number of financial covenants and operational covenants. ~~The financial covenants under our Senior Unsecured Credit Facility include a maximum leverage ratio, a minimum fixed charge coverage ratio, a maximum secured leverage ratio, a minimum unsecured debt service coverage ratio, and a maximum unsecured indebtedness to unencumbered assets ratio. In addition, the financial covenants under the Series A, Series B, Series C, Series D and Series E Senior Unsecured Notes include, without limitation, a maximum total leverage ratio, a minimum fixed charge coverage ratio, a maximum total secured indebtedness ratio, a minimum unsecured debt service coverage ratio and a maximum unsecured indebtedness to qualified assets ratio.~~ These covenants may limit our ability to engage in certain transactions that may be in our best interests **and** ~~. In order to be able to~~ make distributions to our stockholders (other than minimum distributions required to maintain our status as a REIT) ~~, there may not be an event of default under such indebtedness~~ . Our failure to meet the covenants could result in an event of default under the applicable indebtedness, which could result in the acceleration of the applicable indebtedness and other indebtedness with a cross- default provision as well as foreclosure, in the case of secured indebtedness, upon any of our assets that secure such indebtedness. If we are unable to refinance our indebtedness at maturity or meet our payment obligations, we would be materially and adversely affected ~~. Provisions of Maryland law may limit the ability of a third party to acquire control of our company. Under the Maryland General Corporation Law, or the MGCL, as applicable to Maryland corporations, certain " business combinations " (including a merger, consolidation, share exchange or, in certain circumstances specified under the statute, an asset transfer or issuance or reclassification of equity securities) between a Maryland corporation and any person who beneficially owns, directly or indirectly, 10 % or more of the voting power of the corporation' s then outstanding voting shares or an affiliate or associate of the corporation who, at any time within the two- year period before the date in question, was the~~

~~beneficial owner, directly or indirectly, of 10 % or more of the voting power of the corporation' s then outstanding shares, which we refer to as an " interested stockholder, " or an affiliate thereof, are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. Thereafter, any such business combination must be approved by two super- majority stockholder votes unless, among other conditions, the corporation' s common stockholders receive a minimum price (as defined in the MGCL) for their shares and the consideration is received in cash or in the same form as previously paid by the interested stockholder for its voting shares. Pursuant to the statute, our board of directors, by resolution, elected to opt out of the business combination provisions of the MGCL. This resolution may not be modified or repealed by our board of directors without the approval of our stockholders by the affirmative vote of a majority of the votes cast on the matter. Accordingly, the five- year prohibition and the super- majority vote requirements described above do not apply to a business combination between us and any other person. As a result, any person may be able to enter into business combinations with us, which may not be in your best interest as a stockholder, within five years of becoming an interested stockholder and without compliance by us with the super- majority vote requirements and other provisions of the MGCL. The " control share " provisions of the MGCL provide that " control shares " of a Maryland corporation (defined as shares which, when aggregated with other shares controlled by the stockholder (except solely by virtue of a revocable proxy), entitle the stockholder to exercise one of three increasing ranges of voting power in electing directors) acquired in a " control share acquisition " (defined as the direct or indirect acquisition of ownership or control of " control shares ") have no voting rights except to the extent approved by the corporation' s stockholders by the affirmative vote of at least two- thirds of all the votes entitled to be cast on the matter, excluding votes entitled to be cast by the acquirer of control shares, the corporation' s officers and the corporation' s associates who are also the corporation' s directors. Our amended and restated bylaws, or our bylaws, contain a provision exempting from the control share acquisition provisions of the MGCL any and all acquisitions by any person of our shares. This provision may not be amended by our board of directors without the affirmative vote at a duly called meeting of stockholders of at least a majority of the votes cast on the matter by stockholders entitled to vote generally in the election of directors. Subtitle 8 of Title 3 of the MGCL, or Subtitle 8, would permit our board of directors, without stockholder approval, to implement certain takeover defenses (some of which, such as a classified board, we do not have), if we have a class of equity securities registered under the Exchange Act and at least three independent directors. We have elected not to be subject to Subtitle 8 unless approved by the affirmative vote of at least a majority of the votes cast on the matter by stockholders entitled to vote generally in the election of directors. Any of the MGCL provisions, if then applicable to us, may have the effect of inhibiting a third party from making an acquisition proposal for us or of delaying, deferring or preventing a transaction or change in control which might involve a premium price for our common stock or otherwise be in the best interests of our stockholders~~ . Our board of directors can take many actions even if you and other stockholders disagree with such actions or if they are otherwise not in your best interest as a stockholder. Our board of directors has overall authority to oversee our operations and determine our major policies. This authority includes significant flexibility to take certain actions without stockholder approval. For example, our board of directors can do the following without stockholder approval: • issue additional shares, which could dilute your ownership; • amend our articles of incorporation to increase or decrease the aggregate number of shares or the number of shares of any class or series that we have authority to issue; • classify or reclassify any unissued shares and set the preferences, rights and other terms of such classified or reclassified shares, which preferences, rights and terms could delay, defer or prevent a transaction or change in control which might involve a premium price for our common stock or otherwise be in your best interest as a stockholder; • remove and replace executive management; • employ and compensate affiliates; • change major policies, including policies relating to investments, financing, growth and capitalization; • enter into new lines of business or new markets; and • determine that it is no longer in our best interests to attempt to continue to qualify as a REIT. Any of these actions without stockholder approval could increase our operating expenses, impact our ability to make distributions to our stockholders, reduce the market value of our real estate assets, negatively impact our stock price, or otherwise not be in your best interest as a stockholder. Our articles of incorporation contain provisions that make removal of our directors difficult, which could make it difficult for our stockholders to effect changes to our management. Our articles of incorporation provide that, subject to the rights of holders of one or more classes or series of preferred shares to elect or remove one or more directors, a director may be removed only for " cause " (as defined in our articles of incorporation), and then only by the affirmative vote of stockholders entitled to cast two- thirds of the votes entitled to be cast generally in the election of directors. The foregoing provision of our articles of incorporation, when coupled with the power of our board of directors to fill vacant directorships, will preclude stockholders from removing incumbent directors except for cause and by a substantial affirmative vote and filling the vacancies created by such removal with their own nominees. These requirements make it more difficult to change our management by removing and replacing directors and may prevent a change in control that is in the best interests of our stockholders. The REIT ownership limit rules and the related restrictions on ownership and transfer contained in our articles of incorporation have an anti- takeover effect. In order for us to maintain our qualification as a REIT under the Code, not more than 50 % in value of our outstanding shares of common stock may be owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include certain entities) at any time during the last half of each taxable year (other than the first taxable year for which the election to be treated as a REIT was made). To ensure that we will not fail to qualify as a REIT under this and other tests under the Code, our articles of incorporation, subject to certain exceptions, authorize our board of directors to take such actions as are necessary and desirable to preserve our qualification as a REIT and does not permit individuals (including certain entities treated as individuals), other than excepted holders approved in accordance with our articles of incorporation, to own, directly or indirectly, more than 9. 8 % (in value) of our outstanding stock. In addition, our articles of incorporation prohibit: (a) any person from beneficially or constructively owning our stock that would result in our company being " closely held " under Section 856 (h) of the Code or otherwise cause us to fail to qualify as a REIT; (b) any person from transferring stock of our company if such transfer would result in our stock being beneficially owned by fewer than 100 persons; and (c) any person from beneficially owning our stock to the extent such ownership would result in our failing to qualify as a " domestically controlled qualified investment entity " within the meaning of Section 897 (h) of the Code (after taking into account for such purpose the statutory presumptions set forth in Section 897 (h) (4) (E) of the Code). Our board of directors is required to exempt a person (prospectively or retrospectively) from the percentage ownership limit described above (but not the other restrictions) if the person seeking a waiver demonstrates that the waiver would not jeopardize our status as a REIT or violate the other conditions described above. These ownership limitations are intended to provide added assurance of compliance with the tax law requirements and to minimize administrative burdens. Although our articles of incorporation requires our board of directors to grant a waiver of the percentage ownership limit described above if the person seeking a waiver demonstrates that such ownership would not jeopardize our status as a REIT or violate the other conditions described above, these limitations might still delay, defer or prevent a transaction or change in control which might involve a premium price for our common stock or otherwise not be in your best interest as a stockholder or result in the transfer of shares acquired in excess of the ownership limits to a trust for the benefit of a charitable beneficiary and, as a result, the forfeiture by the acquirer of the benefits of owning the additional shares ~~. Our rights and the rights of our stockholders to take action against our directors and officers are limited. Our articles of incorporation eliminate our directors' and officers' liability to us and our stockholders for money damages except for liability resulting from actual receipt of an improper benefit or profit in money, property or services or active and deliberate dishonesty established by a final judgment and which is material to the cause of action. Our articles of incorporation and our bylaws require us to indemnify our directors and officers to the maximum extent permitted by Maryland law for liability actually incurred in connection with any proceeding to which they may be made, or threatened to be made, a party, except to the extent that the act or omission of the director or officer was material to the matter giving rise to the proceeding and was either committed in bad faith or the result of active and deliberate dishonesty, the director or officer actually received an improper personal benefit in money, property or services, or, in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful. As a result, we and our stockholders may have more limited rights against our directors and officers than might otherwise exist under common law. In addition, we may be obligated to fund the defense costs incurred by our directors and officers~~ . We have fiduciary duties as general partner to our Operating Partnership, which may result in conflicts of interests in representing your interests as stockholders of our company. Conflicts of interest could arise in the future as a result of the relationships between us and our affiliates, and between us and our Operating Partnership or any partner thereof. Our directors and officers have duties to our company under applicable Maryland law in connection with their management of our company. Additionally, we have fiduciary duties as the general partner to our Operating Partnership and to its limited partners under Delaware law in connection with the management of our Operating Partnership. Our duties as a general partner to our Operating Partnership and any unaffiliated limited partners may come into conflict with the duties of our directors and officers to our company and may be resolved in a manner that is not in your best interest as a stockholder. Our cash available for distribution to stockholders may not be sufficient to pay distributions at expected levels, or at all, and we may need to increase our borrowings or otherwise raise capital in order to make such distributions; consequently, we may not be able to make such distributions in full. Our current annualized distributions to our stockholders are $ 0. 88 per share. If cash available for distribution generated by our assets is less than our estimate, or if such cash available for distribution decreases in future periods, we may be unable to make distributions to our stockholders at expected levels, or at all, or we may need to increase our borrowings or otherwise raise capital in order to do so, and there can be no assurance that such capital will be available on attractive terms in sufficient amounts, or at all. Any of the foregoing could result in a decrease in the market price of our common stock. Any distributions made to our stockholders by us will be authorized and determined by our board of directors in its sole discretion out of funds legally available therefore and will be dependent upon a number of factors, including our actual or anticipated financial condition, results of operations, cash flows and capital requirements, debt service requirements, financing covenants, restrictions under applicable law and other factors. Any future debt, which would rank senior to our common stock upon liquidation, or equity securities, which could dilute our existing stockholders and may be senior to our common stock for the purposes of distributions, may adversely affect the market price of our common stock. In the future, we may attempt to increase our capital resources by incurring additional debt, including term loans, borrowings under credit facilities, mortgage loans, commercial paper, senior or subordinated notes and secured notes, and making additional offerings of equity and equity- related securities, including preferred and common stock and convertible or exchangeable securities. Upon our liquidation, holders of our debt securities and preferred shares and lenders with respect to other borrowings would receive a distribution of our available assets prior to the holders of our common stock. Additional offerings of common stock would dilute the holdings of our existing stockholders ~~or may reduce~~ **, reducing their proportionate ownership and voting power and potentially reducing** the market price of our common stock ~~or both~~ . Additionally, any preferred shares or convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges more favorable than those of our common stock and may result in dilution to holders of our common stock. Because our decision to incur debt or issue equity or equity- related securities in the future will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, nature or success of our future capital raising. Thus, our stockholders bear the risk that our future capital raising will materially and adversely affect the market price of our common stock and dilute the value of their holdings in us. Common stock eligible for future sale may have adverse effects on the market price of our common stock. The market price of our common stock could decline as a result of sales or resales of a large number **of shares** of our common stock in the market, or the perception that such sales or resales could occur. These sales or resales, or the possibility that these sales or resales may occur, also might make it more difficult for us to sell our common stock in the future at a desired time and at an attractive price. On ~~April 16~~ **March 17** , ~~2020~~ **2023** , the Company filed a registration statement on Form S- 3ASR which registered an indeterminate amount of common stock, preferred stock, 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. ~~On May 10, 2021, we entered into a distribution agreement with a syndicate of banks through which we may sell from time to time up to an aggregate of $ 900. 0 million of our common stock in an at the market equity program (an " ATM Offering ").~~ As of December 31, ~~2022~~ **2023** , ~~269~~ **283** , ~~814~~ **699** , ~~956~~ **120** shares of common stock are issued and outstanding, and no Series A preferred shares, Series B preferred shares or Series C preferred shares are issued and outstanding. In addition, we have filed with the SEC a registration statement on Form S- 8 covering common stock issuable pursuant to options, restricted stock units, performance units, operating partnership profits units and other stock- based awards issued under our outstanding equity incentive plans and a registration statement on Form S- 8 covering shares issuable under our 2020 Employee Stock Purchase Plan. We cannot predict the effect, if any, of future issuances, sales or resales of our common stock, or the availability of common stock for future issuances, sales or resales, on the market price of our common stock. Issuances, sales or resales of substantial amounts of common shares, or the perception that such issuances, sales or resales could occur, may materially and adversely affect the then prevailing market price for our common stock. ~~Issuance of additional equity may dilute our existing stockholders. In the future, we may issue additional equity which may dilute our current stockholders, reducing their proportionate ownership and voting power.~~ Failure to qualify as a REIT for U. S. federal income tax purposes would have a material adverse effect on us. We have elected to be taxed as a REIT under the Code. Our qualification as a REIT requires us to satisfy numerous requirements, some on an annual and quarterly basis, established under highly technical and complex Code provisions for which there are only limited judicial or administrative interpretations, and which involve the determination of various factual matters and circumstances not entirely within our control. We expect that our current organization and methods of operation will enable us to continue to qualify as a REIT, but we may not so qualify or we may not be able to remain so qualified in the future. In addition, U. S. federal income tax laws governing REITs and other corporations and the administrative interpretations of those laws may be amended at any time, potentially with retroactive effect. ~~The Protecting Americans from Tax Hikes Act, or PATH Act, was enacted in December 2015, and included numerous changes in the U. S. federal income tax laws applicable to REITs, and comprehensive tax legislation passed on December 22, 2017, which is commonly known as the Tax Cuts and Jobs Act, or TCJA and, which is fully described in Note 15 to the consolidated financial statements included in this Annual Report on Form 10- K, made fundamental changes to the individual and corporate tax laws that will materially impact us and our stockholders.~~ In addition, future legislation, new regulations, administrative interpretations or court decisions could materially and adversely affect our ability to qualify as a REIT or materially and adversely affect our company and stockholders ~~. As a result of the Agro Merchants Acquisition, we acquired interests in certain assets and earn certain items of income that are not, or may not be, qualifying assets or income for purposes of the REIT asset and income tests. In addition, although we intend to structure our post- acquisition operation of Agro Merchants in a way that would allow us to continue to qualify as a REIT for U. S. federal income tax purposes, no assurances can be given that we will be successful~~ . If we fail to qualify as a REIT in any taxable year, we would be subject to U. S. federal income tax on our REIT taxable income at regular corporate rates, and would not be allowed to deduct dividends paid to our stockholders in computing our REIT taxable income. Also, unless the Internal Revenue Service, or the IRS, granted us relief under certain statutory provisions, we could not re- elect REIT status until the fifth calendar year after the year in which we first failed to qualify as a REIT. The additional tax liability from the failure to qualify as a REIT would reduce or eliminate the amount of cash available for investment or distribution to our stockholders. This would materially and adversely affect us. In addition, we would no longer be required to make distributions to our stockholders. Even if we continue to qualify as a REIT, we will continue to be subject to certain U. S. federal, state and local taxes on our income and property. To qualify as a REIT, we must meet annual distribution requirements, which could result in material harm to our company if they are not met. To obtain the favorable tax treatment accorded to REITs, among other requirements, we normally will be required each year to distribute to our stockholders at least 90 % of our REIT taxable income, determined without regard to the deduction for dividends paid and by excluding net capital gains. We will be subject to U. S. federal income tax on our undistributed REIT taxable income and net capital gains. In addition, if we fail to distribute to our stockholders during each calendar year at least the sum of (a) 85 % of our ordinary income for such year; (b) 95 % of our capital gain net income for such year; and (c) any undistributed REIT taxable income from prior periods, we will be subject to a 4 % excise tax on the excess of the required distribution over the sum of (i) the amounts actually distributed by us and (ii) retained amounts on which we pay U. S. federal income tax at the corporate level. We intend to make distributions to our stockholders to comply with the requirements of the Code for REITs and to minimize or eliminate our U. S. federal income tax obligation. However, differences between the recognition of REIT taxable income and the actual receipt of cash could require us to sell assets or raise capital on a short- term or long- term basis to meet the distribution requirements of the Code. Certain types of assets generate substantial mismatches between REIT taxable income and available cash. Such assets include rental real estate that has been financed through financing structures which require some or all of available cash flows to be used to service borrowings. ~~Further, under amendments to the Code made by TCJA, income~~ **Income** must be accrued for U. S. federal income tax purposes no later than when such income is taken into account as revenue in our financial statements, subject to certain exceptions, which could also create mismatches between REIT taxable income and the receipt of cash attributable to such income. As a result, the requirement to distribute a substantial portion of our REIT taxable income could cause us to: (1) sell assets in adverse market conditions; (2) raise capital on unfavorable terms; or (3) distribute amounts that would otherwise be invested in future acquisitions, expansions or developments, capital expenditures or repayment of debt, in order to comply with REIT requirements. Further, amounts distributed will not be available to fund our operations. Under certain circumstances, covenants and provisions in our existing and future debt instruments may prevent us from making distributions that we deem necessary to comply with REIT requirements. Our inability to make required distributions as a result of such covenants could threaten our status as a REIT and could result in material adverse tax consequences for our company and stockholders. We conduct a portion of our business through TRSs, which are subject to certain tax risks. We have established taxable REIT subsidiaries, or TRSs, and may establish others in the future. Despite our qualification as a REIT, our TRSs must pay income tax on their taxable income. **Specifically** ~~As a result of the enactment of the TCJA~~ , **each** ~~effective for taxable years beginning on or after January 1, 2018, our~~ domestic ~~TRSs~~ - **TRS** ~~are~~ **is** subject to U. S. federal income tax ~~on their taxable income at a flat rate of 21 % (~~ as ~~well as~~ **a regular C corporation, including any** applicable **corporate alternative minimum** ~~state and local income~~ tax ~~), but net operating loss, or NOL, carryforwards of TRS losses arising in taxable years beginning after December 31, 2017, may be deducted only to the extent of 80 % of TRS taxable income in the carryforward year (computed without regard to the NOL deduction or our dividends paid deduction). In contrast to prior law, which permitted unused NOL carryforwards to be carried back two years and forward 20 years, TCJA provides that losses arising in taxable years ending after December 31, 2017, can no longer be carried back but can be carried forward indefinitely~~ . In addition, we must comply with various tests to continue to qualify as a REIT for U. S. federal income tax purposes, and our income from, and investments in, our TRSs generally do not constitute permissible income and investments for certain of these tests. No more than 20 % of the value of a REIT' s assets may consist of securities of one or more TRSs. Because TRS securities do not qualify for purposes of the 75 % asset test described herein, and because we own other assets that do not, or may not, qualify for the 75 % asset test, the 75 % asset test may effectively limit the value of our TRS securities to less than 20 % of our total assets. Our dealings with our TRSs may materially and adversely affect our REIT qualification. Furthermore, we may be subject to a 100 % penalty tax, or our TRSs may be denied deductions, to the extent our dealings with our TRSs are determined not to be arm' s length in nature or are otherwise not permitted under the Code. Complying with REIT requirements may cause us to forgo otherwise attractive opportunities or liquidate certain of our investments. To qualify as a REIT for U. S. federal income tax purposes, we must continually satisfy tests concerning, among other things, the sources of our income, the nature and diversification of our assets, the amounts we distribute to our stockholders and the ownership of our stock. We may be required to make distributions to our stockholders at disadvantageous times or when we do not have funds readily available for distribution. Thus, compliance with the REIT requirements may, for instance, hinder our ability to make certain otherwise attractive investments or undertake other activities that might otherwise be beneficial to us and our stockholders, or may require us to raise capital or liquidate investments in unfavorable market conditions and, therefore, may hinder our performance. As a REIT, at the end of each quarter, at least 75 % of the value of our assets must consist of cash, cash items, government securities and qualified real estate assets. The remainder of our investments in securities (other than cash, cash items, government securities, securities issued by a TRS and qualified real estate assets) generally cannot include more than 10 % of the outstanding voting securities of any one issuer or more than 10 % of the total value of the outstanding securities of any one issuer. In addition, in general, no more than 5 % of the value of our total assets (other than cash, cash items, government securities, securities issued by a TRS and qualified real estate assets) can consist of the securities of any one issuer, ~~and~~ no more than 20 % of the value of our total securities can be represented by securities of one or more TRSs **, and no more than 25 % of the value of our assets may consist of " nonqualified publicly offered REIT debt instruments "** . If we fail to comply with these requirements at the end of any quarter, we must correct the failure within 30 days after the end of the quarter or qualify for certain statutory relief provisions to avoid losing our REIT qualification and suffering material adverse tax consequences. The need to comply with the 75 % asset test and 20 % TRS securities test on an ongoing basis potentially could require us in the future to limit the future acquisition of, or to dispose of, nonqualifying assets, limit the future expansion of our TRSs' assets and operations or dispose of or curtail TRS assets and operations, which could adversely affect our business and could have the effect of reducing our income and amounts available for distribution to our stockholders. Future changes to the U. S. federal income tax laws could have an adverse impact on our business and financial results. Changes to the U. S. federal income tax laws, including changes in applicable tax rates, are proposed regularly. Additionally, the REIT rules are constantly under review by persons involved in the legislative process and by the IRS and the U. S. Department of the Treasury, which may result in revisions to regulations and interpretations in addition to statutory changes. If enacted, such changes could have an adverse impact on our business and financial results. Other legislative proposals could be enacted in the future that could affect REITs and their stockholders. Prospective investors are urged to consult their tax advisor regarding the effect of any potential tax law changes on an investment in our common stock. Distributions payable by REITs generally do not qualify for the reduced tax rates that apply to certain other corporate distributions, potentially making an investment in our company less advantageous for certain persons than an investment in an entity with different tax attributes. The maximum federal income tax rate applicable to " qualified dividend income " payable by non- REIT corporations to certain non- corporate U. S. stockholders is generally 20 %, and a 3. 8 % Medicare tax may also apply. Dividends paid by REITs, however, generally are not eligible for the reduced rates applicable to qualified dividend income. **For** ~~Commencing with~~ taxable years ~~beginning on or after January 1, 2018 and continuing~~ through 2025, TCJA temporarily reduces the effective tax rate on ordinary REIT dividends (i. e., dividends other than capital gain dividends and dividends attributable to certain qualified dividend income received by us) for U. S. holders of our common stock that are individuals, estates or trusts by permitting such holders to claim a deduction in determining their taxable income equal to 20 % of any such dividends they receive. Taking into account TCJA' s reduction in the maximum individual federal income tax rate from 39. 6 % to 37 %, this results in a maximum effective rate of regular income tax on ordinary REIT dividends of 29. 6 % through 2025 (as compared to the 20 % maximum federal income tax rate applicable to qualified dividend income received from a non- REIT corporation ~~). Under final regulations recently issued by the IRS, in order to qualify for this deduction with respect to a dividend on our common stock, a stockholder must hold such shares for more than 45 days during the 91- day period beginning on the date which is 45 days before the date on which such shares become ex- dividend with respect to such dividend (taking into account certain special holding period rules that may, among other consequences, reduce a stockholder' s holding period during any period in which the stockholder has diminished its risk of loss with respect to the stock~~). Stockholders are urged to consult their tax advisors as to their ability to claim this deduction. The more favorable rates applicable to regular corporate distributions could cause investors who are individuals to perceive investments in REITs to be relatively less attractive than investments in the stocks of non- REIT corporations that pay distributions. This could materially and adversely affect the value of the stock of REITs, including our common stock. In certain circumstances, we may be subject to U. S. federal, state, local or foreign taxes, which would reduce our funds available for distribution to our stockholders. Even if we qualify and maintain our status as a REIT, we may be subject to certain U. S. federal, state, local or foreign taxes. For example, net income from a " prohibited transaction, " including sales or other dispositions of property, other than foreclosure property, held primarily for sale in the ordinary course of business, will be subject to a 100 % tax. While we do not intend to hold properties that would be characterized as held for sale in the ordinary course of business, unless a sale or disposition qualifies under statutory safe harbors, there can be no assurance that the IRS would agree with our characterization of our properties or that we will be able to make use of available safe harbors. In addition, we may not be able to make sufficient distributions to avoid income and excise taxes. We may also be subject to state, local, or foreign taxes on our income or property, either directly or at the level of our Operating Partnership or the other companies through which we indirectly own our assets. Any taxes we pay will reduce our funds available for distribution to our stockholders. We may also decide to retain certain gains from the sale or other disposition of our property and pay income tax directly on such gains. In that event, our stockholders would be required to include such gains in income and would receive a corresponding credit for their share of taxes paid by us. Any net taxable income earned directly by a TRS will be subject to U. S. federal and state corporate income tax. Furthermore, even though we qualify for taxation as a REIT, if we acquire any asset from a corporation which is or has been a C- corporation in a transaction in which the basis of the asset in our hands is less than the fair market value of the asset determined at the time we acquired the asset, and we subsequently recognize a gain on the disposition of the asset during the five- year period beginning on the date on which we acquired the asset, then we will be required to pay tax at the highest regular corporate tax rate on this gain to the extent of the excess of (a) the fair market value of the asset over (b) our adjusted basis in the asset, in each case determined as of the date on which we acquired the asset. These requirements could limit, delay or impede future sales of our properties. We currently do not expect to sell any asset if the sale would result in the imposition of a material tax liability. We cannot, however, assure you that we will not change our plans in this regard. Complying with REIT requirements may limit our ability to hedge effectively and may cause us to incur tax liabilities. The REIT provisions of the Code limit our ability to hedge our liabilities. Generally, income from a hedging transaction we enter into either to manage risk of interest rate changes with respect to borrowings incurred or to be incurred to acquire or carry real estate assets, or to manage the risk of currency fluctuations with respect to any item of income or gain (or any property which generates such income or gain) that constitutes " qualifying income " for purposes of the 75 % or 95 % gross income tests applicable to REITs, does not constitute " gross income " for purposes of the 75 % or 95 % gross income tests, provided that we properly identify the hedging transaction pursuant to the applicable sections of the Code and Treasury Regulations. To the extent that we enter into other types of hedging transactions, the income from those transactions is likely to be treated as non- qualifying income for purposes of both gross income tests. As a result of these rules, we may need to limit our use of otherwise advantageous hedging techniques or implement those hedges through a TRS. The use of a TRS could increase the cost of our hedging activities (because our TRS would be subject to tax on income or gain resulting from hedges entered into by it) or expose us to greater risks than we would otherwise want to bear. In addition, net losses in any of our TRSs will generally not provide any tax benefit except for being carried forward for use against future taxable income of the TRS. If our Operating Partnership fails to qualify as a partnership for U. S. federal income tax purposes, we would fail to qualify as a REIT. As a partnership, our Operating Partnership is not subject to U. S. federal income tax on its income. For all tax periods during which the Operating Partnership is treated as a partnership, each of its partners, including us, will be allocated that partner' s share of the Operating Partnership' s income. Following the admission of additional limited partners, no assurance can be provided, however, that the IRS will not challenge the status of our Operating Partnership as a partnership for U. S. federal income tax purposes, or that a court would not sustain such a challenge. If the IRS were successful in treating our Operating Partnership as an association taxable as a corporation for U. S. federal income tax purposes, we would fail to meet the gross income tests and certain of the asset tests applicable to REITs and, accordingly, would cease to qualify as a REIT, which would have a material adverse effect on us and our stockholders. Also, our Operating Partnership would then be subject to U. S. federal corporate income tax, which would reduce significantly the amount of its funds available for debt service and for distribution to its partners, including us.