
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 14, 2021

Black Creek Industrial REIT IV Inc.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

000-56032
(Commission
File Number)

47-1592886
(IRS Employer
Identification No.)

518 Seventeenth Street, 17th Floor
Denver, CO 80202
(Address of principal executive offices)

(303) 228-2200
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act: None

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Explanatory Note.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, Black Creek Industrial REIT IV Inc. (the “Company”) hereby amends the following Current Report on Form 8-K to provide the requirement financial information:

- Current Report on Form 8-K (the “Current Report”) filed with the Securities and Exchange Commission (the “SEC”) on July 14, 2021, to provide the required financial information relating to the Company’s acquisition of the Key Logistics Portfolio, as described in that Current Report.

Item 9.01 Financial Statements and Exhibits.

(a) and (b) Financial Statements of Real Estate Property Acquired and Pro Forma Financial Information.

The financial statements and pro forma financial information required by Item 9.01(a) and (b) are filed herewith as exhibits under Item 9.01(d) and such exhibits are incorporated herein by reference.

(d) Exhibits

Exhibit Number	Description
99.1	<u>Financial Statements of Real Estate Property Acquired–Key Logistics Portfolio</u> Statements of Revenues and Certain Expenses for the Six Months Ended June 30, 2021 (unaudited) and the Year Ended December 31, 2020 Notes to the Statements of Revenues and Certain Expenses for the Six Months Ended June 30, 2021 (unaudited) and for the Year Ended December 31, 2020
99.2	<u>Pro Forma Financial Information–Black Creek Industrial REIT IV Inc.</u> Pro Forma Consolidated Balance Sheet as of June 30, 2021 (unaudited) Notes to the Pro Forma Consolidated Balance Sheet as of June 30, 2021 (unaudited) Pro Forma Consolidated Statement of Operations for the Six Months Ended June 30, 2021 (unaudited) Pro Forma Consolidated Statement of Operations for the Year Ended December 31, 2020 (unaudited) Notes to the Pro Forma Consolidated Statement of Operations for the Six Months Ended June 30, 2021 (unaudited) and for the Year Ended December 31, 2020 (unaudited)
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BLACK CREEK INDUSTRIAL REIT IV INC.

September 23, 2021

By: /s/ SCOTT A. SEAGER

Name: Scott A. Seager

Title: Senior Vice President, Chief Financial Officer and
Treasurer

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
Black Creek Industrial REIT IV Inc.

We have audited the accompanying statements of revenues and certain expenses (the “Statements”) of the Key Logistics Portfolio (the “Properties”) for the year ended December 31, 2020 and the related notes to the Statements.

Management’s Responsibility for the Statements

Management is responsible for the preparation and fair presentation of the Statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of the Statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Statements referred to above presents fairly, in all material respects, the revenue and certain expenses described in Note 2 to the Statements for the year ended December 31, 2020, in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting

As described in Note 2 to the Statements, the Statements have been prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission for inclusion in the Form 8-K/A of Black Creek Industrial REIT IV Inc. and is not intended to be a complete presentation of the Properties’ revenue and expenses. Our opinion is not modified with respect to this matter.

/s/ Plante Moran, PLLC

September 22, 2021
Denver, Colorado

**KEY LOGISTICS PORTFOLIO
STATEMENTS OF REVENUES AND CERTAIN EXPENSES**

(in thousands)	For the Six Months Ended June 30, 2021	For the Year Ended December 31, 2020
	(unaudited)	
Revenues:		
Rental revenues	\$ 26,243	\$ 50,757
Total revenues	<u>26,243</u>	<u>50,757</u>
Certain expenses:		
Real estate taxes	4,287	8,310
Operating expenses	1,231	2,125
Insurance	528	760
Management fees	772	1,307
Total certain expenses	<u>6,818</u>	<u>12,502</u>
Excess of revenues over certain expenses	<u>\$ 19,425</u>	<u>\$ 38,255</u>

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

KEY LOGISTICS PORTFOLIO
NOTES TO STATEMENTS OF REVENUES AND CERTAIN EXPENSES
FOR THE SIX MONTHS ENDED JUNE 30, 2021 (UNAUDITED) AND FOR
THE YEAR ENDED DECEMBER 31, 2020

1. Basis of Presentation

On July 14, 2021, BCI IV Portfolio Real Estate Holdco LLC, a Delaware limited liability company (“Black Creek Holdco”), an indirect wholly owned subsidiary of Black Creek Industrial REIT IV Inc. (the “Company”), acquired a 100% fee interest in 48 industrial buildings totaling approximately 8.3 million square feet on approximately 480.7 acres (the “Key Logistics Portfolio”) pursuant to an Agreement and Plan of Merger (the “Merger Agreement”), by and between Black Creek Holdco, Prologis Targeted U.S. Logistics Fund, L.P., a Delaware limited partnership (“USLF”), Prologis USLV Operating Partnership, L.P., a Delaware limited partnership (“USLV”), and Prologis USLV SubREIT 1, LLC, a Delaware limited liability company (“USLV SubREIT”, and together with USLF and USLV, the “Sellers”). The Key Logistics Portfolio is located in 13 geographic markets throughout the United States and is 96.4% occupied by 83 customers with a weighted-average remaining lease term (based on square feet) of approximately 3.4 years. The total purchase price was approximately \$920.0 million, subject to customary prorations. The Company funded the acquisition using proceeds from its public offering and funds from its existing line of credit and term loans.

The accompanying statements of revenues and certain expenses relate to the Key Logistics Portfolio and have been prepared pursuant to Rule 3-14 of Regulation S-X of the Securities and Exchange Commission (the “SEC”), promulgated under the Securities Act of 1933, as amended. Accordingly, the statements are not representative of the actual operations for the periods presented as certain operating expenses, which may not be directly attributable to the revenues and expenses expected to be incurred in the future operations of the Key Logistics Portfolio, have been excluded. Such items include depreciation and amortization, amortization of above- and below-market leases, interest, and other administrative costs. Management is not aware of any material factors relating to the Key Logistics Portfolio, other than those already described above, that would cause the reported financial information included herein to not be necessarily indicative of future operating results.

The statements of revenues and certain expenses for the six months ended June 30, 2021 (unaudited) and for the year ended December 31, 2020 reflect all adjustments, consisting of only normal recurring adjustments, which are, in the opinion of management, necessary for a fair presentation of the results of the interim period. The results of the interim period are not necessarily indicative of the expected results for the entire fiscal year.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and certain expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Rental revenue is recognized on a straight-line basis over the terms of the lease agreements. The difference between rental income earned on a straight-line basis and the cash rent due under the provisions of the lease agreements is recorded as a component of straight-line rent. The straight-line rent adjustment for minimum rents increased base contractual rental revenue by approximately \$0.8 million

for the six months ended June 30, 2021 (unaudited) and \$1.8 million for the year ended December 31, 2020.

Risks and Uncertainties

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus as a “pandemic.” First identified in late 2019 and known now as COVID-19, the outbreak has impacted millions of individuals worldwide. In response, many countries have implemented measures to combat the outbreak which have impacted global business operations. While the Company’s results of operations and financial condition were not significantly impacted, the extent of any future impact cannot be reasonably estimated at this time.

3. Minimum Future Lease Rentals

Future minimum base rental payments, which equal the cash basis of monthly contractual rent, owed to the Company from its customers under the terms of the non-cancelable operating lease in place as of June 30, 2021, excluding rental revenues from the potential renewal or replacement of existing future leases and from customer reimbursement revenue, were as follows for the next five years and thereafter:

(in thousands)	Amount
Remainder of 2021	\$ 18,332
2022	29,656
2023	22,454
2024	17,165
2025	13,499
2026	7,437
Thereafter	11,228
Total	<u>\$ 119,771</u>

4. Tenant Concentrations

As of June 30, 2021, there were no customers in the Key Logistics Portfolio that represented more than 10.0% of total annualized base rent.

5. Related Party Transactions

Property Insurance

For the six months ended June 30, 2021 and the year ended December 31, 2020, the properties within the Key Logistics Portfolio were self-insured through an affiliate. Costs of \$0.5 million and \$0.8 million are included in insurance in the statements of revenues and certain expenses for the six months ended June 30, 2021 and the year ended December 31, 2020, respectively.

Related Party Property Management Fees

For the six months ended June 30, 2021 and the year ended December 31, 2020, certain properties within the Key Logistics Portfolio were managed by an affiliate of the Sellers. Property management fees payable to the affiliate were \$0.6 million and \$1.0 million, respectively, for the six months ended June 30, 2021 and the year ended December 31, 2020. Property management fees are included in management fees in the statements of revenues and certain expenses.

6. Commitments

Litigation

In the normal course of business, the Company may be a party to litigation from time to time. The Company maintains insurance to cover certain actions against the Company.

7. Subsequent Events

Management has evaluated the events and transactions that have occurred through September 22, 2021, the date on which the statements of revenue and certain expenses were available to be issued and noted no items requiring adjustment to the statements or additional disclosures.

BLACK CREEK INDUSTRIAL REIT IV INC.
PRO FORMA FINANCIAL INFORMATION
(Unaudited)

The following pro forma consolidated financial statements have been prepared to provide pro forma information with regard to real estate acquisitions and financing transactions, as applicable. The unaudited pro forma consolidated financial statements should be read in conjunction with Black Creek Industrial REIT IV Inc.'s (the "Company") Annual Report on Form 10-K for the year ended December 31, 2020, filed with the Securities and Exchange Commission (the "SEC") on March 5, 2021, and Quarterly Report on Form 10-Q for the quarter ended June 30, 2021, filed with the SEC on August 10, 2021 (the "Form 10-Q").

The accompanying unaudited pro forma consolidated statement of operations for the year ended December 31, 2020, combines the Company's historical operations with the real estate properties described below, as if the acquisition of those properties had occurred as of January 1, 2020.

On July 14, 2021, the Company, through an indirect wholly-owned subsidiary, acquired a 100% fee interest in 48 industrial buildings totaling approximately 8.3 million square feet on approximately 480.7 acres (the "Key Logistics Portfolio"). The Key Logistics Portfolio is located in 13 geographic markets throughout the United States and is currently 96.4% occupied by 83 customers with a weighted-average lease term (based on square feet) of approximately 3.4 years. The total purchase price was \$920.0 million, subject to customary prorations. The sellers of the Key Logistics Portfolio are not affiliated with the Company or its affiliates. The Company funded the acquisition using proceeds from the Company's public offering and funds from its credit facility and term loans.

The unaudited pro forma consolidated financial statements have been prepared by the Company's management based upon the Company's historical financial statements, certain historical financial information of the acquired real estate properties, and certain purchase accounting entries of the acquired real estate properties. These pro forma statements may not be indicative of the results that actually would have occurred if these transactions had been in effect on the dates indicated, nor do they purport to represent our future financial results. The accompanying unaudited pro forma consolidated financial statements do not contemplate certain amounts that are not readily determinable, such as additional general and administrative expenses that are probable, or interest income that would be earned on cash balances.

BLACK CREEK INDUSTRIAL REIT IV INC.
PRO FORMA CONSOLIDATED BALANCE SHEET
AS OF JUNE 30, 2021
(Unaudited)

(in thousands)	Company Historical (1)	Acquisitions (2)	Financing Transactions	Consolidated Pro Forma
ASSETS				
Net investment in real estate properties	\$ 2,419,589	\$ 928,741	\$ —	\$ 3,348,330
Investment in unconsolidated joint venture partnership(s)	45,246	—	—	45,246
Cash and cash equivalents	159,248	(809,873)	741,315 (3)	90,690
Restricted cash	1,595	—	—	1,595
Straight-line rent and tenant receivables, net	11,588	586	—	12,174
Due from affiliates	122	—	—	122
Deferred acquisition costs	101,909	(100,000)	—	1,909
DST Program Loans	24,561	—	—	24,561
Other assets	3,767	253	—	4,020
Total assets	\$ 2,767,625	\$ 19,707	\$ 741,315	\$ 3,528,647
LIABILITIES AND PARTNERS' CAPITAL				
Liabilities				
Accounts payable and accrued expenses	\$ 21,489	\$ 3,392	\$ —	\$ 24,881
Debt, net	866,643	—	577,250 (3)	1,443,893
Financing obligations, net	81,568	—	—	81,568
Due to affiliates	18,938	—	—	18,938
Distributions payable	8,931	—	—	8,931
Distribution fees payable to affiliates	62,078	—	—	62,078
Other liabilities	45,658	14,921	—	60,579
Total liabilities	1,105,305	18,313	577,250	1,700,868
Commitments and contingencies				
Redeemable noncontrolling interest	13,586	—	—	13,586
Equity				
Stockholders' equity:				
Preferred stock, \$0.01 par value - 200,000 shares authorized, none issued and outstanding	—	—	—	—
Class T common stock, \$0.01 par value per share - 1,200,000 shares authorized, 164,487 and 130,565 shares issued and outstanding, respectively	1,645	—	121 (4)	1,766
Class W common stock, \$0.01 par value per share - 75,000 shares authorized, 10,504 and 7,866 shares issued and outstanding, respectively	105	—	6 (4)	111
Class I common stock, \$0.01 par value per share - 225,000 shares authorized, 20,248 and 3,040 shares issued and outstanding, respectively	202	—	30 (4)	232
Additional paid-in capital	1,848,608	—	163,908 (4)	2,012,516
Accumulated (deficit) gain	(195,434)	1,394	—	(194,040)
Accumulated other comprehensive loss	(6,579)	—	—	(6,579)
Total stockholders' equity	1,648,547	1,394	164,065	1,814,006
Noncontrolling interests	187	—	—	187
Total equity	1,648,734	1,394	164,065	1,814,193
Total liabilities and equity	\$ 2,767,625	\$ 19,707	\$ 741,315	\$ 3,528,647

The accompanying notes are an integral part of this pro forma consolidated financial statement.

BLACK CREEK INDUSTRIAL REIT IV INC.
NOTES TO THE PRO FORMA CONSOLIDATED BALANCE SHEET
AS OF JUNE 30, 2021
(Unaudited)

- (1) Reflects the Company's historical condensed consolidated balance sheet as of June 30, 2021. Refer to the Company's historical consolidated financial statements and notes thereto included in the Company's Quarterly Report on Form 10-Q filed with the SEC on August 10, 2021.
- (2) Subsequent to June 30, 2021, the Company acquired the Key Logistics Portfolio, comprised of 48 industrial buildings aggregating 8.3 million square feet on approximately 480.7 acres for a total purchase price of \$920.0 million. The Company funded the acquisition using proceeds from the Company's public offering and funds from its existing credit facility and term loans. The following table sets forth the preliminary purchase price allocation of the Key Logistics Portfolio:

(\$ in thousands)	Acquisition Date	Land	Building	Intangibles		
				Intangible Lease Assets	Above-Market Lease Assets	Below-Market Lease Liabilities
Key Logistics Portfolio	7/14/2021	\$ 152,055	\$ 726,520	\$ 49,057	\$ 1,109	\$ (11,097)

- (3) In conjunction with the Key Logistics Portfolio acquisition, the company borrowed \$95.6 million under its corporate line of credit, \$287.6 million under its \$600.0 million term loan, and \$194.1 million under its \$209.3 million term loan. The corporate line of credit matures in November 2023, and may be extended pursuant to a one-year extension, subject to certain conditions, with a primary interest rate of 1.40%. The \$600.0 million term loan matures in May 2026, with a primary interest rate of 1.45%, and the \$209.3 million term loan matures in July 2025, with a primary interest rate of 1.63%.
- (4) For the period from July 1, 2021 through July 15, 2021, the Company sold approximately 15.7 million shares of its common stock through its public offering, which resulted in net proceeds of approximately \$164.1 million. Distributions which may have been paid or payable subsequent to June 30, 2021 have not been reflected in the pro forma balance sheet.

BLACK CREEK INDUSTRIAL REIT IV INC.
PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(Unaudited)

(in thousands)	Company Historical (1)	Acquisitions	Pro Forma Adjustments	Consolidated Pro Forma
Revenues:				
Rental revenues	\$ 53,046	\$ 26,243 (2)	\$ 1,592 (4)	\$ 80,881
Total revenues	<u>53,046</u>	<u>26,243</u>	<u>1,592</u>	<u>80,881</u>
Operating expenses:				
Rental expenses	12,825	6,818 (3)	—	19,643
Real estate-related depreciation and amortization	30,241	—	25,653 (5)	55,894
General and administrative expenses	4,370	—	—	4,370
Advisory fees	9,460	—	5,390 (6)	14,850
Performance participation allocation	16,022	—	—	16,022
Acquisition costs and reimbursements	2,125	—	—	2,125
Total operating expenses	<u>75,043</u>	<u>6,818</u>	<u>31,043</u>	<u>112,904</u>
Other (income) expenses:				
Equity in income from unconsolidated joint venture partnerships	(1,165)	—	—	(1,165)
Interest expense	8,295	—	4,325 (7)	12,620
Other income	(129)	—	—	(129)
Net expenses	<u>82,044</u>	<u>6,818</u>	<u>35,368</u>	<u>124,230</u>
Net (loss) income	<u>(28,998)</u>	<u>19,425</u>	<u>(33,776)</u>	<u>(43,349)</u>
Net loss attributable to noncontrolling interests	225	—	—	225
Net income attributable to noncontrolling interests	(8)	—	—	(8)
Net (loss) income attributable to common stockholders	<u>\$ (28,781)</u>	<u>\$ 19,425</u>	<u>\$ (33,776)</u>	<u>\$ (43,132)</u>
Weighted-average shares outstanding	<u>163,355</u>			<u>170,278 (8)</u>
Net loss per common share - basic and diluted	<u>(0.18)</u>			<u>(0.25)</u>

The accompanying notes are an integral part of this pro forma consolidated financial statement.

BLACK CREEK INDUSTRIAL REIT IV INC.
PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Unaudited)

(in thousands)	Company Historical (1)	Acquisitions	Pro Forma Adjustments	Consolidated Pro Forma
Revenues:				
Rental revenues	\$ 79,396	\$ 50,757 (2)	\$ 3,184 (4)	\$ 133,337
Total revenues	<u>79,396</u>	<u>50,757</u>	<u>3,184</u>	<u>133,337</u>
Operating expenses:				
Rental expenses	19,550	12,502 (3)	—	32,052
Real estate-related depreciation and amortization	46,483	—	51,306 (5)	97,789
General and administrative expenses	3,970	—	—	3,970
Advisory fees	19,293	—	7,340 (6)	26,633
Performance participation allocation	3,166	—	—	3,166
Acquisition costs and reimbursements	3,003	—	—	3,003
Total operating expenses	<u>95,465</u>	<u>12,502</u>	<u>58,646</u>	<u>166,613</u>
Other expenses:				
Equity in loss from unconsolidated joint venture partnerships	1,790	—	—	1,790
Interest expense and other	12,316	—	8,650 (7)	20,966
Net expenses	<u>109,571</u>	<u>12,502</u>	<u>67,296</u>	<u>189,369</u>
Net (loss) income	<u>(30,175)</u>	<u>38,255</u>	<u>(64,112)</u>	<u>(56,032)</u>
Net loss attributable to noncontrolling interests	83	—	—	83
Net income attributable to noncontrolling interests	(5)	—	—	(5)
Net (loss) income attributable to common stockholders	<u>\$ (30,097)</u>	<u>\$ 38,255</u>	<u>\$ (64,112)</u>	<u>\$ (55,954)</u>
Weighted-average shares outstanding	<u>113,145</u>			<u>170,278 (8)</u>
Net loss per common share - basic and diluted	<u>(0.27)</u>			<u>(0.33)</u>

The accompanying notes are an integral part of this pro forma consolidated financial statement.

BLACK CREEK INDUSTRIAL REIT IV INC.
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2021
AND FOR THE YEAR ENDED DECEMBER 31, 2021
(Unaudited)

- (1) Reflects the Company's historical consolidated statements of operations for the six months ended June 30, 2021 and for the year ended December 31, 2020. Refer to the Company's historical consolidated financial statements and notes thereto included in the Company's Quarterly Report on Form 10-Q filed with the SEC on August 10, 2021 and the Company's Annual Report on Form 10-K filed with the SEC on March 5, 2021.
- (2) Amounts represent the incremental impact of rental revenue of the real estate properties acquired by the Company based on the historical operations of those properties for the periods prior to acquisition. The incremental rental revenue is determined based on the respective property's historical rental revenue and the purchase accounting entries and includes the incremental base rent adjustments calculated based on the terms of the acquired lease and presented on a straight-line basis. The incremental straight-line rent adjustment resulted in an increase to rental revenue of approximately \$0.8 million for the six months ended June 30, 2021 and \$1.8 million for the year ended December 31, 2020.
- (3) The table below sets forth the incremental impact of rental expense of the real estate properties acquired by the Company based on the historical operations of those properties for the periods prior to acquisition. The incremental rental expense adjustment is determined based on the respective property's historical operating expenses, insurance expense, and property management fees.

(in thousands)	For the Six Months Ended June 30, 2021		For the Year Ended December 31, 2020	
	Incremental Rental Expense	Incremental Real Estate Taxes	Incremental Rental Expense	Incremental Real Estate Taxes
Key Logistics Portfolio	\$ 2,531	\$ 4,287	\$ 4,192	\$ 8,310

- (4) Amount represents the incremental impact of rental revenue of the properties acquired by the Company, which includes the adjustments to reflect rents at market, as determined in purchase accounting, that consists of below-market lease assets and liabilities, which are amortized over the remaining lease term.
- (5) Amount represents the incremental depreciation and amortization expense of the real estate properties acquired by the Company. Pursuant to the purchase price allocations, the amounts allocated to buildings are depreciated on a straight-line basis over a period of 40 years, commencing when the building is complete and ready for its intended use, and the amounts allocated to intangible in-place lease assets are amortized on a straight-line basis over the lease term.
- (6) Amount represents the fixed component of the advisory fee that is payable monthly to the Company's advisor for the year ended December 31, 2020 and for the six months ended June 30, 2021, for asset management services provided to the Company. The fixed component of the advisory fee consists of a monthly fee of one-twelfth of 1.25% of the aggregate NAV and the consideration received by the Company or its affiliates for selling interests in properties that are part of the Company's Delaware statutory trust exchange program to third party investors. Prior to February 16, 2021, the fixed component of the advisory fee consists of a monthly fee of one-twelfth of 0.80% of the aggregate cost of real property assets located in the U.S. within the Company's portfolio. Amount was calculated as though the real estate properties acquired by the Company had been managed by the Company's advisor since January 1, 2020.

- (7) Amount represents the incremental interest expense related to the borrowings under the Company's corporate line of credit and term loans incurred in conjunction with the respective real estate property acquisitions. The incremental interest expense is calculated based on the actual terms of the respective financing agreement as if these financings were outstanding as of January 1, 2020.

<u>(in thousands)</u>	<u>Weighted-Average Interest Rate</u>	<u>Amount Financed</u>	<u>For the Six Months Ended June 30, 2021</u>	<u>For the Year Ended December 31, 2020</u>
Key Logistics Portfolio	1.50%	\$ 577,250 (a)	\$ 4,325	\$ 8,650

- (a) Amount was borrowed under the Company's corporate line of credit, its \$600.0 million term loan, and its \$209.3 million term loan. The incremental interest expense was calculated using the interest rate in effect as of July 31, 2021.
- (8) The pro forma weighted-average shares of common stock outstanding for the six months ended June 30, 2021 and for the year ended December 31, 2020 were calculated to reflect all shares sold through July 15, 2021 as if they had been issued on January 1, 2020.