UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2026

OR

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

Commission File Number 001-38342

INDUSTRIAL LOGISTICS PROPERTIES TRUST

(Exact Name of Registrant as Specified in Its Charter)

Maryland	**82-2809631**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

Two Newton Place, 255 Washington Street, Suite 300, Newton, Massachusetts 02458-1634
(Address of Principal Executive Offices) (Zip Code)

617-219-1460
(Registrant's Telephone Number, Including Area Code)

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class	**Trading Symbol(s)**	**Name Of Each Exchange On Which Registered**
Common Shares of Beneficial Interest	ILPT	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Number of registrant's common shares of beneficial interest, $.01 par value per share, outstanding as of October 26, 2026: 66,982,830.

INDUSTRIAL LOGISTICS PROPERTIES TRUST
FORM 10-Q

September 30, 2026

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References in this Quarterly Report on Form 10-Q to the Company, we, us or our include Industrial Logistics Properties Trust and its consolidated subsidiaries unless otherwise expressly stated or the context indicates otherwise.

PART I. Financial Information

Item 1. Financial Statements

INDUSTRIAL LOGISTICS PROPERTIES TRUST
CONDENSED CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except per share data)
(unaudited)

	September 30, 2026	December 31, 2025
ASSETS		
Real estate properties:		
Land	$ 1,112,238	$ 1,112,238
Buildings and improvements	4,077,860	4,067,721
Total real estate properties, gross	5,190,098	5,179,959
Accumulated depreciation	(743,360)	(648,310)
Total real estate properties, net	4,446,738	4,531,649
Investment in unconsolidated joint venture	115,758	132,753
Acquired real estate leases, net	141,127	164,186
Cash and cash equivalents	130,657	94,812
Restricted cash and cash equivalents	48,878	88,219
Rents receivable, including straight line rents of $124,507 and $114,199, respectively	145,550	136,669
Other assets, net	56,933	41,656
Total assets	$ 5,085,641	$ 5,189,944
LIABILITIES AND EQUITY		
Mortgage notes payable, net	$ 4,185,844	$ 4,193,194
Accounts payable and other liabilities	85,900	74,571
Assumed real estate lease obligations, net	9,670	11,679
Due to related persons	9,377	9,802
Total liabilities	4,290,791	4,289,246
Commitments and contingencies		
Equity:		
Equity attributable to common shareholders:		
Common shares of beneficial interest, $.01 par value: 100,000,000 shares authorized; 67,001,208 and 66,653,129 shares issued and outstanding, respectively	670	667
Additional paid in capital	1,020,767	1,018,985
Cumulative net deficit	(206,764)	(152,660)
Cumulative other comprehensive loss	—	(836)
Cumulative common distributions	(389,800)	(376,459)
Total equity attributable to common shareholders	424,873	489,697
Noncontrolling interests	369,977	411,001
Total equity	794,850	900,698
Total liabilities and equity	$ 5,085,641	$ 5,189,944

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

INDUSTRIAL LOGISTICS PROPERTIES TRUST
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(amounts in thousands, except per share data)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Rental income	$ 116,805	$ 110,936	$ 347,347	$ 334,938
Expenses:				
Real estate taxes	16,258	15,205	49,180	45,021
Other operating expenses	8,554	8,781	27,271	27,908
Depreciation and amortization	40,306	41,034	121,873	123,995
General and administrative	10,703	10,586	32,165	28,486
Loss on impairment of real estate	—	6,081	—	6,081
Total expenses	75,821	81,687	230,489	231,491
Interest and other income	1,364	1,585	5,787	5,577
Interest expense	(61,175)	(63,470)	(183,989)	(201,197)
Loss on extinguishment of debt	—	—	(3,830)	(5,070)
Loss before income taxes and equity in (losses) earnings of unconsolidated joint venture	(18,827)	(32,636)	(65,174)	(97,243)
Income tax expense	(9)	(31)	(182)	(89)
Equity in (losses) earnings of unconsolidated joint venture	(19,004)	2,236	(13,431)	5,338
Net loss	(37,840)	(30,431)	(78,787)	(91,994)
Net loss attributable to noncontrolling interests	7,626	8,866	24,683	27,587
Net loss attributable to common shareholders	(30,214)	(21,565)	(54,104)	(64,407)
Other comprehensive income (loss):				
(Loss) gain on derivatives	—	(626)	1,370	(370)
Less: loss (gain) on derivatives attributable to noncontrolling interests	—	244	(534)	154
Other comprehensive income (loss) attributable to common shareholders	—	(382)	836	(216)
Comprehensive loss attributable to common shareholders	$ (30,214)	$ (21,947)	$ (53,268)	$ (64,623)
Weighted average common shares outstanding (basic and diluted)	66,338	66,089	66,247	65,951
Net loss per share attributable to common shareholders (basic and diluted)	$ (0.46)	$ (0.33)	$ (0.82)	$ (0.98)

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

INDUSTRIAL LOGISTICS PROPERTIES TRUST
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(dollars in thousands)
(unaudited)

	Number of Common Shares	Common Shares	Additional Paid In Capital	Cumulative Net Deficit	Cumulative Other Comprehensive Gain (Loss)	Cumulative Common Distributions	Total Equity Attributable to Common Shareholders	Noncontrolling Interests	Total Equity
Balance at December 31, 2025	66,653,129	$ 667	$ 1,018,985	$ (152,660)	$ (836)	$ (376,459)	$ 489,697	$ 411,001	$ 900,698
Net loss	—	—	—	(9,427)	—	—	(9,427)	(8,432)	(17,859)
Share grants, repurchases and forfeitures	12,921	—	349	—	—	—	349	—	349
Distributions to common shareholders	—	—	—	—	—	(3,333)	(3,333)	—	(3,333)
Other comprehensive gain	—	—	—	—	2,432	—	2,432	1,554	3,986
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(150)	(150)
Balance at March 31, 2026	66,666,050	667	1,019,334	(162,087)	1,596	(379,792)	479,718	403,973	883,691
Net loss	—	—	—	(14,463)	—	—	(14,463)	(8,625)	(23,088)
Share grants, repurchases and forfeitures	96,181	1	1,333	—	—	—	1,334	—	1,334
Distributions to common shareholders	—	—	—	—	—	(3,333)	(3,333)	—	(3,333)
Other comprehensive loss	—	—	—	—	(1,596)	—	(1,596)	(1,020)	(2,616)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(14,820)	(14,820)
Balance at June 30, 2026	66,762,231	668	1,020,667	(176,550)	—	(383,125)	461,660	379,508	841,168
Net loss	—	—	—	(30,214)	—	—	(30,214)	(7,626)	(37,840)
Share grants, repurchases and forfeitures	238,977	2	100	—	—	—	102	—	102
Distributions to common shareholders	—	—	—	—	—	(6,675)	(6,675)	—	(6,675)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(1,905)	(1,905)
Balance at September 30, 2026	67,001,208	$ 670	$ 1,020,767	$ (206,764)	$ —	$ (389,800)	$ 424,873	$ 369,977	$ 794,850
Balance at December 31, 2024	66,144,308	$ 661	$ 1,017,382	$ (86,473)	$ (1,065)	$ (368,486)	$ 562,019	$ 447,311	$ 1,009,330
Net loss	—	—	—	(21,532)	—	—	(21,532)	(9,637)	(31,169)
Share grants, repurchases and forfeitures	(604)	—	245	—	—	—	245	—	245
Distributions to common shareholders	—	—	—	—	—	(661)	(661)	—	(661)
Other comprehensive loss	—	—	—	—	(546)	—	(546)	(256)	(802)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(30)	(30)
Balance at March 31, 2025	66,143,704	661	1,017,627	(108,005)	(1,611)	(369,147)	539,525	437,388	976,913
Net loss	—	—	—	(21,310)	—	—	(21,310)	(9,084)	(30,394)
Share grants, repurchases and forfeitures	192,295	2	847	—	—	—	849	—	849
Distributions to common shareholders	—	—	—	—	—	(662)	(662)	—	(662)
Other comprehensive loss	—	—	—	—	712	—	712	346	1,058
Balance at June 30, 2025	66,335,999	663	1,018,474	(129,315)	(899)	(369,809)	519,114	428,650	947,764
Net loss	—	—	—	(21,565)	—	—	(21,565)	(8,866)	(30,431)
Share grants, repurchases and forfeitures	323,236	4	266	—	—	—	270	—	270
Distributions to common shareholders	—	—	—	—	—	(3,317)	(3,317)	—	(3,317)
Other comprehensive loss	—	—	—	—	(382)	—	(382)	(244)	(626)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(30)	(30)
Balance at September 30, 2025	66,659,235	$ 667	$ 1,018,740	$ (150,880)	$ (1,281)	$ (373,126)	$ 494,120	$ 419,510	$ 913,630

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

INDUSTRIAL LOGISTICS PROPERTIES TRUST
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands)
(unaudited)

	Nine Months Ended September 30,	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (78,787)	$ (91,994)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	95,991	95,488
Amortization of interest rate caps	3,624	26,194
Amortization of debt issuance costs, premiums and discounts	5,069	1,998
Amortization of acquired real estate leases and assumed real estate lease obligations	21,049	24,017
Amortization of deferred leasing costs	3,891	3,093
Straight line rental income	(10,308)	(7,392)
Loss on impairment of real estate	—	6,081
Loss on extinguishment of debt	3,830	5,070
Proceeds from settlement of interest rate caps	(2,932)	(28,336)
General and administrative expenses paid in common shares	2,757	1,798
Distributions of earnings from unconsolidated joint venture	3,564	2,970
Equity in losses (earnings) of unconsolidated joint venture	13,431	(5,338)
Change in assets and liabilities:		
Rents receivable	1,427	6,177
Other assets	(22,613)	(5,512)
Accounts payable and other liabilities	11,289	14,219
Due to related persons	(425)	3,961
Net cash provided by operating activities	50,857	52,494
CASH FLOWS FROM INVESTING ACTIVITIES:		
Real estate improvements	(11,038)	(14,682)
Purchase of interest rate cap	(3,720)	(15,010)
Proceeds from settlement of interest rate caps	2,932	28,336
Proceeds from sale of interest rate cap	4,912	—
Net cash used in investing activities	(6,914)	(1,356)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of mortgage notes payable	1,620,000	1,160,000
Repayment of mortgage notes payable	(1,616,764)	(1,254,100)
Payment of debt issuance costs	(19,487)	(16,680)
Distributions to common shareholders	(13,341)	(4,640)
Repurchase of common shares	(972)	(434)
Distributions to noncontrolling interests	(16,875)	(60)
Net cash used in financing activities	(47,439)	(115,914)
Decrease in cash and cash equivalents and restricted cash and cash equivalents	(3,496)	(64,776)
Cash and cash equivalents and restricted cash and cash equivalents at beginning of period	183,031	242,480
Cash and cash equivalents and restricted cash and cash equivalents at end of period	$ 179,535	$ 177,704
SUPPLEMENTAL DISCLOSURES:		
Interest paid	$ 176,555	$ 177,870
Income taxes paid	$ 183	$ —
NON-CASH INVESTING ACTIVITIES:		
Real estate improvements accrued not paid	$ 1,784	$ 2,734

SUPPLEMENTAL DISCLOSURE OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS:

The following table provides a reconciliation of cash and cash equivalents and restricted cash and cash equivalents reported within the condensed consolidated balance sheets to the amounts shown in the condensed consolidated statements of cash flows:

	As of September 30,	
	2026	2025
Cash and cash equivalents	$ 130,657	$ 83,173
Restricted cash and cash equivalents [1]	48,878	94,531
Total cash and cash equivalents and restricted cash	$ 179,535	$ 177,704

(1) Restricted cash and cash equivalents consist of cash held for the operations of our consolidated joint venture and amounts escrowed as required by the agreements governing certain of our mortgage debt.

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

INDUSTRIAL LOGISTICS PROPERTIES TRUST
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(dollars in thousands, except per share data)

Note 1. Basis of Presentation

The accompanying condensed consolidated financial statements of Industrial Logistics Properties Trust and its consolidated subsidiaries, or the Company, or ILPT, are unaudited. Certain information and disclosures required by U.S. generally accepted accounting principles, or GAAP, for complete financial statements have been condensed or omitted. We believe the disclosures made are adequate to make the information presented not misleading. However, the accompanying condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes contained in our Annual Report on Form 10-K for the year ended December 31, 2025, or our 2025 Annual Report. Certain prior period amounts have been reclassified to conform to current period presentation. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair statement of results for the interim period have been included. All intercompany transactions and balances with or among our consolidated subsidiaries have been eliminated. Our operating results for interim periods are not necessarily indicative of the results that may be expected for the full year.

The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect reported amounts. Actual results could differ from those estimates. Significant estimates in the condensed consolidated financial statements include purchase price allocations, useful lives of fixed assets and assumptions used in the evaluation of impairment of real estate and related intangibles.

Note 2. Recent Accounting Pronouncements

In November 2024, the Financial Accounting Standards Board issued Accounting Standards Update, or ASU, 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires public entities to disclose specific expense categories such as employee compensation, depreciation and intangible asset amortization. These details must be presented in a tabular format in the notes to condensed consolidated financial statements for both interim and annual reporting periods. ASU 2024-03 is required to be applied prospectively but can be applied retrospectively, and is effective for the first annual reporting periods beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. We are currently evaluating the impact that ASU 2024-03 will have on our condensed consolidated financial statements.

Note 3. Real Estate Investments

As of September 30, 2026, our portfolio was comprised of 409 properties containing approximately 59,609,000 rentable square feet located in 39 states, including 226 buildings, leasable land parcels and easements containing approximately 16,729,000 rentable square feet that were primarily industrial lands located on the island of Oahu, Hawaii, or our Hawaii Properties, and 183 properties containing approximately 42,880,000 rentable square feet that were industrial and logistics properties located in 38 other states, or our Mainland Properties, as well as 94 properties in 27 states totaling approximately 20,978,000 rentable square feet, owned by Mountain Industrial REIT LLC, or our consolidated joint venture, or Mountain JV, in which we own a 61% equity interest. As of September 30, 2026, we also owned a 22% equity interest in The Industrial Fund REIT LLC, or the unconsolidated joint venture.

Capital Expenditures

During the three and nine months ended September 30, 2026 and 2025, amounts capitalized at certain of our properties for tenant improvements, leasing costs and building improvements were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Tenant improvements [1]	$ 1,608	$ 1,019	$ 2,291	$ 3,415
Leasing costs [1]	2,218	1,374	13,442	4,896
Building improvements [2]	3,942	4,344	8,787	7,536
Total capital expenditures	$ 7,768	$ 6,737	$ 24,520	$ 15,847

(1) Includes capital expenditures used to improve tenants' space or amounts paid directly to tenants to improve their space and leasing related costs, such as brokerage commissions and tenant inducements.

(2) Includes expenditures to replace obsolete building components and expenditures that extend the useful life of existing assets.

During the three and nine months ended September 30, 2026 and 2025, net loss attributable to noncontrolling interests in our condensed consolidated financial statements was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Consolidated joint venture	$ 7,642	$ 8,878	$ 24,767	$ 27,617
Tenancy in common	(16)	(12)	(84)	(30)
Total net loss attributable to noncontrolling interests	$ 7,626	$ 8,866	$ 24,683	$ 27,587

Consolidated Joint Venture

We own a 61% equity interest in our consolidated joint venture. We control this consolidated joint venture and therefore account for the properties owned by this joint venture on a consolidated basis in our condensed consolidated financial statements. Our consolidated joint venture made cash distributions of $4,500 and $42,500 during the three and nine months ended September 30, 2026, respectively, of which $1,755 and $16,575, respectively, were distributed to the unrelated third party investor. The remaining $2,745 and $25,925, respectively, distributed to us were reclassified from restricted cash and cash equivalents to cash and cash equivalents in our condensed consolidated balance sheets. Our consolidated joint venture did not make any cash distributions to the unrelated third party investor or us during the three or nine months ended September 30, 2025.

Consolidated Tenancy in Common

An unrelated third party owns an approximate 33% tenancy in common interest in one property located in Somerset, New Jersey with approximately 64,000 rentable square feet, and we own the remaining approximate 67% tenancy in common interest in this property. The tenancy in common made cash distributions to the unrelated third party investor of $150 and $30 during the three months ended September 30, 2026 and 2025, respectively, and made cash distributions of $300 and $60 during the nine months ended September 30, 2026 and 2025, respectively.

Unconsolidated Joint Venture

We own a 22% equity interest in the unconsolidated joint venture, which owns 18 industrial properties located in 12 states totaling approximately 11,726,000 rentable square feet. We account for the unconsolidated joint venture as an equity method investment under the fair value option. We recognize changes in the fair value of our investment in the unconsolidated joint venture as equity in (losses) earnings of unconsolidated joint venture in our condensed consolidated statements of comprehensive income (loss).

Note 4. Leases

We are a lessor of industrial and logistics properties. Our leases provide our tenants with the contractual right to use and economically benefit from the physical space specified in their respective leases and are generally classified as operating leases.

Our leases provide for base rent payments and may also include variable payments. Rental income from operating leases, including any payments derived by index or market-based indices, is recognized on a straight line basis over the lease term when we have determined that the collectability of substantially all of the lease payments is probable. Some of our leases have options to extend or terminate the lease exercisable at the option of our tenants, which are considered when determining the lease term.

We do not include in our measurement of our lease receivables certain variable payments, including payments determined by changes in the index or market-based indices after the inception of the lease, certain tenant reimbursements and other income until the specific events that trigger the variable payments have occurred. Such payments totaled $20,678 and $19,122 for the three months ended September 30, 2026 and 2025, respectively, and $64,281 and $59,051 for the nine months ended September 30, 2026 and 2025, respectively.

Generally, payments of ground lease obligations are made by our tenants. However, if a tenant does not pay obligations under a ground lease or does not renew a ground lease, we may have to pay obligations under the ground lease in order to protect our investment in the affected property.

Right of Use Assets and Lease Liabilities

We are the lessee for three of our properties subject to ground leases and one office lease. For leases with a term greater than 12 months under which we are the lessee, we recognize right of use assets and lease liabilities. The values of our right of use assets and related lease liabilities were $3,364 and $3,455, respectively, as of September 30, 2026, and $3,726 and $3,821, respectively, as of December 31, 2025. Our right of use assets and related lease liabilities are included in other assets, net and accounts payable and other liabilities, respectively, in our condensed consolidated balance sheets.

Geographic Concentration

We define annualized rental revenues as the annualized contractual base rents from our tenants pursuant to our lease agreements as of the measurement date, including straight line rent adjustments and estimated recurring expense reimbursements to be paid to us, and excluding amortization of deferred leasing costs.

Our Hawaii Properties represented 28.6% and 27.9% of our annualized rental revenues as of September 30, 2026 and 2025, respectively.

Tenant Concentration

FedEx Corporation and its subsidiaries, or FedEx, and Amazon.com Services LLC and its subsidiaries, or Amazon, represented 27.7% and 7.4% of our annualized rental revenues as of September 30, 2026, respectively, and 28.3% and 6.8% as of September 30, 2025, respectively.

Note 5. Indebtedness

Our outstanding indebtedness as of September 30, 2026 and December 31, 2025 is summarized below:

Entity	Number of Properties Secured By	Principal Balance	Interest Rate [1]	Type	Maturity	Carrying Value of Collateral
As of September 30, 2026						
ILPT	186	$ 650,000	4.31%	Fixed	02/07/2029	$ 492,500
ILPT	101	1,160,000	6.40%	Fixed	07/09/2030	956,787
ILPT	17	700,000	4.42%	Fixed	03/09/2032	470,528
Mountain JV	4	91,000	6.25%	Fixed	06/10/2030	169,895
Mountain JV	90	1,620,000	5.71%	Fixed	05/11/2031	2,321,159
Total / weighted average		4,221,000	5.48%			$ 4,410,869
Unamortized debt issuance costs		(35,156)				
Total indebtedness, net		$ 4,185,844				
As of December 31, 2025						
ILPT	186	$ 650,000	4.31%	Fixed	02/07/2029	$ 489,987
ILPT	101	1,160,000	6.40%	Fixed	07/09/2030	976,178
ILPT	17	700,000	4.42%	Fixed	03/09/2032	481,374
Mountain JV	82	1,400,000	5.87%	Floating	03/09/2026	1,749,546
Mountain JV	4	91,000	6.25%	Fixed	06/10/2030	173,992
Mountain JV	1	8,609	3.67%	Fixed	05/01/2031	28,492
Mountain JV	1	10,302	4.14%	Fixed	07/01/2032	40,975
Mountain JV	1	23,678	4.02%	Fixed	10/01/2033	80,094
Mountain JV	1	33,209	4.13%	Fixed	11/01/2033	126,170
Mountain JV	1	20,784	3.10%	Fixed	06/01/2035	43,871
Mountain JV	1	33,817	2.95%	Fixed	01/01/2036	93,533
Mountain JV	1	39,031	4.27%	Fixed	11/01/2037	104,474
Mountain JV	1	43,606	3.25%	Fixed	01/01/2038	107,217
Total / weighted average		4,214,036	5.43%			$ 4,495,903
Unamortized debt issuance costs		(20,842)				
Total indebtedness, net		$ 4,193,194				

(1) Interest rate reflects the impact of interest rate caps, if any.

In June 2025, we obtained a $1,160,000 fixed rate, interest only mortgage loan secured by 101 of our properties. This mortgage loan matures in July 2030 and requires that interest be paid at an annual rate of 6.40%. Subject to the satisfaction of certain conditions, we have the option to prepay our $1,160,000 mortgage loan in full or in part with a premium prior to January 9, 2030 and at par with no premium on or after January 9, 2030. We used the net proceeds from our $1,160,000 mortgage loan and cash on hand to repay in full our $1,235,000 loan, or the ILPT Floating Rate Loan.

In May 2026, our consolidated joint venture obtained a $1,620,000 fixed rate, interest only mortgage loan secured by 90 of its properties. This mortgage loan matures in May 2031 and requires that interest be paid at an annual rate of 5.71%. Subject to a 24 month prepayment lockout period and the satisfaction of certain other conditions, our consolidated joint venture has the option to prepay its $1,620,000 mortgage loan in full or in part with a premium prior to November 2030 and at par with no premium beginning from November 2030. Our consolidated joint venture used the proceeds from this mortgage loan to repay in full its $1,400,000 loan, or the Mountain Floating Rate Loan, and $204,999 of its amortizing fixed rate debt. The Mountain Floating Rate Loan was secured by 82 properties, was scheduled to mature in March 2027 and required that interest be paid at an annual rate of secured overnight financing rate, or SOFR, plus a weighted average premium of 2.77%. The amortizing fixed rate debt repaid was secured by eight properties with a weighted average interest rate of 3.66%. In connection with the repayment of the Mountain Floating Rate Loan and $204,999 of amortizing fixed rate debt, we recognized a $3,830 loss on extinguishment of debt.

The weighted average interest rates under our floating rate loans for the three and nine months ended September 30, 2026 and 2025 were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
ILPT Floating Rate Loan [1]	—%	—%	—%	6.71%
Mountain Floating Rate Loan [2]	—%	5.87%	5.99%	5.85%

(1) In June 2025, we repaid in full the ILPT Floating Rate Loan using proceeds from our $1,160,000 mortgage loan and cash on hand. Reflects the impact of interest rate caps which, prior to the repayment, had a SOFR strike rate equal to 2.78% that replaced the previous strike rate equal to 2.25% in October 2024.

(2) In May 2026, our consolidated joint venture repaid in full the Mountain Floating Rate Loan using proceeds from its $1,620,000 mortgage loan. Reflects the impact of interest rate caps which, prior to the repayment, had a SOFR strike rate equal to 3.29% that replaced the previous strike rate equal to 3.10% in March 2026.

The agreements governing certain of our indebtedness contain customary covenants and provide for acceleration of payment of all amounts due thereunder upon the occurrence and continuation of certain events of default. As of September 30, 2026, we believe that we were in compliance with all of the covenants and other terms under the agreements governing our debt obligations. See Note 10 for further information regarding our former interest rate caps.

The required principal payments due during the next five years and thereafter under all our outstanding debt as of September 30, 2026 are as follows:

	Principal Payment
2026	$ —
2027	—
2028	—
2029	650,000
2030	1,251,000
Thereafter	2,320,000
Total	$ 4,221,000

Note 6. Fair Value of Assets and Liabilities

Our financial instruments include cash and cash equivalents, restricted cash and cash equivalents, mortgage notes payable, accounts payable and, prior to their respective terminations, interest rate caps. Until their terminations, we remeasured our interest rate caps at fair value on a quarterly basis. As of September 30, 2026 and December 31, 2025, the fair value of our other financial instruments approximated their carrying values in our condensed consolidated financial statements due to their short term nature or floating interest rates, except for our fixed rate mortgage notes payable.

Our fixed rate mortgage notes payable had an aggregate carrying value of $4,185,844 and $2,793,219 as of September 30, 2026 and December 31, 2025, respectively, and a fair value of $4,041,295 and $2,784,286 as of September 30, 2026 and December 31, 2025, respectively. We estimate the fair value of our fixed rate mortgage notes payable using significant unobservable inputs, including discounted cash flow analyses and prevailing market interest rates.

The table below presents certain of our assets measured on a recurring basis at fair value as of September 30, 2026 and December 31, 2025, categorized by the level of inputs, as defined in the fair value hierarchy under GAAP, used in the valuation of each asset:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of September 30, 2026				
Investment in unconsolidated joint venture	$ 115,758	$ —	$ —	$ 115,758
As of December 31, 2025				
Interest rate cap	$ 1,629	$ —	$ 1,629	$ —
Investment in unconsolidated joint venture	$ 132,753	$ —	$ —	$ 132,753

The fair values of our former interest rate caps were based on prevailing market prices in secondary markets for similar derivative contracts as of the measurement date. In May 2026, our consolidated joint venture sold its interest rate cap.

The fair value of our investment in the unconsolidated joint venture is determined by applying our ownership percentage to the net asset value of the entity. The net asset value of the unconsolidated joint venture uses similar estimation techniques as those used for consolidated real estate properties, including discounting expected future cash flows of the underlying real estate investments based on prevailing market rents over a holding period and including an exit capitalization rate to determine the final year of cash flows.

The discount rates, exit capitalization rates and holding periods used to determine the fair value of our investment in the unconsolidated joint venture are significant unobservable inputs and are shown in the table below:

	Valuation Technique	Discount Rates	Exit Capitalization Rates	Holding Periods
As of September 30, 2026				
Investment in unconsolidated joint venture	Discounted cash flow	6.75% - 8.50%	6.00% - 6.75%	10 - 11 years
As of December 31, 2025				
Investment in unconsolidated joint venture	Discounted cash flow	6.50% - 8.00%	5.75% - 6.25%	10 - 11 years

The table below presents a summary of the changes in fair value for our investment in the unconsolidated joint venture:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Beginning balance	$ 135,950	$ 117,854	$ 132,753	$ 116,732
Equity in (losses) earnings of unconsolidated joint venture	(19,004)	2,236	(13,431)	5,338
Distributions from unconsolidated joint venture	(1,188)	(990)	(3,564)	(2,970)
Ending balance	$ 115,758	$ 119,100	$ 115,758	$ 119,100

Note 7. Shareholders' Equity

Common Share Awards

On March 18, 2026, in accordance with our Trustee compensation arrangements, we awarded 15,625 of our common shares in connection with the election of one of our Trustees, valued at $6.08 per share, the closing price of our common shares on The Nasdaq Stock Market LLC, or Nasdaq, on that day.

On June 9, 2026, in accordance with our Trustee compensation arrangements, we awarded to each of our eight Trustees 12,514 of our common shares, valued at $8.79 per share, the closing price of our common shares on Nasdaq on that day.

On September 10, 2026, we awarded to our officers and certain other employees of The RMR Group LLC, or RMR, under our equity compensation plan an aggregate of 356,049 of our common shares, valued at $7.66 per share, the closing price of our common shares on Nasdaq on that day.

Common Share Purchases

During the three and nine months ended September 30, 2026, we purchased an aggregate of 117,072 and 123,707 of our common shares, respectively, valued at a weighted average share price of $7.89 and $7.86, respectively, from one of our Trustees, our officers and certain other current and former employees of RMR in satisfaction of tax withholding and payment obligations in connection with the vesting of awards of our common shares. We withheld and purchased these common shares at their fair market values based upon the trading prices of our common shares at the close of trading on Nasdaq on the applicable purchase dates.

Distributions

During the nine months ended September 30, 2026, we declared and paid regular quarterly distributions to common shareholders as follows:

Declaration Date	Record Date	Payment Date	Distribution Per Share	Total Distribution
January 15, 2026	January 26, 2026	February 19, 2026	$ 0.05	$ 3,333
April 9, 2026	April 21, 2026	May 14, 2026	0.05	3,333
July 9, 2026	July 20, 2026	August 13, 2026	0.10	6,675
			$ 0.20	$ 13,341

On October 8, 2026, we declared a regular quarterly distribution to common shareholders of record on October 19, 2026 of $0.10 per share, or approximately $6,699. We expect to pay this distribution on or about November 12, 2026 using cash on hand.

Note 8. Business and Property Management Agreements with RMR

We have no employees. The personnel and various services we require to operate our business are provided to us by RMR. We have two agreements with RMR to provide management services to us: (1) a business management agreement, which relates to our business generally; and (2) a property management agreement, which relates to our property level operations.

Business Management Agreement. Pursuant to our business management agreement and in accordance with GAAP, we accrued estimated incentive management fees during the three and nine months ended September 30, 2026. The actual amount of incentive management fees incurred for 2026, if any, will be based on our common share total return, as defined in our business management agreement, for the three year period ending December 31, 2026, and will be payable to RMR in January 2027. We incurred an incentive management fee of $5,679 for the year ended December 31, 2025.

INDUSTRIAL LOGISTICS PROPERTIES TRUST
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(dollars in thousands, except per share data)

Property Management Agreement. We are generally responsible for all of our operating expenses, including certain expenses incurred or arranged by RMR on our behalf. We are generally not responsible for payment of RMR's employment, office or administrative expenses incurred to provide management services to us, except for the employment and related expenses of RMR's employees assigned to work exclusively or partly at our properties, our share of the wages, benefits and other related costs of RMR's centralized accounting personnel, our share of RMR's costs for providing our internal audit function and as otherwise agreed. Our property level operating expenses are generally incorporated into rents charged to our tenants, including certain payroll and related costs incurred by RMR which are included in other operating expenses and general and administrative expenses, as applicable, in our condensed consolidated statements of comprehensive income (loss).

For the three and nine months ended September 30, 2026 and 2025, the business management fees, incentive management fees, property management fees, construction supervision fees and expense reimbursements recognized in our condensed consolidated financial statements were as follows:

		Three Months Ended September 30,		Nine Months Ended September 30,	
	Financial Statement Line Item	**2026**	**2025**	**2026**	**2025**
Pursuant to business management agreement:					
Business management fees	General and administrative expenses	$ 6,154	$ 5,927	$ 17,970	$ 17,416
Incentive management fees	General and administrative expenses	1,885	2,438	6,286	4,716
Total		$ 8,039	$ 8,365	$ 24,256	$ 22,132
Pursuant to property management agreement:					
Property management fees	Other operating expenses	$ 3,327	$ 3,250	$ 10,047	$ 9,755
Construction supervision fees	Buildings and improvements [1]	208	233	448	350
Total		$ 3,535	$ 3,483	$ 10,495	$ 10,105
Expense reimbursement:					
Other expenses	General and administrative expenses	$ 44	$ 51	$ 132	$ 152
Property level expenses	Other operating expenses	1,677	1,506	4,709	4,812
Total		$ 1,721	$ 1,557	$ 4,841	$ 4,964

(1) Amounts capitalized as buildings and improvements are depreciated over the estimated useful lives of the related assets.

Management Agreements Between Our Joint Ventures and RMR. We have two separate joint venture arrangements, our consolidated joint venture and the unconsolidated joint venture. RMR provides management services to both of these joint ventures. We are not obligated to pay management fees to RMR under our management agreements with RMR for the services it provides to the unconsolidated joint venture. We are obligated to pay management fees to RMR under our management agreements with RMR for the services it provides to our consolidated joint venture; however, our consolidated joint venture pays management fees directly to RMR, and any such fees paid by our consolidated joint venture are credited against the fees payable by us to RMR.

See Note 9 for further information regarding our relationships, agreements and transactions with RMR.

Note 9. Related Person Transactions

We have relationships and historical and continuing transactions with RMR, The RMR Group Inc., or RMR Inc., and others related to them, including other companies to which RMR or its subsidiaries provide management services and some of which have trustees, directors or officers who are also our Trustees or officers. RMR is a majority owned subsidiary of RMR Inc. The Chair of our Board of Trustees and one of our Managing Trustees, Adam D. Portnoy, is the sole trustee, an officer and the controlling shareholder of ABP Trust, which is the controlling shareholder of RMR Inc., the chair of the board of directors, a managing director and the president and chief executive officer of RMR Inc. and an officer and employee of RMR. Yael Duffy, our other Managing Trustee and our President and Chief Executive Officer, is also an executive vice president of RMR Inc. and the president and chief executive officer of Office Properties Income Trust, one of the other public companies managed by RMR. Each of our officers is also an officer and employee of RMR. Some of our Independent Trustees also serve as independent trustees of other public companies to which RMR or its subsidiaries provide management services. Mr. Portnoy serves as a trustee of these public companies and as chair of the boards of certain of these public companies. Other officers of RMR, including Ms. Duffy, serve as managing trustees or officers of certain of these public companies.

Our Manager, RMR. We have two agreements with RMR to provide management services to us. See Note 8 for further information regarding our management agreements with RMR.

Joint Ventures. We have two separate joint venture arrangements. RMR provides management services to each of these joint ventures. See Notes 3 and 5 for further information regarding our joint ventures, including our consolidated joint venture's debt.

For further information about these and other such relationships and certain other related person transactions, see our 2025 Annual Report.

Note 10. Derivatives and Hedging Activities

We are exposed to certain risks relating to our ongoing business operations, including the impact of changes in interest rates. The only risk managed by us using derivative instruments is our interest rate risk. As required under prior loan agreements, we had interest rate cap agreements to manage our interest rate risk exposure on the Mountain Floating Rate Loan and other loans, with interest payable at a rate equal to SOFR plus a premium. The use of derivative financial instruments carries certain risks, including the risk that the counterparties to these contractual arrangements are not able to perform under the agreements. To mitigate this risk, we have only entered into derivative financial instruments with counterparties with high credit ratings and with major financial institutions with which we or our related parties may also have other financial relationships. None of our counterparties has failed to meet their obligations.

Interest rate caps designated as cash flow hedges involve the receipt of variable amounts from a counterparty if interest rates rise above the strike rate on the contract in exchange for an up-front premium. For derivatives designated and qualifying as cash flow hedges of interest rate risk, the gain or loss on the derivative is recorded in cumulative other comprehensive loss and subsequently reclassified into interest expense in the same period during which the hedged transaction affects earnings. Gains and losses on the derivative representing hedge components excluded from the assessment of effectiveness are recognized over the life of the hedge on a systematic and rational basis, as documented at hedge inception in accordance with our accounting policy election. The earnings recognition of excluded components is presented in interest expense. Amounts reported in cumulative other comprehensive loss related to derivatives are reclassified to interest expense as interest payments are made on our applicable debt.

On May 8, 2026, our consolidated joint venture obtained a $1,620,000 fixed rate mortgage loan and used the proceeds from such loan to repay in full the Mountain Floating Rate Loan and $204,999 of its amortizing fixed rate debt. In connection with the repayment of the Mountain Floating Rate Loan, we discontinued hedge accounting for the related derivative instrument, which had previously been designated as a cash flow hedge of variable interest payments on the Mountain Floating Rate Loan, and we reclassified $1,881 from cumulative other comprehensive loss to interest and other income. On May 11, 2026, our consolidated joint venture sold its interest rate cap for proceeds of $4,912. As a result, we are no longer a party to any interest rate cap agreements.

The following table summarizes the terms of our former interest rate cap agreements as of September 30, 2026 and December 31, 2025:

Balance Sheet Line Item	Underlying Instrument	Maturity Date	Strike Rate	Notional Amount	Fair Value at September 30, 2026	Fair Value at December 31, 2025
Other assets, net	Mountain Floating Rate Loan	03/15/2026	3.10%	$ 1,400,000	$ —	$ 1,629

The following table summarizes the activity related to our cash flow hedges within cumulative other comprehensive loss for the periods shown:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Amount of (loss) gain recognized on derivatives in other comprehensive income (loss)	$ —	$ (44)	$ 2,123	$ 870
Amount of gain reclassified from cumulative other comprehensive loss into interest expense	$ —	$ 582	$ 753	$ 1,240
Total amount of interest expense presented in the condensed consolidated statements of comprehensive income	$ (61,175)	$ (63,470)	$ (183,989)	$ (201,197)

See Notes 5 and 6 for further information regarding the debt our former interest rate caps related to and the fair value of our former interest rate caps.

Note 11. Segment Reporting

We manage our business on a consolidated basis and therefore have one reportable segment: ownership and leasing of properties that include industrial and logistics buildings and leased industrial lands. The chief operating decision maker, or CODM, is our President and Chief Executive Officer. The CODM assesses performance, allocates resources and makes strategic decisions based on net income (loss) as shown in our condensed consolidated statements of comprehensive income (loss). The CODM is also regularly provided with information on expenses related to our management agreements with RMR, which are detailed in Note 8. The measure of segment assets is reported as total assets in our condensed consolidated balance sheets.

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

The following information should be read in conjunction with our condensed consolidated financial statements and accompanying notes included in Part I, Item 1 of this Quarterly Report on Form 10-Q and with our 2025 Annual Report.

OVERVIEW *(dollars in thousands, except per square foot data)*

We are a real estate investment trust, or REIT, organized under Maryland law. As of September 30, 2026, our portfolio was comprised of 409 properties containing approximately 59,609,000 rentable square feet located in 39 states with 98.3% occupancy, leased to approximately 300 different tenants. As of September 30, 2026, we also owned a 22% equity interest in the unconsolidated joint venture.

We believe consumer expectations, long-term growth of e-commerce and modernization of and demand for supply chain resiliency will keep demand for industrial properties strong for the foreseeable future. This continued demand has contributed to favorable market conditions, resulting in positive mark-to-market rents on our lease renewals and new leases. Currently, there are uncertainties in global and U.S. economic conditions driven by fluctuations in interest rates and inflation, wars and other geopolitical hostilities and tensions and changes in trade policies and tariffs, all of which have impacted financial markets and supply chains. While these factors have not had a significant adverse impact on our results of operations, if continued or if they worsen, they could adversely affect our financial condition primarily through our tenants' financial stability, including their ability or willingness to renew leases, including at increased rental rates, or satisfy lease obligations. Most of our leases require our tenants to be responsible for certain operating expenses, including real estate taxes, insurance and common area maintenance, thereby reducing our exposure to increases in operating expenses resulting from inflation or other factors.

Our portfolio as of September 30, 2026 is summarized below (square feet in thousands):

	Ownership Vehicle	Ownership	Number of Properties	Location	Rentable Square Feet	Occupancy	% of Annualized Rental Revenues	Weighted Average Remaining Lease Term [1]
Mainland Properties	ILPT	100%	88	33 states	21,838	96.0%	34.3%	5.7
Hawaii Properties	ILPT	100%	226	Hawaii	16,729	99.3%	28.6%	14.0
Mainland Properties	Mountain JV	61%	94	27 states	20,978	100.0%	36.8%	5.6
Mainland Properties	Tenancy in common	67%	1	New Jersey	64	100.0%	0.3%	3.4
Total / weighted average			409		59,609	98.3%	100.0%	8.1

(1) Based on annualized rental revenues as of September 30, 2026.

Property Operations

Occupancy data for our portfolio as of September 30, 2026 and 2025 were as follows (square feet in thousands):

	All Properties as of September 30,		Comparable Properties [1] as of September 30,	
	2026	2025	2026	2025
Total properties	409	411	409	409
Total rentable square feet	59,609	59,890	59,609	59,604
Percent leased [2][3]	98.3%	94.1%	98.3%	94.5%

(1) Consists of properties that we have owned continuously since January 1, 2025.

(2) Leased square feet is pursuant to existing leases as of September 30, 2026, and includes space being fitted out for occupancy, if any, and space which is leased but is not occupied, if any.

(3) During the nine months ended September 30, 2026, we executed new leases for two previously vacant properties in Indiana and Hawaii totaling 2,770 square feet with commencement dates in May and July 2026, respectively.

The average effective rental rates per square foot represent total rental income divided by the average rentable square feet leased during the periods specified for our properties. For the three and nine months ended September 30, 2026 and 2025, the average effective rental rates per square foot of our properties were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
All properties	$ 7.99	$ 7.88	$ 8.11	$ 7.91
Comparable properties [1]	$ 7.99	$ 7.89	$ 8.11	$ 7.91

(1) Consists of properties that we have owned continuously since January 1, 2025.

Mainland Properties. We generally will seek to renew or extend the terms of leases for our Mainland Properties as their expirations approach. A majority of the leases for our Mainland Properties include periodic set dollar amount or percentage increases that increase the cash rent payable to us. Due to the capital that many of the tenants in our Mainland Properties have invested in these properties and because many of these properties appear to be of strategic importance to the tenants' businesses, we believe that it is likely that these tenants will renew or extend their leases prior to their expirations. If we are unable to extend or renew our leases, it may be time consuming and expensive to relet some of these properties and the terms of any new leases we enter into may be less favorable to us than the terms of our existing leases for those properties.

Hawaii Properties. Revenues from our Hawaii Properties have generally increased as rents under the leases for those properties have been reset or renewed. Lease renewals, lease extensions, new leases and rental rates for our Hawaii Properties in the future will depend on prevailing market conditions when these lease renewals, lease extensions, new leases and rental rates are set. As rent reset dates or lease expirations approach at our Hawaii Properties, we generally negotiate with existing or new tenants for new lease terms. If we are unable to reach an agreement with a tenant on a rent reset, our Hawaii Properties' leases typically provide that rent is reset based on an appraisal process. Due to the limited availability of land suitable for industrial uses that might compete with our Hawaii Properties, we believe that our Hawaii Properties offer the potential for future rent growth as a result of periodic rent resets, lease extensions and new leasing. Certain of our Hawaii Properties are lands leased for rents that periodically reset based on fair market values, generally every 10 years.

During the three and nine months ended September 30, 2026, we entered into new and renewal leases as summarized in the following table, excluding the impact of rent resets (square feet in thousands):

	Three Months Ended September 30, 2026		
	New Leases	Renewals	Totals
Square feet leased during the period	103	542	645
Weighted average rental rate change (by rentable square feet)	7.5%	214.4%	162.7%
Weighted average lease term by square feet (years)	3.2	20.8	18.0
Total leasing costs and concession commitments [1]	$ 332	$ 4,205	$ 4,537
Total leasing costs and concession commitments per square foot [1]	$ 3.22	$ 7.76	$ 7.04
Total leasing costs and concession commitments per square foot per year [1]	$ 1.01	$ 0.37	$ 0.39

	Nine Months Ended September 30, 2026		
	New Leases	Renewals	Totals
Square feet leased during the period	3,217	3,535	6,752
Weighted average rental rate change (by rentable square feet)	68.1%	31.7%	43.0%
Weighted average lease term by square feet (years)	39.9	8.5	23.4
Total leasing costs and concession commitments [1]	$ 26,059	$ 12,347	$ 38,406
Total leasing costs and concession commitments per square foot [1]	$ 8.10	$ 3.49	$ 5.69
Total leasing costs and concession commitments per square foot per year [1]	$ 0.20	$ 0.41	$ 0.24

(1) Includes commitments made for leasing expenditures and concessions, such as leasing commissions, tenant improvements or other tenant inducements.

During the nine months ended September 30, 2026, we completed rent resets for approximately 153,000 square feet of land at our Hawaii Properties at rental rates that were 33.7% higher than prior rental rates.

The following table provides the annualized rental revenues scheduled to reset at our Hawaii Properties as of September 30, 2026:

	Annualized Rental Revenues Scheduled to Reset
2026	$ 1,659
2027	815
2028	—
2029	8,405
2030	5,904
Thereafter	5,701
Total	$ 22,484

As of September 30, 2026, our remaining lease expirations by year were as follows (square feet in thousands):

Year	No. of Leases	Leased Square Feet Expiring [1]	% of Total Leased Square Feet Expiring [1]	Cumulative % of Total Leased Square Feet Expiring [1]	Annualized Rental Revenues Expiring	% of Total Annualized Rental Revenues Expiring	Cumulative % of Total Annualized Rental Revenues Expiring
2026	7	208	0.4%	0.4%	$ 1,903	0.4%	0.4%
2027	39	4,383	7.5%	7.9%	28,752	6.2%	6.6%
2028	47	5,176	8.8%	16.7%	41,297	8.9%	15.5%
2029	38	7,033	12.0%	28.7%	46,024	9.9%	25.4%
2030	33	5,449	9.3%	38.0%	41,168	8.8%	34.2%
Thereafter	223	36,368	62.0%	100.0%	306,187	65.8%	100.0%
Total	387	58,617	100.0%		$ 465,331	100.0%	
Weighted average remaining lease term (years)		8.6			8.1		

(1) Leased square feet is pursuant to existing leases as of September 30, 2026, and includes space being fitted out for occupancy, if any, and space which is leased but is not occupied, if any.

As of September 30, 2026, FedEx and Amazon leased 22.7% and 7.8% of our total leased square feet, respectively, and represented 27.7% and 7.4% of our total annualized rental revenues, respectively.

Rental rates for which available space may be leased in the future will depend on prevailing market conditions when lease extensions, lease renewals or new leases are negotiated. Whenever we extend, renew or enter new leases for our properties, we intend to seek rents that are equal to or higher than our historical rents for the same properties. Despite our prior experience with rent resets, lease extensions and new leases in Hawaii, our ability to increase rents when rents reset, leases are extended or leases expire depends upon market conditions, which are beyond our control. Accordingly, we cannot be sure that the historical increases achieved at our Hawaii Properties will continue in the future.

Tenant Review Process. Our manager, RMR, conducts a tenant review process for us. RMR assesses tenants on an individual basis based on various applicable credit criteria. Depending on facts and circumstances, RMR evaluates the creditworthiness of a tenant based on information that is provided by the tenant and, in some cases, information that is publicly available or obtained from third party sources. RMR also may use a third party service to monitor the credit ratings of debt securities of our existing tenants whose debt securities are rated by a nationally recognized credit rating agency.

RESULTS OF OPERATIONS

Three Months Ended September 30, 2026 Compared to Three Months Ended September 30, 2025 (dollars and share amounts in thousands, except per share data)

	Comparable [1] Properties Results Three Months Ended September 30,				Non-Comparable Properties Results Three Months Ended September 30,			Consolidated Properties Results Three Months Ended September 30,			
	2026	2025	$ Change	% Change	2026	2025	$ Change	2026	2025	$ Change	% Change
Rental income	$ 116,805	$ 110,934	$ 5,871	5.3%	$ —	$ 2	$ (2)	$ 116,805	$ 110,936	$ 5,869	5.3%
Operating expenses:											
Real estate taxes	16,258	15,164	1,094	7.2%	—	41	(41)	16,258	15,205	1,053	6.9%
Other operating expenses	8,554	8,699	(145)	(1.7)%	—	82	(82)	8,554	8,781	(227)	(2.6)%
Total operating expenses	24,812	23,863	949	4.0%	—	123	(123)	24,812	23,986	826	3.4%
Net operating income [2]	$ 91,993	$ 87,071	$ 4,922	5.7%	$ —	$ (121)	$ 121	91,993	86,950	5,043	5.8%
Other expenses:											
Depreciation and amortization								40,306	41,034	(728)	(1.8)%
General and administrative								10,703	10,586	117	1.1%
Loss on impairment of real estate								—	6,081	(6,081)	(100.0)%
Total other expenses								51,009	57,701	(6,692)	(11.6)%
Interest and other income								1,364	1,585	(221)	(13.9)%
Interest expense								(61,175)	(63,470)	2,295	(3.6)%
Loss before income taxes and equity in (losses) earnings of unconsolidated joint venture								(18,827)	(32,636)	13,809	42.3%
Income tax expense								(9)	(31)	22	(71.0)%
Equity in (losses) earnings of unconsolidated joint venture								(19,004)	2,236	(21,240)	n/m
Net loss								(37,840)	(30,431)	(7,409)	(24.3)%
Net loss attributable to noncontrolling interests								7,626	8,866	(1,240)	(14.0)%
Net loss attributable to common shareholders								$ (30,214)	$ (21,565)	$ (8,649)	(40.1)%
Weighted average common shares outstanding (basic and diluted)								66,338	66,089	249	0.4%
Net loss per share attributable to common shareholders (basic and diluted)								$ (0.46)	$ (0.33)	$ (0.13)	(39.4)%

n/m - not meaningful

(1) Consists of properties that we have owned continuously since July 1, 2025.

(2) See our definition of net operating income, or NOI, and our reconciliation of net loss to NOI below under the heading "Non-GAAP Financial Measures".

References to changes in the income and expense categories below relate to the comparison of results for the three months ended September 30, 2026 compared to the three months ended September 30, 2025.

Rental income. Rental income increased primarily due to increases from our net leasing activity primarily from new leases entered into for two previously vacant properties in Hawaii and Indiana, which generated rental income of $2,947 during the three months ended September 30, 2026, and increases in real estate tax reimbursements at certain of our properties.

Real estate taxes. Real estate taxes increased primarily due to higher assessed values at certain of our properties during the three months ended September 30, 2026.

Other operating expenses. The decrease in other operating expenses is primarily due to a decrease in insurance expense as a result of lower property insurance premiums during the three months ended September 30, 2026.

Depreciation and amortization. The decrease in depreciation and amortization primarily reflects the impact of certain acquired real estate leases fully amortizing and the disposition of two properties since July 1, 2025, partially offset by increased depreciation related to improvements made to certain of our properties since July 1, 2025.

General and administrative. The increase in general and administrative expenses is primarily due to RMR employee share award expenses and higher business management fees as a result of an increase in our average common share price during the 2026 period. These increases were partially offset by $1,885 of estimated incentive management fees that we accrued during the three months ended September 30, 2026, compared to $2,438 during the three months ended September 30, 2025. These incentive management fees were accrued based on our common share total return exceeding the return for the MSCI U.S. REIT/Industrial REIT Index for the applicable measurement period.

Loss on impairment of real estate. The decrease in loss on impairment of real estate is due to having no loss on impairment to report during the 2026 period compared to a loss on impairment of real estate of $6,081 recognized in the 2025 period to reduce the carrying value of one held for sale property to its fair value less estimated costs to sell.

Interest and other income. The decrease in interest and other income is primarily due to lower average cash balances, partially offset by higher interest rates during the 2026 period as compared to the 2025 period.

Interest expense. The decrease in interest expense is primarily due to the discontinuation of hedge accounting for interest rate caps related to the Mountain Floating Rate Loan, resulting in no further amortization of interest rate cap costs.

Income tax expense. Income tax expense reflects state income taxes payable in certain jurisdictions.

Equity in (losses) earnings of unconsolidated joint venture. Equity in (losses) earnings of unconsolidated joint venture represents the change in the fair value of our investment in the unconsolidated joint venture. The change was primarily due to a decrease in the estimated fair value of the underlying real estate owned by our unconsolidated joint venture as a result of higher discount rates and exit capitalization rates driven by increases in interest rates.

Nine Months Ended September 30, 2026 Compared to Nine Months Ended September 30, 2025 (dollars and share amounts in thousands, except per share data)

	Comparable [1] Properties Results Nine Months Ended September 30,				Non-Comparable Properties Results Nine Months Ended September 30,			Consolidated Properties Results Nine Months Ended September 30,			
	2026	2025	$ Change	% Change	2026	2025	$ Change	2026	2025	$ Change	% Change
Rental income	$ 347,347	$ 334,012	$ 13,335	4.0%	$ —	$ 926	$ (926)	$ 347,347	$ 334,938	$ 12,409	3.7%
Operating expenses:											
Real estate taxes	49,180	44,911	4,269	9.5%	—	110	(110)	49,180	45,021	4,159	9.2%
Other operating expenses	27,221	27,609	(388)	(1.4)%	50	299	(249)	27,271	27,908	(637)	(2.3)%
Total operating expenses	76,401	72,520	3,881	5.4%	50	409	(359)	76,451	72,929	3,522	4.8%
Net operating income [2]	$ 270,946	$ 261,492	$ 9,454	3.6%	$ (50)	$ 517	$ (567)	270,896	262,009	8,887	3.4%
Other expenses:											
Depreciation and amortization								121,873	123,995	(2,122)	(1.7)%
General and administrative								32,165	28,486	3,679	12.9%
Loss on impairment of real estate								—	6,081	(6,081)	(100.0)%
Total other expenses								154,038	158,562	(4,524)	(2.9)%
Interest and other income								5,787	5,577	210	3.8%
Interest expense								(183,989)	(201,197)	17,208	(8.6)%
Loss on extinguishment of debt								(3,830)	(5,070)	1,240	(24.5)%
Loss before income taxes and equity in (losses) earnings of unconsolidated joint venture								(65,174)	(97,243)	32,069	33.0%
Income tax expense								(182)	(89)	(93)	104.5%
Equity in (losses) earnings of unconsolidated joint venture								(13,431)	5,338	(18,769)	(351.6)%
Net loss								(78,787)	(91,994)	13,207	14.4%
Net loss attributable to noncontrolling interests								24,683	27,587	(2,904)	(10.5)%
Net loss attributable to common shareholders								$ (54,104)	$ (64,407)	$ 10,303	16.0%
Weighted average common shares outstanding (basic and diluted)								66,247	65,951	296	0.4%
Net loss per share attributable to common shareholders (basic and diluted)								$ (0.82)	$ (0.98)	$ 0.16	16.3%

(1) Consists of properties that we have owned continuously since January 1, 2025.

(2) See our definition of NOI and our reconciliation of net loss to NOI below under the heading "Non-GAAP Financial Measures".

References to changes in the income and expense categories below relate to the comparison of results for the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025.

Rental income. Rental income increased primarily due to increases from our net leasing activity primarily from new leases entered into for two previously vacant properties in Hawaii and Indiana, which generated rental income of $3,602 during the nine months ended September 30, 2026, and increases in real estate tax reimbursements at certain of our properties, partially offset by $3,765 of bad debt reserve related to certain of our Hawaii properties.

Real estate taxes. Real estate taxes increased primarily due to a refund received during the nine months ended September 30, 2025 as a result of a successful real estate tax appeal at one of our Mainland Properties and higher assessed values at certain of our properties during the nine months ended September 30, 2026.

Other operating expenses. The decrease in other operating expenses is primarily due to decreases in repairs and maintenance and insurance expenses as a result of lower property insurance premiums during the nine months ended September 30, 2026.

Depreciation and amortization. The decrease in depreciation and amortization primarily reflects the impact of certain acquired real estate leases fully amortizing and the disposition of two properties since January 1, 2025, partially offset by increased depreciation related to improvements made to certain of our properties since January 1, 2025.

General and administrative. The increase in general and administrative expenses is primarily due to $6,286 of estimated incentive management fees that we accrued during the nine months ended September 30, 2026, compared to $4,716 during the nine months ended September 30, 2025. General and administrative expenses also increased due to RMR employee share award expenses and higher business management fees as a result of an increase in average share price during the 2026 period.

Loss on impairment of real estate. The decrease in loss on impairment of real estate is due to having no loss on impairment to report during the 2026 period compared to a loss on impairment of real estate of $6,081 recognized in the 2025 period to reduce the carrying value of one held for sale property to its fair value less estimated costs to sell.

Interest and other income. The increase in interest and other income is primarily due to the discontinuation of hedge accounting upon repayment of the Mountain Floating Rate Loan during the nine months ended September 30, 2026, partially offset by decreases due to lower average cash balances.

Interest expense. The decrease in interest expense is primarily due to the discontinuation of hedge accounting for interest rate caps related to the ILPT Floating Rate Loan and the Mountain Floating Rate Loan, resulting in no further amortization of interest rate cap costs.

Loss on extinguishment of debt. During the nine months ended September 30, 2026, we recognized a loss on extinguishment of debt in connection with the repayment of the Mountain Floating Rate Loan and $204,999 of amortizing loans. During the nine months ended September 30, 2025, we recognized a loss on extinguishment of debt in connection with the repayment of the ILPT Floating Rate Loan.

Income tax expense. Income tax expense reflects state income taxes payable in certain jurisdictions.

Equity in (losses) earnings of unconsolidated joint venture. Equity in (losses) earnings of unconsolidated joint venture represents the change in the fair value of our investment in the unconsolidated joint venture. The change was primarily due to a decrease in the estimated fair value of the underlying real estate owned by our unconsolidated joint venture as a result of higher discount rates and exit capitalization rates driven by increases in interest rates.

Non-GAAP Financial Measures *(dollars in thousands, except per share data)*

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

Net Operating Income

We calculate NOI as shown below. We define NOI as income from our rental of real estate less our property operating expenses. The calculation of NOI excludes certain components of net loss in order to provide results that are more closely related to our property level results of operations. NOI excludes depreciation and amortization. We use NOI to evaluate individual and company-wide property level performance. Other real estate companies and REITs may calculate NOI differently than we do.

The following table presents the reconciliation of net loss to NOI for the three and nine months ended September 30, 2026 and 2025:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net loss	$ (37,840)	$ (30,431)	$ (78,787)	$ (91,994)
Equity in losses (earnings) of unconsolidated joint venture	19,004	(2,236)	13,431	(5,338)
Income tax expense	9	31	182	89
Loss before income taxes and equity in (losses) earnings of unconsolidated joint venture	(18,827)	(32,636)	(65,174)	(97,243)
Loss on extinguishment of debt	—	—	3,830	5,070
Interest expense	61,175	63,470	183,989	201,197
Interest and other income	(1,364)	(1,585)	(5,787)	(5,577)
Loss on impairment of real estate	—	6,081	—	6,081
General and administrative	10,703	10,586	32,165	28,486
Depreciation and amortization	40,306	41,034	121,873	123,995
NOI	$ 91,993	$ 86,950	$ 270,896	$ 262,009

Funds From Operations Attributable to Common Shareholders and Normalized Funds From Operations Attributable to Common Shareholders

We calculate FFO attributable to common shareholders and Normalized FFO attributable to common shareholders as shown below. FFO attributable to common shareholders is calculated on the basis defined by The National Association of Real Estate Investment Trusts, which is: (1) net loss attributable to common shareholders calculated in accordance with GAAP, excluding (i) any recovery or loss on impairment of real estate, (ii) any gain or loss on sale of real estate and (iii) equity in earnings or losses of unconsolidated joint venture; (2) plus (i) real estate depreciation and amortization and (ii) our proportionate share of FFO from unconsolidated joint venture properties; (3) minus FFO adjustments attributable to noncontrolling interests; and (4) certain other adjustments currently not applicable to us. In calculating Normalized FFO attributable to common shareholders, we adjust for certain nonrecurring items shown below, including adjustments for such items related to the unconsolidated joint venture, if any, and loss on extinguishment of debt, if any.

Beginning with the three and nine months ended September 30, 2026, we revised our calculation of Normalized FFO attributable to common shareholders to include estimated incentive management fees in the periods in which they are recognized as expense in accordance with GAAP. Previously, our calculation excluded incentive management fees. Normalized FFO attributable to common shareholders for the three and nine months ended September 30, 2025 has been recast to conform to the current presentation. This revision has no effect on our condensed consolidated financial statements.

FFO attributable to common shareholders and Normalized FFO attributable to common shareholders are among the factors considered by our Board of Trustees when determining the amount of distributions to our shareholders. Other factors include, but are not limited to, requirements to maintain our qualification for taxation as a REIT, the then current and expected needs for and availability of cash to pay our obligations and fund our investments, limitations in our debt agreements, the availability to us of debt and equity capital, our distribution rate as a percentage of the trading price of our common shares, or dividend yield, and our dividend yield compared to the dividend yields of other REITs and our expectation of future capital requirements and operating performance. Other real estate companies and REITs may calculate FFO attributable to common shareholders and Normalized FFO attributable to common shareholders differently than we do.

The following table presents our calculation of FFO attributable to common shareholders and Normalized FFO attributable to common shareholders and reconciliations of net loss attributable to common shareholders to FFO attributable to common shareholders and Normalized FFO attributable to common shareholders for the three and nine months ended September 30, 2026 and 2025:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net loss attributable to common shareholders	$ (30,214)	$ (21,565)	$ (54,104)	$ (64,407)
Equity in losses (earnings) of unconsolidated joint venture	19,004	(2,236)	13,431	(5,338)
Loss on impairment of real estate	—	6,081	—	6,081
Depreciation and amortization	40,306	41,034	121,873	123,995
Share of FFO from unconsolidated joint venture	1,988	1,623	5,763	4,603
FFO adjustments attributable to noncontrolling interests	(9,805)	(9,990)	(29,631)	(30,037)
FFO attributable to common shareholders	21,279	14,947	57,332	34,897
Loss on extinguishment of debt	—	—	3,830	5,070
Normalized FFO adjustments attributable to noncontrolling interest	—	—	(1,494)	—
Normalized FFO attributable to common shareholders [1]	$ 21,279	$ 14,947	$ 59,668	$ 39,967
Weighted average common shares outstanding (basic and diluted)	66,338	66,089	66,247	65,951
Per common share data (basic and diluted):				
Net loss attributable to common shareholders	$ (0.46)	$ (0.33)	$ (0.82)	$ (0.98)
FFO attributable to common shareholders	$ 0.32	$ 0.23	$ 0.87	$ 0.53
Normalized FFO attributable to common shareholders	$ 0.32	$ 0.23	$ 0.90	$ 0.61

(1) Normalized FFO attributable to common shareholders includes estimated incentive management fees accrued of $1,885 and $2,438 for the three months ended September 30, 2026 and 2025, respectively, and $6,286 and $4,716 for the nine months ended September 30, 2026 and 2025, respectively. The impact of estimated incentive management fees accrued on Normalized FFO attributable to common shareholders was $0.03 and $0.04 for the three months ended September 30, 2026 and 2025, respectively, and $0.09 and $0.07 for the nine months ended September 30, 2026 and 2025, respectively.

LIQUIDITY AND CAPITAL RESOURCES ***(dollars in thousands, except per share and per square foot data)***

Our principal sources of funds to meet our operating and capital obligations, pay our debt service obligations and make distributions to our shareholders are rents from tenants at our properties. As of September 30, 2026, investment grade rated tenants, subsidiaries of investment grade rated entities or our Hawaii land leases represented 78.9% of our annualized rental revenues. We believe that these sources of funds will be sufficient to meet our operating and capital obligations, pay our debt service obligations and make distributions to our shareholders for the next 12 months and for the foreseeable future thereafter.

The following is a summary of our sources and uses of cash flows for the periods presented, as reflected in our condensed consolidated statements of cash flows:

	Nine Months Ended September 30,	
	2026	2025
Cash and cash equivalents and restricted cash and cash equivalents at beginning of period	$ 183,031	$ 242,480
Net cash provided by (used in):		
Operating activities	50,857	52,494
Investing activities	(6,914)	(1,356)
Financing activities	(47,439)	(115,914)
Total	(3,496)	(64,776)
Cash and cash equivalents and restricted cash and cash equivalents at end of period	$ 179,535	$ 177,704

The decrease in net cash from operating activities for the nine months ended September 30, 2026 compared to the 2025 period is primarily due to higher lease commissions paid and other working capital changes, partially offset by lower cash paid for interest, excluding the impact of settlement of our interest rate caps. The increase in net cash used in investing activities for the nine months ended September 30, 2026 compared to the 2025 period is primarily due to lower proceeds from the settlement of our interest rate caps, partially offset by reduced interest rate cap purchase costs, proceeds from the sale of our consolidated joint venture's interest rate cap and a decrease in real estate improvements. The decrease in net cash used in financing activities for the nine months ended September 30, 2026, is primarily due to proceeds received from our consolidated joint venture's $1,620,000 fixed rate mortgage loan during the 2026 period compared to the repayment of the ILPT Floating Rate Loan during the 2025 period. Proceeds from the $1,620,000 fixed rate mortgage loan were used to repay the Mountain Floating Rate Loan and $204,999 of our consolidated joint venture's amortizing debt during the 2026 period. During the 2025 period, we used proceeds of $1,160,000 from our fixed rate mortgage loan to repay the ILPT Floating Rate Loan. In addition to these debt transactions during the 2026 and 2025 periods, our distributions to noncontrolling interests and common shareholders increased in 2026.

Our Operating Liquidity and Resources

Our future cash flows from operating activities will depend primarily upon our ability to:

- collect rents from our tenants when due;
- maintain the occupancy of, and maintain or increase the rental rates at, our properties; and
- control operating cost increases, including interest and other financing costs.

Our Investing and Financing Liquidity and Resources

As of September 30, 2026, we had cash and cash equivalents, excluding restricted cash and cash equivalents, of $130,657. To maintain our qualification for taxation as a REIT under the Internal Revenue Code of 1986, as amended, we generally are required to distribute at least 90% of our REIT taxable income annually, subject to specified adjustments and excluding any net capital gain. This distribution requirement limits our ability to retain earnings and thereby provide capital for our operations or acquisitions. We may use our cash and cash equivalents on hand, the cash flow from our operations, net proceeds from any sales of assets and net proceeds of any offerings of equity or debt securities to fund our distributions to our shareholders.

As our debt approaches maturity or we desire to reduce our leverage or refinance debt, we may explore refinancing alternatives, property sales or sales of equity interests in joint ventures. Such alternatives may include incurring term debt, obtaining financing secured by mortgages on properties we own, issuing new equity or debt securities or obtaining a revolving credit facility. We may also assume mortgage loans or incur debt in connection with future acquisitions, developments and redevelopments. Although we cannot be sure that we will be successful in completing any particular type of financing, we believe that we will have access to financing, such as debt or equity offerings, to fund capital expenditures, future acquisitions, development, redevelopment and other activities and to pay our obligations.

Capital Expenditures

As of September 30, 2026, committed, but unspent, tenant related obligations based on existing leases were $9,918, of which $9,019 is expected to be spent during the next 12 months. We may invest additional capital in our properties, including redevelopment projects, with the goal of increasing rents at those properties.

For further information regarding our capital expenditures, see Note 3 to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Joint Ventures

We own a 61% equity interest in our consolidated joint venture. We control this consolidated joint venture and therefore account for the properties owned by this joint venture on a consolidated basis in our condensed consolidated financial statements. Our consolidated joint venture made cash distributions of $4,500 and $42,500 during the three and nine months ended September 30, 2026, respectively, of which $1,755 and $16,575, respectively, were distributed to the unrelated third party investor. The remaining $2,745 and $25,925, respectively, distributed to us was reclassified from restricted cash and cash equivalents to cash and cash equivalents in our condensed consolidated balance sheets.

We also own a 22% equity interest in the unconsolidated joint venture. We account for the unconsolidated joint venture using the equity method of accounting under the fair value option. The unconsolidated joint venture made aggregate cash distributions to us of $1,188 and $990 for the three months ended September 30, 2026 and 2025, and $3,564 and $2,970 for the nine months ended September 30, 2026 and 2025, respectively.

For further information regarding our consolidated joint venture and the unconsolidated joint venture, see Note 3 to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Indebtedness

As of September 30, 2026, we had an aggregate principal amount of $4,221,000 of indebtedness with maturity dates between 2029 and 2032, primarily including: (1) our $1,160,000 mortgage loan; (2) our $700,000 mortgage loan; (3) our $650,000 mortgage loan; and (4) our consolidated joint venture's $1,711,000 in aggregate mortgage loans. All of our debt has fixed interest rates and does not require payment of principal until maturity.

In June 2025, we obtained a $1,160,000 fixed rate, interest only mortgage loan secured by 101 of our properties. This mortgage loan matures in July 2030 and requires that interest be paid at an annual rate of 6.40%. Subject to the satisfaction of certain conditions, we have the option to prepay our $1,160,000 mortgage loan in full or in part with a premium prior to January 9, 2030 and at par with no premium on or after January 9, 2030. We used the net proceeds from our $1,160,000 mortgage loan and cash on hand to repay in full the ILPT Floating Rate Loan.

In May 2026, our consolidated joint venture obtained a $1,620,000 fixed rate, interest only mortgage loan secured by 90 of its properties. This mortgage loan matures in May 2031 and requires that interest be paid at an annual rate of 5.71%. Subject to a 24 month prepayment lockout period and the satisfaction of certain other conditions, our consolidated joint venture has the option to prepay its $1,620,000 mortgage loan in full or in part with a premium prior to November 2030 and at par with no premium beginning from November 2030. Our consolidated joint venture used the proceeds from this mortgage loan to repay in full the Mountain Floating Rate Loan and $204,999 of its amortizing fixed rate debt. The Mountain Floating Rate Loan was secured by 82 properties, was scheduled to mature in March 2027 and required that interest be paid at an annual rate of SOFR plus a weighted average premium of 2.77%. The amortizing fixed rate debt repaid was secured by eight properties with a weighted average interest rate of 3.66%. In connection with the repayment of the Mountain Floating Rate Loan and $204,999 of amortizing fixed rate debt, we recognized a $3,830 loss on extinguishment of debt.

The agreements and related documents governing our $1,160,000 mortgage loan, our $700,000 mortgage loan, our $650,000 mortgage loan and our consolidated joint venture's $1,620,000 mortgage loan contain customary covenants, provide for acceleration of payment of all amounts due thereunder upon the occurrence and continuation of certain events of default and, in the case of the $650,000 mortgage loan, also require us to maintain a minimum consolidated net worth of at least $250,000 and liquidity of at least $15,000. As of September 30, 2026, we believe that we were in compliance with all of the covenants and other terms under the agreements governing these loans.

For further information regarding our indebtedness and historical weighted average interest rates of our floating rate loans, see Notes 5 and 6 to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Distributions

During the nine months ended September 30, 2026, we declared and paid regular quarterly distributions to common shareholders totaling $13,341 using cash on hand.

On October 8, 2026, we declared a regular quarterly distribution to common shareholders of record on October 19, 2026 of $0.10 per share, or approximately $6,699. We expect to pay this distribution on or about November 12, 2026 using cash on hand.

Related Person Transactions

We have relationships and historical and continuing transactions with RMR, RMR Inc. and others related to them. For further information about these and other such relationships and related person transactions, see Notes 8 and 9 to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q, our 2025 Annual Report, our definitive Proxy Statement for our 2026 Annual Meeting of Shareholders and our other filings with the SEC. In addition, see the section captioned "Risk Factors" of our 2025 Annual Report for a description of risks that may arise as a result of these and other related person transactions and relationships. We may engage in additional transactions with related persons, including businesses to which RMR or its subsidiaries provide management services.

Critical Accounting Estimates

The preparation of our condensed consolidated financial statements in conformity with GAAP requires us to make estimates and assumptions that affect reported amounts. Actual results could differ from those estimates. Significant estimates in the condensed consolidated financial statements include purchase price allocations, useful lives of fixed assets and assumptions used in the evaluation of impairment of real estate and related intangibles.

A discussion of our critical accounting estimates is included in our 2025 Annual Report. There have been no significant changes in our critical accounting estimates since the year ended December 31, 2025.

Item 3. Quantitative and Qualitative Disclosures About Market Risk (*dollars in thousands*)

We are exposed to risks associated with market changes in interest rates. We manage our exposure to this market risk by monitoring available financing alternatives, including fixed rate debt, and employing derivative instruments, including interest rate caps, to limit our exposure to increasing interest rates. Other than as described below, we do not currently expect any significant changes in our exposure to fluctuations in interest rates or in how we manage this exposure in the near future.

Fixed Rate Debt

As of September 30, 2026, our outstanding fixed rate debt consisted of the following:

Entity	Number of Properties Secured By	Principal Balance	Annual Interest Rate [1]	Annual Interest Expense	Maturity	Interest Payments Due
ILPT	186	$ 650,000	4.31%	$ 28,015	02/07/2029	Monthly
ILPT	101	1,160,000	6.40%	74,240	07/09/2030	Monthly
ILPT	17	700,000	4.42%	30,940	03/09/2032	Monthly
Mountain JV	4	91,000	6.25%	5,688	06/10/2030	Monthly
Mountain JV	90	1,620,000	5.71%	92,502	05/11/2031	Monthly
Total / weighted average		$ 4,221,000	5.48%	$ 231,385		

(1) The annual interest rate is the rate stated in the applicable contract.

All of our $4,221,000 mortgage notes require interest only payments until maturity. Because our mortgage notes require interest to be paid at a fixed rate, changes in market interest rates during the terms of these mortgage notes will not affect our interest obligations. If these mortgage notes are refinanced at an interest rate that is one percentage point higher or lower than shown above, our annual interest cost would increase or decrease by approximately $42,136.

Changes in market interest rates would affect the fair value of our fixed rate debt obligations. Increases in market interest rates decrease the fair value of our fixed rate debt, while decreases in market interest rates increase the fair value of our fixed rate debt. Interest rates have continued to remain elevated despite reductions in 2025, and the U.S. Federal Reserve raised interest rates in September 2026. There are uncertainties surrounding interest rates and they may remain at current levels, decrease or increase. As our debt obligations bear interest at fixed rates, decreases in market interest rates may result in our contractual interest payments exceeding those that would be required at prevailing market rates, and we would not benefit from any such decrease in market interest rates. Based on the balances outstanding at September 30, 2026 and assuming no other changes in factors that may affect the fair value of our fixed rate debt obligations, a hypothetical immediate one percentage point change in the interest rates would change the fair value of these obligations by approximately $149,402.

Floating Rate Debt

In May 2026, our consolidated joint venture repaid in full the Mountain Floating Rate Loan with the proceeds of a new $1,620,000 fixed rate mortgage loan and sold the related interest rate cap. As a result, as of September 30, 2026, we no longer have any floating rate debt outstanding or interest rate caps, and we are no longer exposed to interest rate risk associated with changes in SOFR on floating rate borrowings. As of December 31, 2025, we had $1,400,000 of floating rate debt outstanding.

Item 4. Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, our management carried out an evaluation, under the supervision and with the participation of our President and Chief Executive Officer and our Chief Financial Officer and Treasurer, of the effectiveness of our disclosure controls and procedures pursuant to Rules 13a-15 and 15d-15 under the Securities Exchange Act of 1934, as amended. Based upon that evaluation, our President and Chief Executive Officer and our Chief Financial Officer and Treasurer concluded that our disclosure controls and procedures are effective.

There have been no changes in our internal control over financial reporting during the quarter ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Warning Concerning Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other securities laws that are subject to risks and uncertainties. These statements may include words such as "believe", "expect", "anticipate", "intend", "plan", "estimate", "will", "may" and negatives or derivatives of these or similar expressions. These forward-looking statements include, among others, statements about: economic and market conditions; our expectations regarding the demand for industrial properties; our future leasing activity; our leverage levels and possible future financings; our liquidity needs and sources; our capital expenditure plans and commitments; our existing and possible future joint venture arrangements; our redevelopment and construction activities and plans; and the amount and timing of future distributions.

Forward-looking statements reflect our current expectations, are based on judgments and assumptions, are inherently uncertain and are subject to risks, uncertainties and other factors, which could cause our actual results, performance or achievements to differ materially from expected future results, performance or achievements expressed or implied in those forward-looking statements. Some of the risks, uncertainties and other factors that may cause our actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements include, but are not limited to, the following:

- Whether our tenants will renew or extend their leases or whether we will obtain replacement tenants on terms as favorable to us as the terms of our existing leases,
- Our ability to successfully compete for tenancies, the likelihood that the rents we realize will increase when we renew or extend our leases, enter new leases, or our rents reset at our properties located in Hawaii,
- Our ability to maintain high occupancy at our properties,
- Our ability to reduce our leverage, generate cash flow and take advantage of mark-to-market leasing opportunities,
- Our ability to pay interest on and principal of our debt,
- Our expected capital expenditures and leasing costs,
- Risks and uncertainties regarding any potential redevelopments and our ability to increase rents as a result of such redevelopments,
- Our ability to maintain sufficient liquidity,
- Our ability to cost-effectively raise and balance our use of debt or equity capital,
- Our ability and the ability of our tenants to operate under unfavorable market and commercial real estate industry conditions, due to uncertainties surrounding interest rates and inflation, volatility in the public equity and debt markets, changing tariffs and trade policies and related uncertainty, supply chain disruptions, emerging technologies, geopolitical instability and tensions, pandemics, economic downturns or a possible recession, labor market conditions or changes in real estate utilization,
- Demand for industrial and logistics properties,
- Whether the industrial and logistics sector and the extent to which our tenants' businesses are critical to sustaining a resilient supply chain and that our business will benefit as a result,
- Competition within the commercial real estate industry, particularly for industrial and logistics properties in those markets in which our properties are located,
- Our tenant and geographic concentrations,
- Our tenants' ability and willingness to pay their rent obligations to us,
- The credit qualities of our tenants,
- Changes in the security of cash flows from our properties,
- Potential defaults of our leases by our tenants,

- Our ability to pay distributions to our shareholders and to increase or sustain the amount of such distributions,
- Our ability to sell additional equity interests in, or contribute additional properties to, our existing joint ventures, to enter into additional real estate joint ventures or to attract co-venturers and benefit from our existing joint ventures or any real estate joint ventures we may enter into,
- Our ability to sell properties at prices or returns we target, and the timing of such sales,
- Our ability to complete sales without delay, or at all, pursuant to existing agreement terms,
- Risks and uncertainties regarding the development, redevelopment or repositioning of our properties, including as a result of inflation, cost overruns, tariffs, supply chain challenges, labor market conditions, construction delays or our inability to obtain necessary permits, our ability to lease space at these properties at targeted returns and volatility in the commercial real estate markets,
- Our ability to prudently pursue, and successfully and profitably complete, expansion and renovation projects at our properties and to realize our expected returns on those projects,
- The ability of our manager, RMR, to successfully manage us,
- Changes in environmental laws or in their interpretations or enforcement as a result of climate change or otherwise, or our incurring environmental remediation costs or other liabilities,
- Compliance with, and changes to, federal, state and local laws and regulations, accounting rules, tax laws and similar matters,
- Limitations imposed by and our ability to satisfy complex rules to maintain our qualification for taxation as a REIT for U.S. federal income tax purposes,
- Actual and potential conflicts of interest with our related parties, including our Managing Trustees, RMR and others affiliated with them,
- Acts of terrorism, war or other hostilities, outbreaks of pandemics or other public health safety events or conditions, global climate change or other manmade or natural disasters beyond our control, and
- Other matters.

These risks, uncertainties and other factors are not exhaustive and should be read in conjunction with other cautionary statements that are included in our periodic filings. The information contained elsewhere in our filings with the SEC, including under the caption "Risk Factors" in our periodic reports, or incorporated therein, identifies important factors that could cause differences from our forward-looking statements in this Quarterly Report on Form 10-Q. Our filings with the SEC are available on the SEC's website at www.sec.gov.

You should not place undue reliance upon our forward-looking statements.

Except as required by law, we do not intend to update or change any forward-looking statements as a result of new information, future events or otherwise.

Statement Concerning Limited Liability

The Amended and Restated Declaration of Trust establishing Industrial Logistics Properties Trust, dated January 11, 2018, as amended, as filed with the State Department of Assessments and Taxation of Maryland, provides that no trustee, officer, shareholder, employee or agent of Industrial Logistics Properties Trust shall be held to any personal liability, jointly or severally, for any obligation of, or claim against, Industrial Logistics Properties Trust. All persons dealing with Industrial Logistics Properties Trust in any way shall look only to the assets of Industrial Logistics Properties Trust for the payment of any sum or the performance of any obligation.

PART II. Other Information

Item 1A. Risk Factors

There have been no material changes to our risk factors from those we previously disclosed in our 2025 Annual Report.

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

Issuer purchases of equity securities. The following table provides information about our purchases of our equity securities during the quarter ended September 30, 2026:

Calendar Month	Number of Shares Purchased [1]	Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
July 1, 2026 - July 31, 2026	16,350	$ 9.00	—	$ —
September 1, 2026 - September 30, 2026	100,722	7.71	—	—
Total / weighted average	117,072	$ 7.89	—	$ —

(1) These common share withholdings and purchases were made to satisfy tax withholding and payment obligations of our officers and certain other current and former employees of RMR in connection with the vesting of awards of our common shares. We withheld and purchased these common shares at their fair market values based upon the trading prices of our common shares at the close of trading on Nasdaq on the applicable purchase dates.

Item 6. Exhibits

Exhibit Number	Description
3.1	Composite Copy of Amended and Restated Declaration of Trust of the Company, dated as of January 11, 2018, as amended to date. (Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020.)
3.2	Third Amended and Restated Bylaws of the Company, adopted May 30, 2024. (Incorporated by reference to the Company's Current Report on Form 8-K filed on June 3, 2024.)
4.1	Form of Common Share Certificate. (Incorporated by reference to Amendment No. 2 to the Company's Registration Statement on Form S-11, File No. 333-221708.)
10.1	Form of Indemnification Agreement. (Filed herewith.)
31.1	Rule 13a-14(a) Certification. (Filed herewith.)
31.2	Rule 13a-14(a) Certification. (Filed herewith.)
32.1	Section 1350 Certification. (Furnished herewith.)
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document. (Filed herewith.)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document. (Filed herewith.)
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document. (Filed herewith.)
101.LAB	XBRL Taxonomy Extension Label Linkbase Document. (Filed herewith.)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document. (Filed herewith.)
104	Cover Page Interactive Data File. (Formatted as Inline XBRL and contained in Exhibit 101.)

SIGNATURES

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

INDUSTRIAL LOGISTICS PROPERTIES TRUST

By: /s/ Yael Duffy
Yael Duffy
President and Chief Executive Officer
Dated: October 28, 2026

By: /s/ Anthony Paula
Anthony Paula
Chief Financial Officer and Treasurer
(Principal Financial Officer and Principal Accounting Officer)
Dated: October 28, 2026