



PRESIDIO
Property Trust



SUPPLEMENTAL FINANCIAL INFORMATION

As of December 31, 2020

FORWARD-LOOKING STATEMENTS



This presentation contains “forward-looking statements” within the meaning of the federal securities laws that involve risks and uncertainties, many of which are beyond our control. Our actual results could differ materially and adversely from those anticipated in such forward-looking statements as a result of certain factors, including those set forth in the Quarterly Report on Form 10-Q. Forward-looking statements relate to matters such as our industry, business strategy, goals and expectations concerning our market position, future operations, margins, profitability, capital expenditures, financial condition, liquidity, capital resources, cash flows, dividends, results of operations and other financial and operating information. When used in this presentation, the words “will,” “may,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “should,” “project,” “plan,” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words.

The forward-looking statements contained in this presentation are based on historical performance and management’s current plans, estimates and expectations in light of information currently available to it and are subject to uncertainty and changes in circumstances. There can be no assurance that future developments affecting us will be those that we have anticipated. Actual results may differ materially from these expectations due to the factors, risks and uncertainties described in the Annual Report on Form 10-K, as filed March 30, 2021 (“Annual Report”), changes in global, regional or local political, economic, business, competitive, market, regulatory and other factors described in the “Risk Factors” section of the Annual Report, many of which are beyond our control. Should one or more of these risks or uncertainties materialize or should any of our assumptions prove to be incorrect, our actual results may vary in material respects from what we may have expressed or implied by these forward-looking statements. We caution that you should not place undue reliance on any of our forward-looking statements. Any forward-looking statement made by us in this presentation speaks only as of the date on which we make it. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by applicable securities laws.

COMPANY OVERVIEW



Description

- Presidio Property Trust, Inc. (“Presidio” or the “Company”) was founded in 1999 as NetREIT
- Presidio is a self-managed real estate company focused on commercial real estate opportunities in often overlooked and regionally dominant markets

The Company acquires and manages office and industrial real estate assets in markets with strong demographic and economic drivers with attractive going-in cap rates

- Presidio’s commercial portfolio currently includes 15 commercial properties with a book value of approximately \$123.7 million

- In addition to its commercial real estate holdings, Presidio generates fees and rental income from affiliated entities, which manage and/or own a portfolio of model homes (1)

Corporate Information

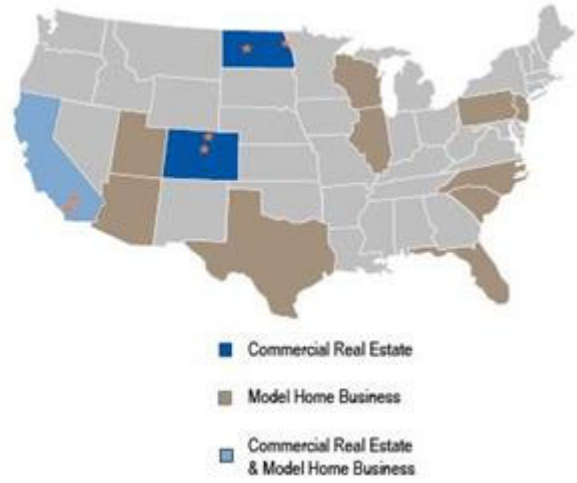
Headquarters	San Diego County, CA
Founded	1999
Key Geographies	CA, CO, ND
Employees	22

Portfolio Summary (Number / Square Footage)

Office	10 properties / 832,766 sq. ft.
Retail	4 properties / 131,722 sq. ft.
Industrial	1 property / 150,030 sq. ft.
Model Homes ⁽¹⁾	6 funds / 118 homes

Portfolio Value & Debt

Book Value	\$166.3 million ⁽²⁾
Existing Secured Debt	\$120.8million
Existing Unsecured Debt	\$7.7 million



(1) The Company holds partial ownership interests in several entities which own model home properties (2) includes book value of model homes

COMMERCIAL PORTFOLIO



<u>Property Location (\$ in 000s)</u>	<u>Sq. Ft.</u>	<u>Date Acquired</u>	<u>Year Property Constructed</u>	<u>Purchase Price (1)</u>	<u>Occupancy</u>	<u>Percent Ownership</u>	<u>Mortgage Outstanding</u>
Office/Industrial Properties:							
Garden Gateway, Colorado Springs, CO (2)	115,052	03/07	1982/2006	\$ 15,126	76.4%	100.0%	\$ 5,862
Executive Office Park, Colorado Springs, CO (3)	49,864	07/08	2000	10,126	97.7%	100.0%	2,986
Genesis Plaza, San Diego, CA (4)(5)	57,807	08/10	1989	10,000	74.7%	76.4%	6,276
Dakota Center, Fargo, ND	119,434	05/11	1982	9,575	86.0%	100.0%	9,900
Grand Pacific Center, Bismarck, ND	93,058	04/14	1976	5,350	74.2%	100.0%	3,738
Arapahoe Service Center II, Centennial, CO	79,023	12/14	2000	11,850	100.0%	100.0%	7,932
West Fargo Industrial, West Fargo, ND	150,030	08/15	1998/2005	7,900	82.0%	100.0%	4,263
300 N.P., West Fargo, ND	34,517	08/15	1922	3,850	72.8%	100.0%	2,273
One Park Centre, Westminster, CO	69,174	08/15	1983	9,150	84.8%	100.0%	6,385
Highland Court, Centennial, CO (6)	93,536	08/15	1984	13,050	64.5%	84.5%	6,275
Shea Center II, Highlands Ranch, CO	121,301	12/15	2000	25,325	91.2%	100.0%	17,728
Total Office/Industrial Properties	998,016			\$ 121,302	82.3%		\$ 73,618
Retail Properties:							
World Plaza, San Bernardino, CA	55,810	09/07	1974	7,650	100.0%	100.0%	5,803
Waterman Plaza, San Bernardino, CA (7)	21,170	08/08	2008	7,164	85.9%	100.0%	3,208
Union Town Center, Colorado Springs, CO	44,042	12/14	2003	11,212	100.0%	100.0%	8,316
Research Parkway, Colorado Springs, CO	10,700	8/15	2003	2,850	100.0%	100.0%	1,760
Total Retail Properties	131,722			\$ 28,876	97.7%		\$ 19,087
Total Commercial Properties	1,129,738			\$ 150,178	84.1%		\$ 92,705

(1) Prior to January 1, 2009, "Purchase Price" includes our acquisition related costs and expenses for the purchase of the property. After January 1, 2009, acquisition related costs and expenses were recognized as expense when incurred.

(2) This property is classified as held for sale as of December 31, 2020 and was sold during February 2021 for \$11.2 million.

(3) One of four buildings within this property was sold as of December 31, 2020.

(4) Approximately 9,224 square feet, or 16.0% of this property, is occupied by us as our corporate offices and related parties.

(5) This property is owned by two tenants-in-common, each of which owns 57% and 43%, respectively, and we beneficially own an aggregate interest of 76.4%.

(6) This property is owned by two tenants-in-common, of which we own approximately 60% and 52%, respectively, and we beneficially own an aggregate interest of 84.5%.

(7) This property is classified as held for sale as of December 31, 2020 and was sold during January 2021 for \$3.5 million.

MODEL HOMES PORTFOLIO



Region	No. of Properties	Aggregate Square Feet	Approximate % of Aggregate Square Feet	Current Annual Base Rent	Approximate % of Aggregate Annual Rent	Purchase Price	Current Mortgage Balance
Southwest	97	290,702	84.7%	\$ 2,822,928	81.1%	\$ 36,677,542	\$ 23,580,196
Southeast	16	37,374	10.9%	447,192	12.8%	5,595,806	3,205,532
Midwest	2	6,602	1.9%	99,276	2.9%	1,103,000	711,265
East	1	2,395	0.7%	30,636	0.9%	331,200	-
Northeast	2	6,153	1.8%	80,844	2.3%	898,250	586,363
	<u>118</u>	<u>343,226</u>	<u>100%</u>	<u>\$ 3,480,876</u>	<u>100%</u>	<u>\$ 44,605,798</u>	<u>\$ 28,083,356</u>

CONSOLIDATED BALANCE SHEET



	December 31, 2020	December 31, 2019
	<u> </u>	<u> </u>
ASSETS		
Real estate assets and lease intangibles:		
Land	\$ 18,827,000	\$ 19,844,739
Buildings and improvements	115,409,423	118,446,764
Tenant improvements	11,960,018	10,696,181
Lease intangibles	4,110,139	4,230,706
	<u>150,306,580</u>	<u>153,218,390</u>
Real estate assets and lease intangibles held for investment, cost		
Accumulated depreciation and amortization	(26,551,789)	(22,482,219)
Real estate assets and lease intangibles held for investment, net	123,754,791	130,736,171
Real estate assets held for sale, net	42,499,176	69,470,449
	<u>166,253,967</u>	<u>200,206,620</u>
Real estate assets, net		
Cash, cash equivalents and restricted cash	11,540,917	10,391,275
Deferred leasing costs, net	1,927,951	2,053,927
Goodwill	2,423,000	2,423,000
Other assets, net	3,422,781	5,709,586
	<u>185,568,616</u>	<u>220,784,408</u>
TOTAL ASSETS	\$ 185,568,616	\$ 220,784,408
LIABILITIES AND EQUITY		
Liabilities:		
Mortgage notes payable, net	\$ 94,664,266	\$ 99,996,306
Mortgage notes payable related to properties held for sale, net	25,365,430	42,396,686
	<u>120,029,696</u>	<u>142,392,992</u>
Mortgage notes payable, total net		
Note payable, net	7,500,086	12,238,692
Accounts payable and accrued liabilities	5,126,199	5,673,815
Accrued real estate taxes	2,548,686	2,987,601
Lease liability, net	102,323	560,188
Below-market leases, net	139,045	309,932
	<u>135,446,035</u>	<u>164,163,220</u>
Total liabilities		
Commitments and contingencies (Note 10)		
Equity:		
Series A Common Stock, \$0.01 par value, shares authorized: 100,000,000; 9,508,363 and 8,881,842 shares were both issued and outstanding at December 31, 2020 and December 31, 2019, respectively	95,038	88,818
Additional paid-in capital	156,463,146	152,129,120
Dividends and accumulated losses	(121,674,505)	(113,037,144)
	<u>34,883,679</u>	<u>39,180,794</u>
Total stockholders' equity before noncontrolling interest		
Noncontrolling interest	15,238,902	17,440,394
	<u>50,122,581</u>	<u>56,621,188</u>
Total equity		
TOTAL LIABILITIES AND EQUITY	\$ 185,568,616	\$ 220,784,408

CONSOLIDATED STATEMENT OF OPERATIONS



	For the Year Ended December 31,	
	2020	2019
Revenues:		
Rental income	\$ 23,444,119	\$ 27,467,410
Fees and other income	907,673	1,173,701
Total revenue	<u>24,351,792</u>	<u>28,641,111</u>
Costs and expenses:		
Rental operating costs	8,818,283	10,410,574
General and administrative	5,751,754	5,268,315
Depreciation and amortization	6,274,321	7,364,688
Impairment of real estate assets	1,730,851	—
Total costs and expenses	<u>22,575,209</u>	<u>23,043,577</u>
Other income (expense):		
Interest expense-Series B preferred stock	—	(2,226,101)
Interest expense-mortgage notes	(6,097,834)	(7,337,423)
Interest expense - note payable	(2,715,233)	(1,086,122)
Interest and other income (expense), net	(20,636)	141,306
Gain on sales of real estate, net	1,245,460	6,319,272
Gain on extinguishment of government debt	451,785	—
Deferred offering costs	(530,639)	—
Acquisition costs	—	(24,269)
Income tax expense	(370,884)	(611,263)
Total other income (expense), net	<u>(8,037,981)</u>	<u>(4,824,600)</u>
Net (loss) income	(6,261,398)	772,934
Less: Loss attributable to noncontrolling interests	(1,412,507)	(1,383,140)
Net loss attributable to Presidio Property Trust, Inc. common stockholders	<u>\$ (7,673,905)</u>	<u>\$ (610,206)</u>
Basic and diluted loss per common share	<u>\$ (0.85)</u>	<u>\$ (0.07)</u>
Weighted average number of common shares outstanding - basic and diluted	<u>9,023,914</u>	<u>8,862,958</u>

CONSOLIDATED STATEMENT OF CASH FLOWS



	For the Year Ended December 31,	
	2020	2019
Cash flows from operating activities:		
Net (loss) income	\$ (6,261,398)	\$ 772,934
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	6,274,321	7,364,688
Stock compensation	1,105,272	686,133
Bad debt expense (recoveries)	77,898	(32,544)
Gain on sale of real estate assets, net	(1,245,460)	(6,319,272)
Impairment of real estate assets	1,730,851	—
Accretion of original issue discount	1,013,405	386,595
Amortization of financing costs	1,287,430	965,239
Amortization of above-market leases	50,682	55,466
Amortization of below-market leases	(170,887)	(185,995)
Straight-line rent adjustment	108,998	(63,895)
Changes in operating assets and liabilities:		
Other assets	1,957,641	1,035,806
Accounts payable and accrued liabilities	(1,796,421)	(767,440)
Accrued real estate taxes	(438,915)	(106,779)
Net cash provided by operating activities	<u>3,693,417</u>	<u>3,790,936</u>
Cash flows from investing activities:		
Real estate acquisitions	(10,161,613)	(13,037,562)
Additions to buildings and tenant improvements	(2,834,373)	(6,393,711)
Additions to deferred leasing costs	(175,828)	(661,401)
Proceeds from sales of real estate, net	40,849,654	32,073,721
Net cash provided by investing activities	<u>27,677,840</u>	<u>11,981,047</u>
Cash flows from financing activities:		
Proceeds from mortgage notes payable, net of issuance costs	14,152,838	15,494,715
Proceeds from government debt relief	451,785	—
Repayment of mortgage notes payable	(36,808,331)	(23,176,581)
Proceeds from note payable, net of issuance cost of \$1.1 million	—	11,479,237
Repayment of note payable	(6,324,401)	—
Payment of extension costs, note payable	(351,025)	—
Redemption of mandatorily redeemable preferred stock	—	(16,900,000)
Payment of deferred offering costs	(45,016)	—
(Distributions) contributions to noncontrolling interests, net	(2,366,009)	331,603
Issuance of stock for Initial Public Offering, net of underwriters fees	2,050,000	—
Repurchase of common stock	(18,000)	(227,428)
Dividends paid to stockholders	(963,456)	(2,158,469)
Net cash used in financing activities	<u>(30,221,615)</u>	<u>(15,156,923)</u>
Net increase in cash equivalents and restricted cash	1,149,642	615,060
Cash, cash equivalents and restricted cash - beginning of period	10,391,275	9,776,215
Cash, cash equivalents and restricted cash - end of period	<u>\$ 11,540,917</u>	<u>\$ 10,391,275</u>
Supplemental disclosure of cash flow information:		
Interest paid-Series B preferred stock	\$ —	\$ 1,859,672
Interest paid-mortgage notes payable	\$ 5,892,025	\$ 6,442,750
Interest paid-notes payable	\$ 778,414	\$ 713,262
Non-cash financing activities:		
Issuance of stock for limited partnership interests	\$ 1,247,990	\$ —
Unpaid deferred financing costs	\$ 83,659	\$ —

EBITDA RECONCILIATION



	For the Years Ended December 31,	
	2020	2019
Net (loss) income attributable to Presidio Property Trust, Inc. common stockholders	\$ (7,673,905)	\$ (610,206)
Adjustments:		
Interest Expense	8,813,067	10,649,646
Depreciation and Amortization	6,274,321	7,364,688
Asset Impairments	1,730,851	-
Net Gain on Sales of RE	(1,245,460)	(6,319,272)
Gain Extinguishment of Government Debt	(451,785)	-
Income Taxes	370,884	611,263
EBITDAre	\$ 7,817,973	\$ 11,696,119

FFO AND CORE FFO RECONCILIATION



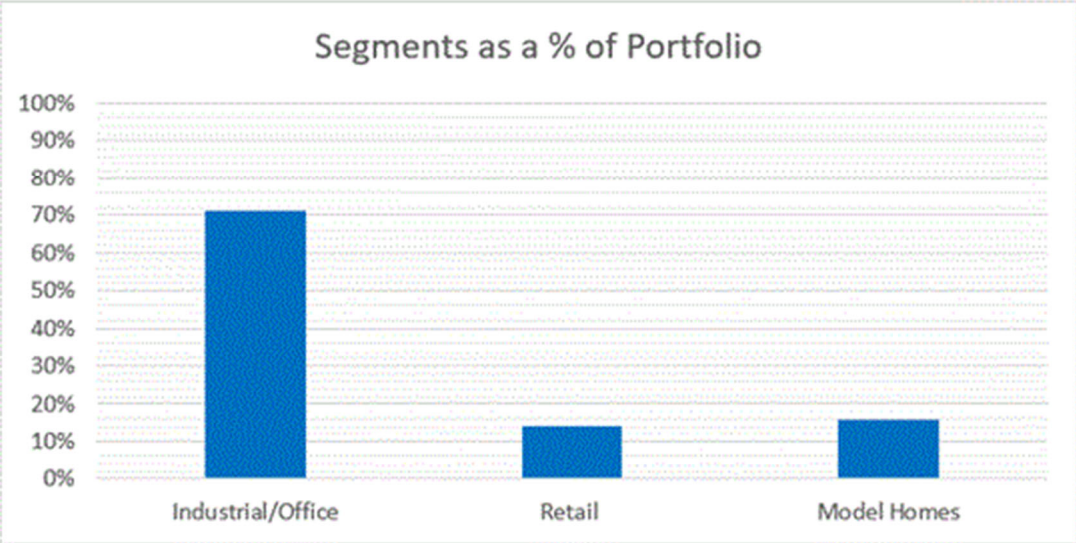
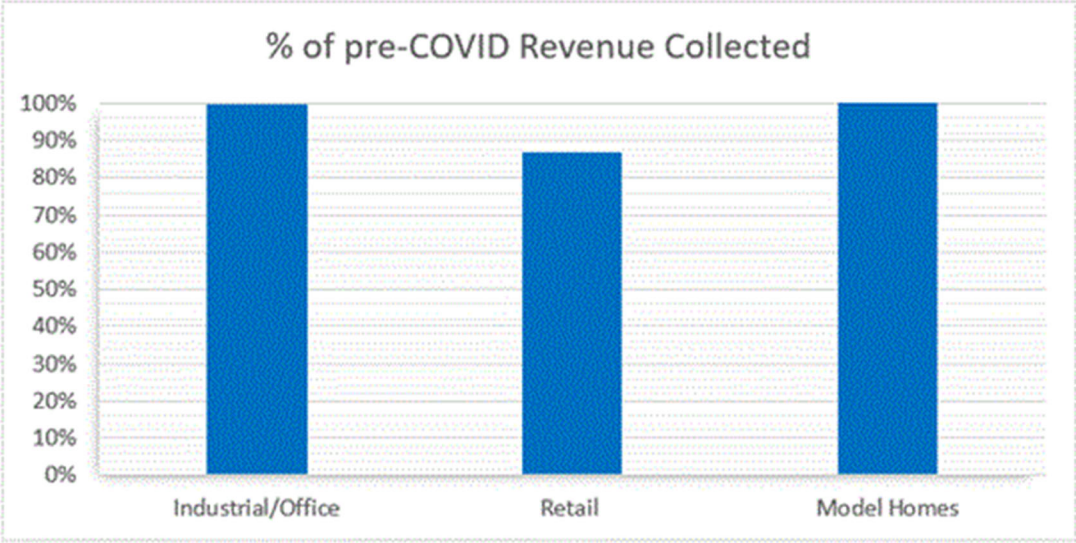
	For the Years Ended December 31,	
	2020	2019
Net (loss) income attributable to Presidio Property Trust, Inc. common stockholders	\$ (7,673,905)	\$ (610,206)
Adjustments:		
Income attributable to noncontrolling interests	1,412,507	1,383,140
Depreciation and amortization	6,274,321	7,364,688
Amortization of above and below market leases, net	(120,204)	(130,529)
Impairment of real estate assets	1,730,851	-
Gain on sale of real estate assets	(1,245,460)	(6,319,272)
FFO	\$ 378,110	\$ 1,687,821
Stock Based Compensation	1,105,272	686,133
Core FFO	\$ 1,483,382	\$ 2,373,954

SAME STORE ANALYSIS



	For the Years Ended December 31,		Variance	
	2020	2019	\$	%
Rental revenues	\$ 19,627,351	\$ 19,961,964	\$ (334,613)	(1.7)%
Rental operating costs	8,618,676	8,480,847	137,829	1.6%
Net operating income	\$ 11,008,675	\$ 11,481,117	\$ (472,442)	(4.1)%
Operating Ratios:				
Number of same properties	15	15	-	-
Occupancy, end of period	83.2%	80.8%		2.4%
Operating costs as a percentage of total revenues	43.9%	42.5%		1.4%

SEGMENT DATA



DEFINITIONS – NON-GAAP MEASUREMENTS



EBITDAre - EBITDAre is defined by Nareit as earnings before interest, taxes, depreciation and amortization, gain or loss on disposal of depreciated assets, and impairment write-offs.

Funds from Operations (“FFO”) – The Company evaluates performance based on Funds From Operations, which we refer to as FFO, as management believes that FFO represents the most accurate measure of activity and is the basis for distributions paid to equity holders. The Company defines FFO, a non-GAAP measure, as net income or loss (computed in accordance with GAAP), excluding gains (or losses) from sales of property, hedge ineffectiveness, acquisition costs of newly acquired properties that are not capitalized and lease acquisition costs that are not capitalized plus depreciation and amortization, including amortization of acquired above and below market lease intangibles and impairment charges on properties or investments in non-consolidated REITs, and after adjustments to exclude equity in income or losses from, and, to include the proportionate share of FFO from, non-consolidated REITs.

However, because FFO excludes depreciation and amortization and as well as the changes in the value of the Company’s properties that result from use or market conditions, each of which have real economic effects and could materially impact the Company’s results from operations, the utility of FFO as a measure of the Company’s performance is limited. In addition, other equity REITs may not calculate FFO in accordance with the NAREIT definition as the Company does, and, accordingly, the Company’s FFO may not be comparable to such other REITs’ FFO. Accordingly, FFO should be considered only as a supplement to net income as a measure of the Company’s performance.

Core Funds from Operations (“Core FFO”) – We calculate Core FFO, a non-GAAP measure, by using FFO as defined by NAREIT and adjusting for certain other non-core items. We also exclude from our Core FFO calculation acquisition costs, loss on early extinguishment of debt, changes in the fair value of the earn-out, changes in fair value of contingent consideration and the amortization of stock-based compensation.

We believe Core FFO provides a useful metric in comparing operations between reporting periods and in assessing the sustainability of our ongoing operating performance. Other equity REITs may calculate Core FFO differently or not at all, and, accordingly, the Company’s Core FFO may not be comparable to such other REITs’ Core FFO.

Same Store Net Operating Income (“Same Store NOI”) – Same Store NOI, a non-GAAP measure, is calculated as the NOI attributable to the properties continuously owned and operated for the entirety of the reporting periods presented. The Company’s definition of Same Store NOI excludes properties that were not stabilized during both of the applicable reporting periods. These exclusions may include, but are not limited to, acquisitions, dispositions and properties undergoing repositioning or significant renovations.

The Company evaluates the performance of its same-store property operating results based upon net operating income from continuing operations, which is a non-GAAP supplemental financial measure. The Company defines NOI as operating revenues (rental income, tenant reimbursements and other operating income) less property and related expenses (property operating expenses, real estate taxes, insurance and provision for bad debt) less interest expense. NOI excludes certain items that are not considered to be controllable in connection with the management of an asset such as non-property income and expenses, depreciation and amortization, asset management fees and corporate general and administrative expenses. The Company believes that net income is the GAAP measure that is most directly comparable to NOI; however, NOI should not be considered as an alternative to net income as the primary indicator of operating performance as it excludes the items described above.

We believe Same Store NOI, a non-GAAP measure, is an important measure of comparison because it allows for comparison of operating results of stabilized properties owned and operated for the entirety of both applicable periods and therefore eliminates variations caused by acquisitions, dispositions or repositioning during such periods. Other REITs may calculate Same Store NOI differently and our calculation should not be compared to that of other REITs.