



SUPPLEMENTAL FINANCIAL INFORMATION

As of June 30, 2023

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 28, 2023 (“Annual Report”) and the Company’s Quarterly Report on Form 10-Q filed with the SEC on the date hereof (“Quarterly 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 and the Quarterly 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 an internally managed real estate company focused on commercial real estate opportunities in often overlooked and regionally dominant markets
- The Company acquires, owns, 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 12 commercial properties with a book value of approximately \$92 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, CA
Founded	1999
Key Geographies	CA, CO, MD, ND & TX
Employees	17

Portfolio Summary (Number / Square Footage)

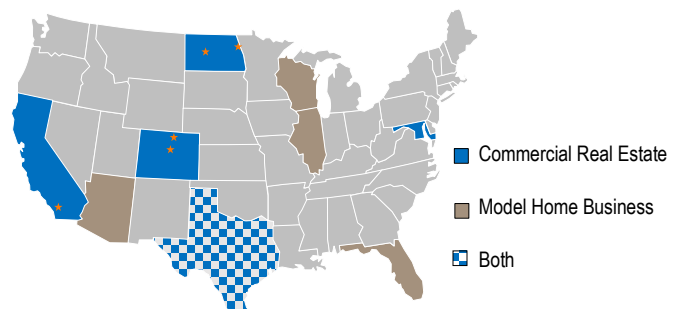
Office	8 properties / 606,724 sq. ft.
Retail	3 properties / 65,242 sq. ft.
Industrial	1 property / 150,099 sq. ft.
Model Homes ⁽¹⁾	5 funds / 105 homes

Portfolio Value & Debt

Book Value	\$138.8 million ⁽²⁾
Existing Secured Debt	\$104.2 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



<i>(\$ in000's) Property Location</i>	<i>Sq., Ft.</i>	<i>Date Acquired</i>	<i>Year Property Constructed</i>	<i>Purchase Price (1)</i>	<i>Occupancy</i>	<i>Percent Ownership</i>	<i>Mortgage On property</i>
Office/Industrial Properties:							
Genesis Plaza, San Diego, CA (2)	57,807	08/10	1989	10,000	96.2%	76.4%	5,997
Dakota Center, Fargo, ND	119,434	05/11	1982	9,575	58.1%	100.0%	9,321
Grand Pacific Center, Bismarck, ND	93,711	03/14	1976	5,350	56.0%	100.0%	3,817
Arapahoe Center, Colorado Springs, CO	79,023	12/14	2000	11,850	88.0%	100.0%	7,515
West Fargo Industrial, West Fargo, ND	150,099	08/15	1998/2005	7,900	98.3%	100.0%	3,970
300 N.P., West Fargo, ND	34,517	08/15	1922	3,850	64.4%	100.0%	0
One Park Centre, Westminster CO	69,174	08/15	1983	9,150	82.3%	100.0%	6,104
Shea Center II, Highlands Ranch, CO	121,306	12/15	2000	25,325	62.1%	100.0%	17,091
Baltimore, Baltimore, MD	31,752	12/21	2006	8,892	100.0%	100.0%	5,670
Total Office/Industrial Properties	756,823			\$ 91,892	76.8%		\$ 59,485
Retail Properties:							
Union Town Center, Colorado Springs, CO	44,042	12/14	2003	11,212	79.5%	100.0%	7,948
Research Parkway, Colorado Springs, CO	10,700	08/15	2003	2,850	100.0%	100.0%	1,619
Mandolin, Houston, TX (3)	10,500	08/21	2021	4,892	100.0%	61.3%	3,604
Total Retail Properties	65,242			\$ 18,954	86.2%		\$ 13,171
	<u>822,065</u>			<u>\$ 110,846</u>	77.5%		<u>\$ 72,656</u>

- (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 expensed when incurred until ASU 2017-01 was adopted by the Company in 2017. Since then, acquisition related costs for real estate acquisitions that do not meet the definition of a business, are capitalized.
- (2) Genesis Plaza is owned by two tenants-in-common, each of which own 57% and 43%, respectively, and we beneficially own an aggregate of 76.4%, based on our ownership percentages of each tenant-in-common.
- (3) Owned by NetREIT Highland LLC, which was formed in 2012. NetREIT Highland LLC is wholly owned by NetREIT Palm Self Storage LP (a joint venture where Presidio Property trust owns 61.3%).

MODEL HOMES PORTFOLIO



Geographic Region	No. of Properties	Aggregate Square Feet	Approximate % of Square Feet	Current Base Annual Rent	Approximate of Aggregate % Annual Rent
Midwest	4	12,307	3.9%	\$ 182,748	4.8%
Southeast	4	9,875	3.1%	172,428	4.5%
Southwest	97	297,054	93.0%	3,475,596	90.7%
Total	105	319,236	100%	\$ 3,830,772	100.0%

CONSOLIDATED BALANCE SHEET



Presidio Property Trust, Inc. and Subsidiaries Condensed Consolidated Balance Sheets

	June 30, 2023 <u>(Unaudited)</u>	December 31, 2022
ASSETS		
Real estate assets and lease intangibles:		
Land	\$ 20,803,978	\$ 19,189,386
Buildings and improvements	135,185,098	125,979,374
Tenant improvements	14,426,125	13,861,839
Lease intangibles	4,110,139	4,110,139
Real estate assets and lease intangibles held for investment, cost	174,525,340	163,140,738
Accumulated depreciation and amortization	<u>(36,841,025)</u>	<u>(34,644,511)</u>
Real estate assets and lease intangibles held for investment, net	137,684,315	128,496,227
Real estate assets held for sale, net	1,196,336	2,016,003
Real estate assets, net	138,880,651	130,512,230
Other assets:		
Cash, cash equivalents and restricted cash	8,700,791	16,516,725
Deferred leasing costs, net	1,546,034	1,516,835
Goodwill	2,423,000	2,423,000
Other assets, net (see Note 6)	4,161,325	3,511,681
Total other assets	16,831,150	23,968,241
Investments held in Trust (see Notes 2 & 9)	23,339,887	136,871,183
TOTAL ASSETS	<u>\$ 179,051,688</u>	<u>\$ 291,351,654</u>
LIABILITIES AND EQUITY		
Liabilities:		
Mortgage notes payable, net	\$ 102,856,817	\$ 95,899,176
Mortgage notes payable related to properties held for sale, net	482,142	999,523
Mortgage notes payable, total net	103,338,959	96,898,699
Accounts payable and accrued liabilities	4,373,983	4,028,564
Accounts payable and accrued liabilities of SPAC (see Notes 2 & 9)	6,655,685	5,046,725
Accrued real estate taxes	977,658	1,879,875
Dividends payable preferred stock	177,145	178,511
Lease liability, net	31,799	46,833
Below-market leases, net	15,753	18,240
Total liabilities	<u>115,570,982</u>	<u>108,097,447</u>
Commitments and contingencies (Note 2 & 9):		
SPAC Class A common stock subject to possible redemption; 2,187,728 as of June 30, 2023 and 13,225,000 shares as of December 31, 2022 (at \$10.45 per share), net of issuance cost of approximately \$6,400,000	16,748,849	130,411,135
Equity:		
Series D Preferred Stock, \$0.01 par value per share; 1,000,000 shares authorized; 901,375 shares issued and outstanding (liquidation preference \$25.00 per share) as of June 30, 2023 and 913,987 shares issued and outstanding as of December 31, 2022	9,014	9,140
Series A Common Stock, \$0.01 par value per share, shares authorized: 100,000,000; 11,849,710 shares and 11,807,893 shares were issued and outstanding at June 30, 2023 and December 31, 2022, respectively	118,497	118,079
Additional paid-in capital	180,365,055	182,044,157
Dividends and accumulated losses	<u>(142,294,778)</u>	<u>(138,341,750)</u>
Total stockholders' equity before noncontrolling interest	38,197,788	43,829,626
Noncontrolling interest	8,534,069	9,013,446
Total equity	46,731,857	52,843,072
TOTAL LIABILITIES AND EQUITY	<u>\$ 179,051,688</u>	<u>\$ 291,351,654</u>

CONSOLIDATED STATEMENT OF OPERATIONS



Presidio Property Trust, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2023	2022	2023	2022
Revenues:				
Rental income	\$ 4,329,588	\$ 4,188,076	\$ 8,271,641	\$ 8,640,394
Fees and other income	214,284	132,784	393,723	253,607
Total revenue	4,543,872	4,320,860	8,665,364	8,894,001
Costs and expenses:				
Rental operating costs	1,399,159	1,348,083	2,974,149	2,931,556
General and administrative	1,813,184	1,214,005	3,777,804	2,797,696
Depreciation and amortization	1,368,829	1,316,193	2,702,403	2,655,418
Total costs and expenses	4,581,172	3,878,281	9,454,356	8,384,670
Other income (expense):				
Interest expense - mortgage notes	(1,336,415)	(1,085,860)	(2,204,182)	(2,103,573)
Interest and other income, net	398,085	93,128	1,140,201	166,733
Gain on sales of real estate, net	1,119,952	1,227,484	1,537,289	2,750,269
Income tax expense	(349,074)	(259,285)	(497,527)	(524,524)
Total other income (expense), net	(167,452)	(24,533)	(24,219)	288,905
Net income (loss)	(204,752)	418,046	(813,211)	798,236
Less: Income attributable to noncontrolling interests	(1,094,852)	(709,202)	(1,481,933)	(1,917,878)
Net loss attributable to Presidio Property Trust, Inc. stockholders	\$ (1,299,604)	\$ (291,156)	\$ (2,295,144)	\$ (1,119,642)
Less: Preferred Stock Series D dividends	(532,285)	(539,056)	(1,067,733)	(1,078,111)
Less: Series A Warrant dividend	—	—	—	(2,456,512)
Net loss attributable to Presidio Property Trust, Inc. common stockholders	\$ (1,831,889)	\$ (830,212)	\$ (3,362,877)	\$ (4,654,265)
Net loss per share attributable to Presidio Property Trust, Inc. common stockholders:				
Basic & Diluted	\$ (0.15)	\$ (0.07)	\$ (0.28)	\$ (0.39)
Weighted average number of common shares outstanding - basic & diluted	11,839,359	11,799,689	11,837,020	11,786,741

CONSOLIDATED STATEMENT OF CASH FLOWS



Presidio Property Trust, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	For the Six Months Ended June	
	30,	
	2023	2022
Cash flows from operating activities:		
Net (loss) income	\$ (813,211)	\$ 798,236
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Depreciation and amortization	2,702,403	2,655,418
Stock compensation	540,501	568,701
Bad debt expense	32,729	13,416
Gain on sale of real estate assets, net	(1,537,289)	(2,750,269)
Net change in fair value marketable securities	(190,327)	358,658
Net change in fair value SPAC Trust Account	(939,522)	(201,767)
Amortization of financing costs	187,303	125,850
Amortization of below-market leases	(2,487)	(27,445)
Straight-line rent adjustment	(240,007)	(46,305)
Changes in operating assets and liabilities:		
Other assets	(399,159)	317,942
Accounts payable and accrued liabilities	239,297	(1,423,341)
Accounts payable and accrued liabilities for the SPAC	(281,723)	138,645
Accrued real estate taxes	(902,217)	(987,636)
Net cash used in operating activities	(1,603,709)	(459,897)
Cash flows from investing activities:		
Real estate acquisitions	(12,932,128)	(4,646,330)
Additions to buildings and tenant improvements	(1,001,836)	(832,990)
Investment in marketable securities	(1,826,458)	(661,247)
Proceeds from sale of marketable securities	1,951,095	1,111,608
Investment of SPAC IPO proceeds into Trust Account	(389,942)	(134,895,000)
Withdrawals from Trust Account for SPAC taxes	792,480	—
Withdrawals from Trust Account for Redemption of SPAC Shares	114,068,280	—
Deletions / (additions) to deferred leasing costs	3,872	(35,864)
Proceeds from sales of real estate, net	4,590,187	18,839,913
Net cash provided by (used in) investing activities	105,255,550	(121,119,910)
Cash flows from financing activities:		
Proceeds from mortgage notes payable, net of issuance costs	12,848,849	12,590,235
Repayment of mortgage notes payable	(6,417,278)	(7,361,659)
Payment of deferred offering costs	—	(3,201,266)
Distributions to noncontrolling interests, net	(1,961,310)	(2,614,352)
Proceeds from initial public offering of SPAC	—	132,250,000
Redemption of SPAC shares	(114,068,280)	—
Repurchase of Series A Common Stock, at cost	—	(30,729)
Repurchase of Series D Preferred Stock, at cost	(211,872)	—
Dividends paid to Series D Preferred Stockholders	(1,067,733)	(1,078,112)
Dividends paid to Series A Common Stockholders	(590,151)	(2,609,454)
Net cash (used in) provided by financing activities	(111,467,775)	127,944,663
Net (decrease) increase in cash equivalents and restricted cash	(7,815,934)	6,364,856
Cash, cash equivalents and restricted cash - beginning of period	16,516,725	14,702,089
Cash, cash equivalents and restricted cash - end of period	\$ 8,700,791	\$ 21,066,945
Supplemental disclosure of cash flow information:		
Interest paid-mortgage notes payable	\$ 2,351,642	\$ 1,971,942
Non-cash financing activities:		
Deferred offering cost SPAC, underwriting commission payable	\$ —	\$ 4,628,750

Accrued excise tax on January 24, 2023 SPAC redemptions	<u>\$ 1,140,683</u>	<u>\$ —</u>
Dividends payable - Preferred Stock Series D	<u>\$ 177,145</u>	<u>\$ 179,685</u>

EBITDAre RECONCILIATION



	For 3 Months Ended Jun 30,		For 6 Months Ended Jun 30,	
	2023	2022	2023	2022
Net (loss) income attributable to Presidio Property Trust, Inc. common stockholders	\$ (1,831,889)	\$ (830,212)	\$ (3,362,877)	\$ (4,654,265)
Adjustments				
Interest Expense	1,336,415	1,085,861	2,204,182	2,103,573
Depreciation and Amortization	1,367,585	1,302,471	2,699,916	2,627,973
Net loss (gain) on sale of real estate	(1,119,952)	(1,227,484)	(1,537,289)	(2,750,269)
Income Taxes	349,074	259,285	497,527	524,524
EBITDAre	\$ <u>101,233</u>	\$ <u>589,921</u>	\$ <u>501,459</u>	\$ <u>(2,148,464)</u>

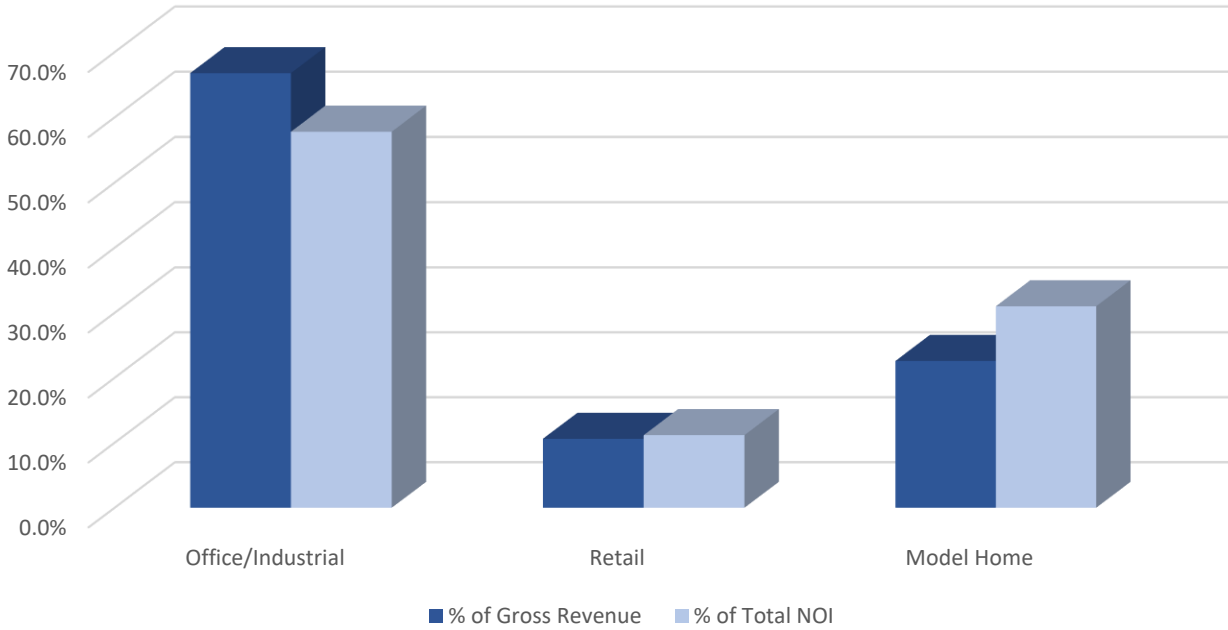
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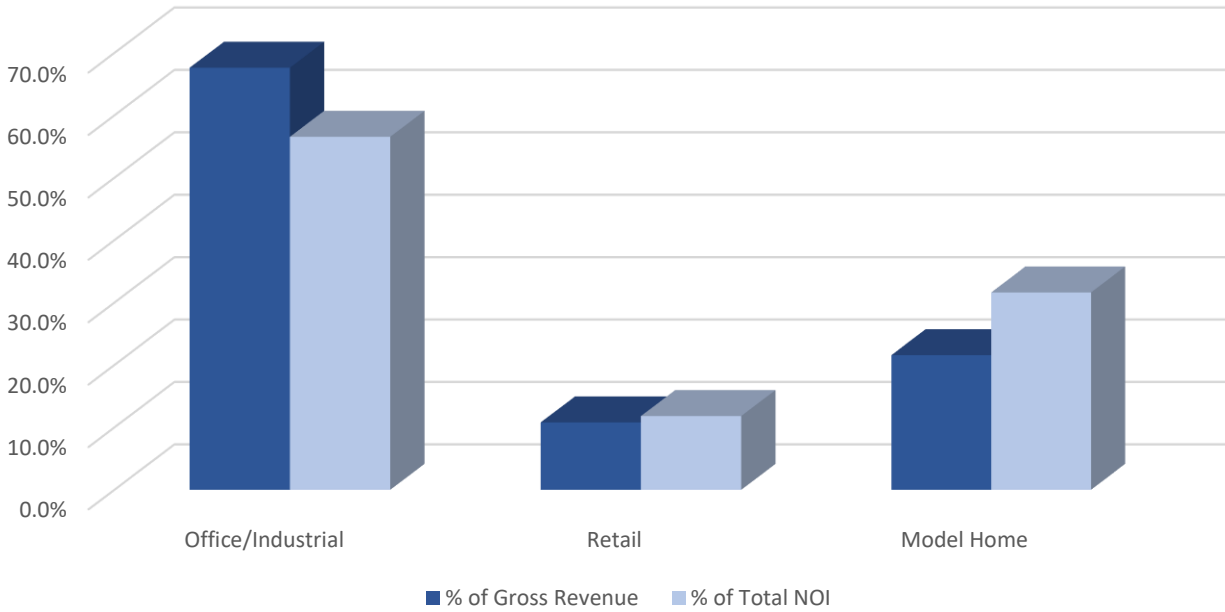
	For the Three Months Ended		For the Six Months Ended	
	6/30/2023	6/30/2022	6/30/2023	6/30/2022
Net (loss) income attributable to Presidio Property Trust, Inc. common stockholders	\$ (1,831,889)	\$ (830,212)	\$ (3,362,877)	\$ (4,654,265)
Adjustments:				
Income attributable to noncontrolling interests	1,094,852	709,202	1,481,933	1,917,878
Depreciation and amortization	1,368,829	1,316,193	2,702,403	2,655,418
Amortization of above and below market leases, net	(1,244)	(13,722)	(2,487)	(27,445)
Loss (gain) on sale of real estate assets, net	(1,119,952)	(1,227,484)	(1,537,289)	(2,750,269)
FFO	<u>\$ (489,404)</u>	<u>\$ (46,023)</u>	<u>\$ (718,317)</u>	<u>\$ (2,858,683)</u>
Restricted stock compensation	279,656	287,719	540,501	568,700
Series A Warrant dividend	-	-	-	2,456,512
Core FFO	<u>\$ (209,748)</u>	<u>\$ 241,696</u>	<u>\$ (177,816)</u>	<u>\$ 166,529</u>
Weighted average number of common shares outstanding - basic and diluted	<u>11,839,359</u>	<u>11,799,689</u>	<u>11,837,020</u>	<u>11,786,741</u>
Core FFO / Wgt Avg Share	<u>\$ (0.018)</u>	<u>\$ 0.020</u>	<u>\$ (0.015)</u>	<u>\$ 0.014</u>
Quarterly Dividends / Share	<u>\$ 0.023</u>	<u>\$ 0.106</u>	<u>\$ 0.045</u>	<u>\$ 0.211</u>

SEGMENT DATA

Q2 2023 Segment Revenue and NOI



YTD 2023 Segment Revenue and NOI



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 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 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 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, non-cash warrant dividends 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.