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Zacks Small-Cap Research

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M. Marin
312-265-9211
mmarin@zacks.com

scr.zacks.com
10 S. Riverside Plaza, Chicago, IL 60606

Presidio Property Trust (SQFT-NASDAQ)

SQFT: Balance Sheet Strengthening Measures Support Initiatives To Enhance Portfolio

Presidio Property Trust is a REIT that holds properties primarily in markets characterized by strong growth. The company's portfolio consists of diversified commercial properties and model homes, with minimal exposure to the retail real estate market. SQFT believes that the diversified nature of its portfolio has been a competitive advantage during the economic downturn associated with the pandemic.

Current Price (04/29/21)	$3.26
Valuation	**$6.25**

OUTLOOK

SQFT remains committed to deleveraging and continues to strengthen its balance sheet. In 1Q21, SQFT paid the roughly $7.7 million remaining on promissory notes prior to their quarter-end maturity using cash on the balance sheet and proceeds of property sales. With the repayment in full of this debt, earlier elimination of preferred shares and $11.5 million in cash at year-end 2020, SQFT believes it is poised for growth in 2021 and beyond.

SUMMARY DATA

52-Week High	**$5.56**
52-Week Low	**$2.63**
One-Year Return (%)	**N/A**
Beta	**N/A**
Average Daily Volume (sh)	**12,580**
Shares Outstanding (mil)	**10**
Market Capitalization ($mil)	**$32**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**0**
Insider Ownership (%)	**5**
Annual Cash Dividend	**$0.40**
Dividend Yield (%)	**12.27**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2021 Estimate	**N/A**
P/E using 2022 Estimate	**N/A**
Zacks Rank	**N/A**

Risk Level	**N/A,**
Type of Stock	**Small-Value**
Industry	**Real Estate**
Zacks Rank in Industry	**N/A**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	**Q2** (Jun)	**Q3** (Sep)	**Q4** (Dec)	**Year** (Dec)
2019	7 A	7 A	7 A	7 A	29 A
2020	7 A	6 A	6 A	6 A	24 A
2021	6 E	6 E	6 E	6 E	23 E
2022					24 E

Per Share Earnings / Loss

	Q1 (Mar)	**Q2** (Jun)	**Q3** (Sep)	**Q4** (Dec)	**Year** (Dec)
2019	-$0.10 A	-$0.14 A	$0.27 A	-$0.10 A	-$0.07 A
2020	-$0.12 A	-$0.22 A	-$0.20 A	-$0.31 A	-$0.85 A
2021	-$0.16 E	-$0.15 E	-$0.14 E	-$0.13 E	-$0.58 E
2022					-$0.38 E

Quarters might not sum due to rounding & (PF) share counts

Disclosures on page 14

KEY POINTS

What's New? 2020 Results, Updated Shelf Registration, Property Acquisitions & Dispositions

- **Strengthening Balance Sheet…** Presidio Property Trust continues to strengthen its balance sheet. In 2020, SQFT eliminated preferred shares and pared debt. 1Q21, SQFT paid roughly $7.7 million remaining on promissory notes prior to their quarter-end maturity. The company used cash and proceeds of property sales to pare the debt. With the repayment in full of the notes, SQFT believes it is poised for growth in 2021 and beyond.

- **… Consistent With Commitment to Deleveraging** Debt reduction has been a key target for SQFT. The company generally finances its investment in its property portfolio through secured asset-backed mortgage loans, but has initiated deleveraging measures regarding corporate debt.

- **Enhancing financial flexibility** In order to enhance its financial flexibility and potentially add liquidity if needed, the company also amended its shelf registration earlier this month. Under the shelf filing, the company can raise up to $200 million.

- **Strong cash position** The company ended 2020 with $11.5 million in cash, cash equivalents and restricted cash. Moreover, SQFT continues to analyze its real estate portfolio for opportunities to dispose of assets in order to realize gains with which to reinvest in its portfolio; SQFT generated just under $15 million in proceeds from asset sales in 2021 through March 30.

- **Same-store rental revenue steady in 2020…** Separately, SQFT recorded 2020 revenue of $24.4 million, down 15% from $28.6 million in 2019, primarily reflecting the sale of several properties in 2019 and 1Q20. On a *same-store* basis, rental revenue of $19.6 million was down only 1.7% year-over-year and occupancy of 83.2% at the end of 2020 was higher than 80.8% on the same basis in 2019.

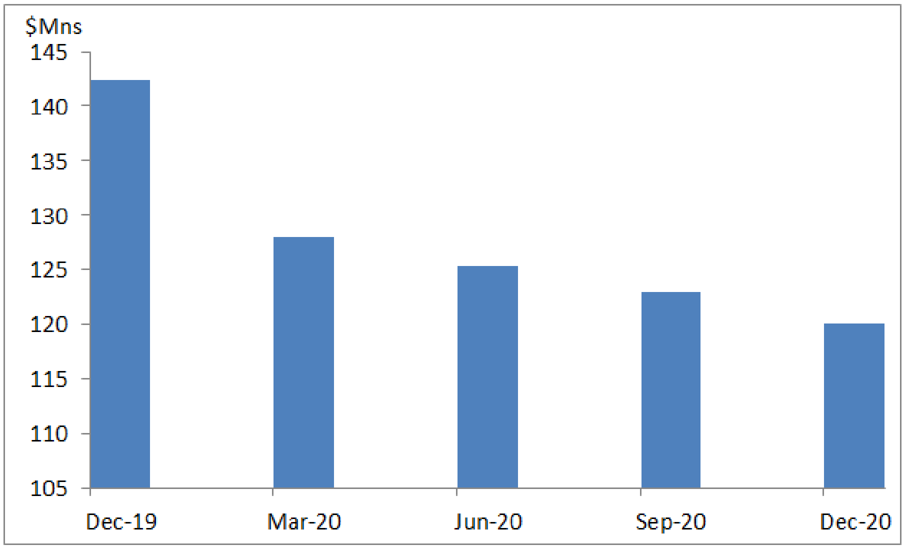
- **… Supporting SQFT's smaller market strategy** The company believes that smaller markets it targets have been more stable during the COVID-19 pandemic than larger metropolitan markets, in part because of lower reliance on public transportation. Moreover, the company's strategy targets smaller regional markets that are characterized by population and economic growth.

BALANCE SHEET INITIATIVES

Deleveraging measures

Debt reduction is a key target for San Diego, California-based Presidio Property Trust (NASDAQ: SQFT). The company generally finances its investment in its property portfolio through secured asset-backed mortgage loans. Thus, the company's debt fluctuates based on the financed assets in its portfolio. However, the company has initiated deleveraging measures regarding corporate debt. At the end of 2020, SQFT had mortgage notes payable (see below) of about $120 million, down from $142.4 million at year-end 2019. Most of SQFT's debt (about 96%) is fixed rate. Moreover, the weighted average interest rate on SQFT's outstanding mortgage debt declined to 3.9% at year-end 2020 from 4.6% at year-end 2019. The majority of mortgage loans are non-recourse and the weighted average maturity is over four years.

SQFT Mortgage Notes Payable



Source: Company reports

The company continues to strengthen its balance sheet. In 1Q21, SQFT paid the roughly $7.7 million remaining on promissory notes related to its Polar Multi-Strategy Master Fund prior to their quarter-end maturity. SQFT used cash on its balance sheet and proceeds of property sales to pare the debt. With the repayment in full of this debt, SQFT believes it is poised for growth in 2021 and beyond.

The company ended 2020 with $11.5 million in cash, cash equivalents and restricted cash. In 4Q20, SQFT completed its IPO, raising $2.5 million in gross proceeds through the sale of 500,000 shares at $5.00 per share. In advance of the IPO, SQFT implemented a 1:2 reverse stock split and also streamlined its balance sheet through the redemption of all outstanding preferred shares.

RECENT RESULTS

Less Impacted By COVID-19 Induced Pandemic than Many Other REITS

In 2020, SQFT recorded revenue of $24.4 million, down 15% from $28.6 million in 2019, which was in-line with our $24.5 million forecast. The lower revenue reflects a 15% decline in rental income to $23.4 million. The year-over-year decline in rental income reflects the sale of two properties in 1Q20, as well as two properties in 2019. The decline also reflects a slight decline in occupancy rates in 2020 to 84.1% compared to 84.5% in 2019. Given the impact of the pandemic and on real estate occupancy rates, the 40 basis point decline appears to be less significant than for the nationwide rate.

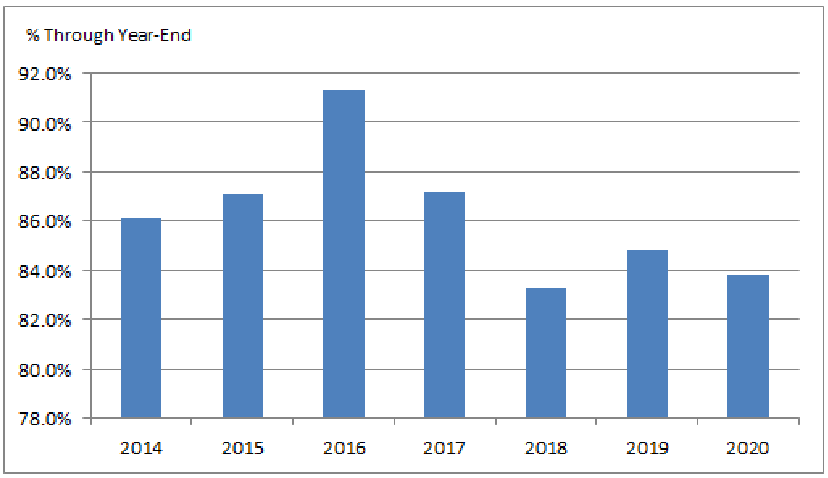
In fact, on a same-store basis, rental revenue of $19.6 million was down only 1.7% year-over-year and occupancy of 83.2% at the end of period was higher than 80.8% on a comparable basis in 2019. The company's rental collections were 98% of rent billed. In terms of its exposure to office real estate, the company believes that the COVID-19 pandemic has impacted markets in larger metropolitan cities such as New York and Los Angeles more than in the smaller markets where the company's properties are located. SQFT's office buildings are often located in suburban areas.

The company believes that smaller markets such as those it targets are less dependent on public transportation have been more stable during the COVID-19 pandemic than larger metropolitan markets where workers' reliance on public transportation to commute to work is greater than in smaller cities. This is supported by data from other sources.

For example, a study conducted by Newmark Research found that public transportation will be a likely component to how rapidly a real estate market recovers. Specifically, property managers in submarkets where people are dependent on their automobiles in order to commute to work expect faster recovery to pre-COVID occupancy rates than property managers in markets that rely more heavily on mass transit where commuters are concerned about virus transmission on public mass transit. A takeaway is that mass transportation has also had an impact on occupancy rates during the pandemic, although data is still not widely available. This is further supported by reports from the WSJ that the percentage of employees returning to offices in New York City where people rely on mass transit, 10% as of September 18[i], 2020, trails the national average of roughly 25%.

SQFT's focus is on ***regional*** markets characterized by significantly lower reliance on mass transit, higher-than-national average employment rate and growth, and lower cost of living and where demand for housing, industrial and office space is rising. This is an important reason behind the company's stable consolidated occupancy rates, which remained above 83%.

Occupancy Trends, 2014-2020



Source: Company reports

Rental operating costs declined 15% year-over-year to $8.8 million, down from $10.4 million in 2019 on the aforementioned asset divestitures. As a result of fairly stable occupancy rates, SQFT's rental operating margin held relatively steady at 36.2% compared to 36.3% for 2019. In 2020, the mix of properties included a higher percentage of model homes compared to 2019 and operating costs for model homes are substantially lower than operating costs for office buildings and other real estate.

G&A expenses of $5.8 million increased by about 9% compared to 2019 and comprised 23.6% as a percentage of total revenue, compared to 18.4% in 2019. The increase primarily reflects the timing of vesting of non-cash stock compensation expense and the lower revenue base.

SQFT recognized an impairment charge of $1.3 million on its Waterman Plaza property and $0.4 million on its Highland Court asset in 2020. Based on sales of comparable properties in their markets or in comparable markets, management revised estimates of their fair market value down. Interest expense on mortgage notes declined roughly 16% compared to 2019 to about $6.1 million on the lower number of commercial properties in the company's portfolio in 2020 and associated decrease in debt. Moreover, the weighted average interest rate fell to 3.9% at year-end 2020 from 4.6% at year-end 2019. SQFT recorded a net loss of $7.7 million or ($0.85) per share compared to ($610,206) and ($0.07) in 2019.

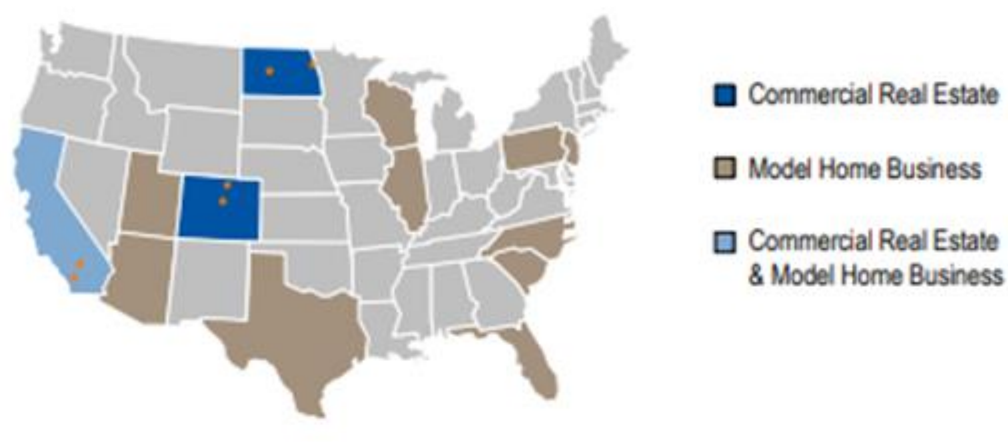
REAL ESTATE ASSET PORTFOLIO

SQFT is a REIT that holds properties primarily in markets characterized by strong growth. The company's portfolio consists of diversified commercial and industrial properties and model homes. In recent years, the company has increased its focus on the model home segment. Moreover, SQFT has minimal exposure to the retail real estate market, as it began transitioning out of retail properties in 2017. This shift proved to be a positive in 2020 when the economic slowdown and stay-at-home orders associated with the pandemic led to significantly reduced foot traffic at many retail centers.

The company subsequently has focused primarily on office and industrial properties and on model homes, as noted. SQFT has increased its model home portfolio significantly. Since 2018 through 2021, SQFT sold several assets per its strategy to shift towards industrial, model home and office properties and away from retail real estate, as well as to benefit from opportunities to realize gains in order to reinvest in its portfolio. In 2018 through 2021, for example, this strategy included the sale of the Yucca Valley and Waterman Plaza retail centers, which reduced the number of retail properties in the portfolio.

The company's commercial properties are located primarily in smaller cities within Southern California, Colorado and North Dakota. The company owns 15 commercial/industrial or retail properties, two of which are partially owned through holdings in various affiliates. Outside of Colorado, where its employees provide property management services for its properties, Presidio subcontracts with external property management companies that provide on-site management services of its commercial properties. The company's model home business is concentrated in growing markets in Texas and Florida, among others.

Presidio Property Locations



Source: Company reports

The company believes that the diversified nature of its portfolio has been a competitive advantage during the economic downturn associated with the COVID-19 pandemic. In part reflecting the above-noted shift away from retail assets launched in 2017, SQFT has minimal exposure to retail centers in its portfolio and retail accounted for only about 4% of total net operating income (NOI) in 2020. With SQFT's recent sale of the Waterman Plaza retail center, the NOI contribution from retail properties is expected to decrease.

Moreover, as a smaller REIT, SQFT's focus is on \$10 million to \$30 million property transactions that larger REITs generally do not pursue, which also means that its portfolio is heavily weighted towards properties that are located in smaller markets. Management believes these areas have been less impacted by depressed demand for office space than REITS in larger markets have experienced in 2020.

Presidio is an internally-managed REIT, meaning that operations are managed by company employees. REITs can be structured as either externally or internally-managed, with the latter considered a more shareholder-friendly structure, as there are generally fewer potential conflicts of interest between the manager and shareholders.

The company actively analyzes its real estate portfolio to maximize its value, disposing and acquiring assets at times that management deems appropriate. In 2020, the company made several acquisitions and dispositions (see below). The company has several non-retail properties in its pipeline that it is evaluating for possible acquisition.

2020-2021 Asset Transaction Highlights (through 3/21)

Dispositions

- Union Terrace for approximately $11.3 million - gain of approximately $688,000
- 46 model homes for approximately $18.1 million – gain of approximately $1.6 million
- Centennial Tech Center for approximately $15.0 million – loss of approximately $913,000
- Executive Office Park building for $2.275 million – loss of approximately $75k
- Waterman Plaza retail center for roughly $3.5 million
- Garden Gateway for roughly $11.2 million

Acquisitions

- 28 model homes for approximately $10.2 million

Source: Company reports

The company has two California properties in escrow and anticipates these sales will close later in 2021. The company also has identified additional properties that it might consider acquiring, depending on market conditions.

MODEL HOME BUSINESS: GROWTH PROSPECTS

Model Homes Earmarked For Growth in SQFT Total Real Estate Portfolio

The company's launched its *Model Home* business in March 2010 when it purchased assets from another REIT operator, Dubose Model Homes USA. In connection with this transaction, SQFT formed NetREIT Dubose Model Home REIT, which is managed by the founder of Dubose Model Homes USA, Larry Dubose. He joined SQFT's executive team and is an industry veteran with more than 30 years of experience buying, financing, managing, and operating model home sale-leaseback transactions nationwide. The company currently has 128 model homes located in seven states in its model home portfolio with an aggregate net book value of approximately $45.9 million.

In general, when evaluating properties to acquire, the company targets markets with the following characteristics:

- Strong employment growth
- Net in-migration of a highly educated workforce
- Proximity to universities
- Presence of sizable institutional employers
- Low unemployment
- Lower cost of living versus major metropolitan markets

SQFT is a limited partner in six model home partnerships and sole shareholder in one corporation. The company purchases new single-family model homes, seeks homebuilders that assume the cost of development and then implements a sales-leaseback transaction whereby the homebuilder sells the model home to Presidio and leases it back under a triple net (NNN) lease. Under a NNN lease, the tenant incurs all real estate taxes, building insurance and maintenance costs in addition to fees such as rent and utilities, among other charges.

SQFT Model Home 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
	118	343,226	100%	$ 3,480,876	100%	$ 44,605,798	$ 28,083,356

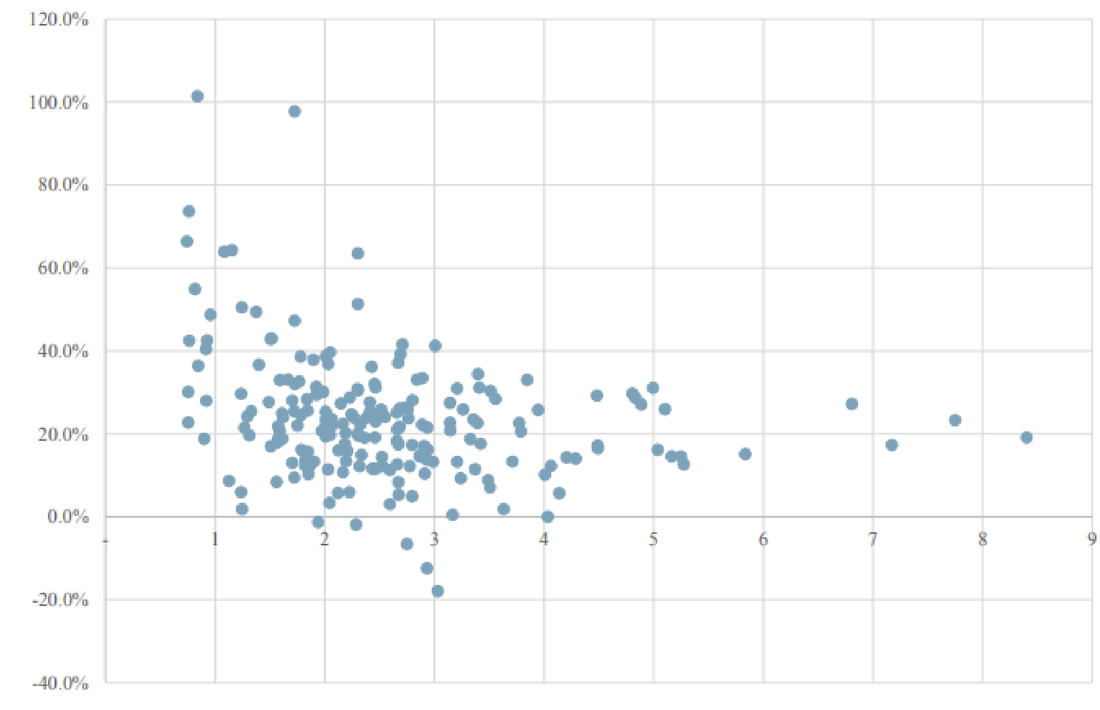
Source: Company reports

Acquisition SQFT has increased its model home portfolio significantly since 2018. In 2018, SQFT purchased 45 model home properties for $17.3 million ($5.2 million in cash and $12.1 million in mortgage notes) and leased them back to the homebuilders under NNN leases. In 2019, SQFT acquired 33 model home properties for $13.0 million ($3.9 million in cash and $9.1 million in mortgage notes) and leased them back to the homebuilders under NNN leases. In 2020, SQFT acquired 28 model home properties for $10.2 million ($3.1 million in cash and $7.1 million in mortgage notes) and leased them back to the homebuilders under NNN leases. Once the subdivision is sold-out, the model homes are then sold to homebuyers.

Dispositions SQFT sold 46 model homes in 2020, with eight homes for sale in escrow at the end of 2020. The average sales price and holding period was about $400,000 and three years, respectively, and all sales resulted in a profit. The company collected all of the lease payments that were billed to its homebuilder tenants during the year. The company generated an aggregate net sales gain of $18.1 million in 2018-19, and reinvested a majority of the gains back into its model home portfolio. The sales also advanced the company’s strategy to shift its portfolio away from retail properties towards commercial and office center and model homes.

The company’s strategy with its model home business is to find properties that it can buy at a 5%-10% discount from the appraisal, and have the builder cover all operating expenses. The company targets an unlevered pro forma IRR in excess of 8% in the model home business. In all, from 2012 to 2019 SQFT bought and sold a cumulative 202 model homes, achieving an average compound annual growth on invested equity of 21.1%.

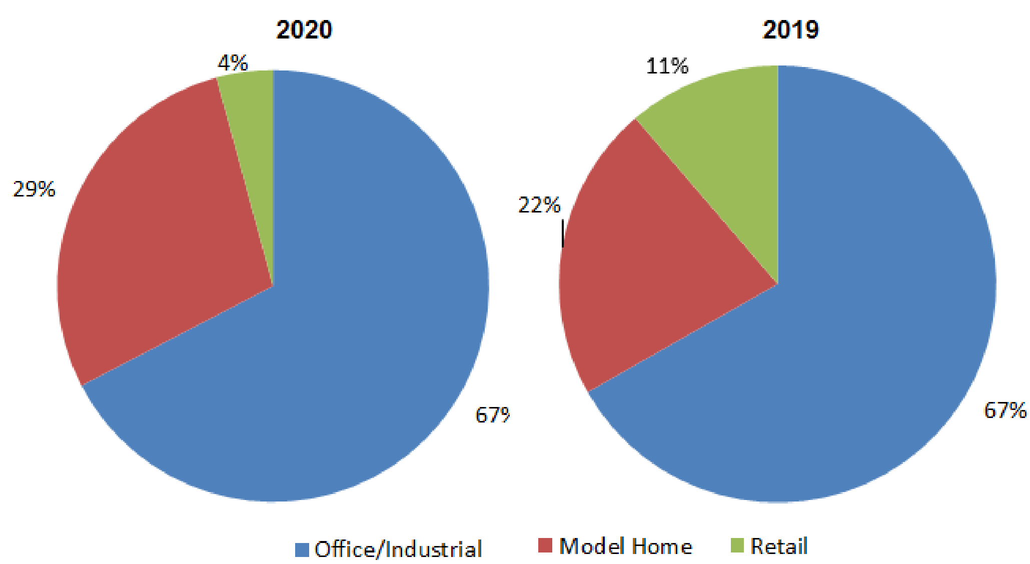
Average Annualized Returns on SQFT's Model Homes Purchased / Sold, 2012-19



Years held (weighted average of 2.7)
Source: Company reports

SQFT reported NOI of $14.3 million in 2020 compared to $18.2 million in 2019. The year-over-year decline primarily reflects asset sales in 2019-2020. On a same-store basis, NOI of $11.0 million was down only about 4% from $11.5 million in 2019. Given the strong returns from the model home segment, as illustrated above, and increased focus on the model home segment and divestiture of retail properties, net operating oncome from SQFT's various segments shifted in 2020. The model homes segment represented 29% of total NOI, up from a 22% contribution in 2019. The office/industrial segment held steady at about a 67% contribution in both years, while the retail segment contribution fell to 4% from 11%. Retail is expected to decline further, reflecting the recent sale of Waterman Plaza.

SQFT Net Operating Income By Segment, 2020 vs. 2019



Source: Company reports

Key Markets: Texas & Florida

SQFT’s model home portfolio holds properties in seven states and sold model homes in Texas, Florida, Arizona, California, Wisconsin, and Pennsylvania in 2020. The company’s focus is on markets characterized by population growth, as noted, including residents relocating from other states. The model home portfolio is concentrated in two states, with about 78% of model homes situated in Texas and another roughly 14% in Florida.

According to U.S. Census Bureau data, most people who moved to Florida in 2019 relocated from New York state and Georgia. This reflects an ongoing trend of residents from high-tax states relocating to lower tax states. Interstate migration of high-earning households is correlated with tax levels, according to public policy research firm the Cato Institute, which notes that almost all of the states with high net in-migration have relatively low taxes. For example, IRS data indicates that Florida has 1.23 households arriving for each one leaving and, among high-earning households, 2.36 arrive for each one that leaves.

According to a 3Q20 Douglas Elliman report, the U.S. is also “experiencing a domestic trend toward and population shift from states in the Northeast and Midwest to states in the South like Florida and Texas." From 2017-2018, Florida, where residents pay no state income or estate tax, had the highest level of net domestic migration, according to U.S. Census data, The U.S. Census Bureau estimates that Texas, which also has no personal or corporate income tax, had the highest population growth in 2020, in part reflecting domestic migration.

Corporations are also relocating to low-tax states such as Florida or Texas, among others. For example, Hewlett Packard Enterprises recently announced the relocation of its global headquarters from California to Texas and consolidate operations within the state at a new corporate headquarters slated to open in Spring, Texas in 2022.

Texas is the second most populous state and also ranks among the top ten by population growth, according to the U.S. Census. Texas has the second largest state economy in the country, according to Forbes, with more than 100 of the 1,000 largest public and private U.S. corporations headquartered in the state, including AT&T, ExxonMobil and Dell, among others. Similar to the Florida housing market, home prices and rents have been strong, as Texas housing inventory is low, according to the Texas Real Estate Center.

Florida is the third largest state ranked by population and among the top ten ranked by population growth, according to the U.S. Census, with the fourth largest economy. Home prices and rents have been strong during the pandemic, as people continue to relocate. The low interest rate environment is another contributing factor, while the low level of housing inventory also boosts housing prices. For instance, according to the Sun Sentinel, Broward County single-family home sales in September of 2020 were up 24.9% compared to September 2019, with the median sale price up 15.6%. Importantly, even during the economic downturn fueled by the COVID-19 pandemic, rent collections remained at around the 90% level, according to trade publications. SQFT’s rent collection rate was even higher, at roughly 96% in 3Q20.

VALUATION

We are optimistic that SQFT can continue to manage its property portfolio to produce attractive returns. As the company continues to transition its portfolio away from retail and into attractive commercial and industrial and model home properties, we estimate resumed steady growth commencing in approximately 2022 – 2023. Moreover, SQFT intends to use much of the cumulative gains realized on asset sales to pare debt, as indicated earlier.

We value SQFT on a price-to forward FFO basis. The company reported total FFO of $1.5 million in 2020 compared to roughly $2.4 million in 2019. The reduction primarily reflects asset divestitures during 2020 and in 2019. We estimate FFO of $2.6 million and $3.5 million in 2021 and 2022, respectively.

This puts the shares at just over 9x forward FFO, which we think does not fully reflect the fundamental value of the company's portfolio, particularly as SQFT continues to shift into properties that management believes are more attractive. At $6.25 in the near-term, the shares would trade at a multiple of roughly 16x, which is a multiple that many other REITS command.

As the portfolio reaches the targeted property type composition and the economy stabilizes, we believe SQFT can achieve steady FFO growth in the 20% to 25% range, consistent with historical trends, and we would anticipate further share price appreciation. While a longer than currently anticipated economic downturn represents a potential risk to our valuation, we believe the risk / reward ratio could be attractive for investors who have a higher than average risk tolerance and longer time horizon.

RECENT NEWS

- On March 30, 2021, the company reported 2020 results.
- Presidio provided an update on its model home activity on March 16, 2021.
- On March 9, 2021, the company signed a lease with the Make-A-Wish Foundation of San Diego.
- SQFT declared a 1Q21 dividend on February 24, 2021.
- SQFT sold its Garden Gateway Property on February 22, 2021.
- Presidio announced the results of 2020 leasing activity on February 11, 2021.
- SQFT announced the signing of a major lease with the U.S. General Services Administration on Feb 3, 2021.
- On January 28, 2021, Presidio sold the Waterman Plaza retail center.
- Presidio announced that it had completed the sale of a building at Executive Office Park on December 4, 2020.
- On November 5, 2020, Presidio announced 3Q20 results
- Presidio declared a $0.10 4Q20 dividend on November 4, 2020
- SQFT completed its IPO on October 9, 2020

RISKS

Risks to SQFT achieving its objectives, and to our valuation, include the following.

- The economic downturn might last longer than currently expected.
- A decrease in real estate values could have a negative impact on SQFT's portfolio.
- Competition from other REITs and/or property developers could increase.
- A default by one of SQFT's tenants could have a negative impact on FFO.
- The company's might need to raise additional capital sooner than management anticipates.

PROJECTED FINANCIALS

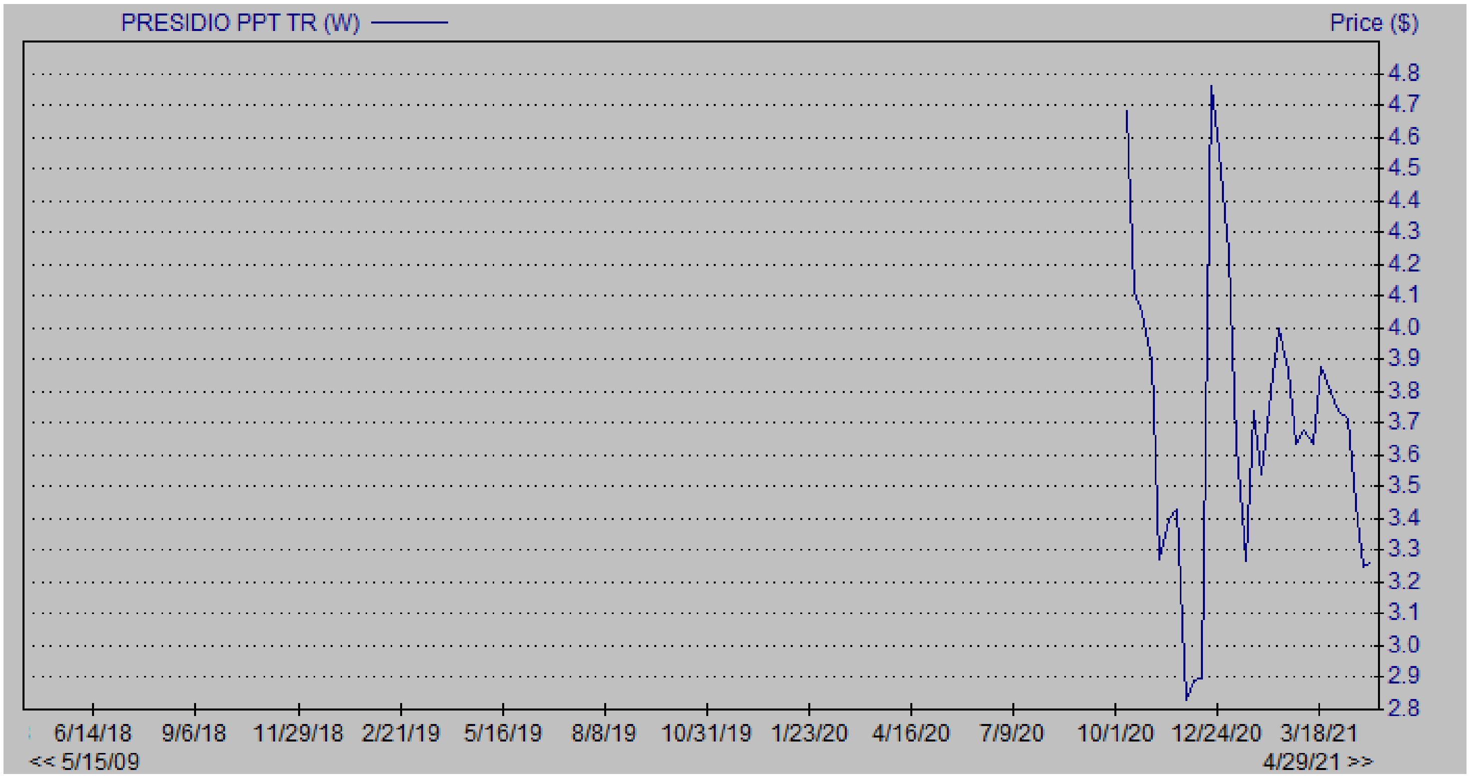
Presidio Property Income Statement & Projections ($)

	2019	1Q20	2Q20	3Q20	4Q20A	2020A	1Q21E	2Q21E	3Q21E	4Q21E	2021E	2022E
Revenues:												
Rental income	$27,467,410	$6,785,685	$5,879,526	$5,433,303	$5,345,605	$23,444,119	$5,542,512	$5,597,938	$5,653,917	$5,710,456	$22,504,823	$22,954,919
Fees and other income	1,173,701	243,466	241,878	230,265	192,064	907,673	234,893	237,242	239,615	242,011	953,761	963,299
Total revenue	28,641,111	7,029,151	6,121,404	5,663,568	5,537,669	24,351,792	5,777,406	5,835,180	5,893,532	5,952,467	23,458,584	23,918,218
Rental operating costs	10,410,574	2,381,092	1,999,834	2,108,621	2,328,736	8,818,283	2,050,730	2,071,237	2,091,949	2,055,764	8,269,680	8,034,222
General and administrative	5,268,315	1,351,345	1,278,971	1,366,380	1,755,058	5,751,754	1,393,844	1,371,267	1,384,980	1,398,830	5,548,921	5,262,008
Depreciation and amortization	7,364,688	1,574,526	1,622,230	1,626,917	1,450,648	6,274,321	1,659,618	1,643,022	1,626,592	1,610,326	6,539,557	6,408,766
Impairment of real estate assets	-	-	845,674	-	885,177	1,730,851	-	-	-	-	-	-
Total costs and expenses	23,043,577	5,306,963	5,746,709	5,101,918	6,419,619	22,575,209	5,104,192	5,085,526	5,103,521	5,064,920	20,358,158	19,704,996
Operating income	5,597,534	1,722,188	374,695	561,650	(881,950)	1,776,583	673,214	749,654	790,011	887,547	3,100,426	4,213,222
Operating margin	20%	25%	6%	10%	-16%	7%	12%	13%	13%	15%	13%	18%
Interest expense (Series B preferred stock)	(2,226,101)	-	-									
Interest expense	(8,423,545)	(2,553,846)	(2,273,356)	(2,143,960)	6,971,162		(2,101,295)	(2,080,282)	(2,059,479)	(2,038,885)	(8,279,941)	(7,865,944)
Interest and other income (expense)	141,306	(6,995)	8,400	(12,270)	(8,822,838)	(8,833,703)	(12,517)	(12,642)	(12,768)	(12,896)	(50,823)	(48,281)
Gain on sales of real estate	6,319,272	(9,835)	334,096	332,714	588,485	1,245,460	339,402	342,796	346,224	349,686	1,378,106	1,405,669
Other	(635,532)	(83,631)	(51,369)	(122,602)	(192,136)	(449,738)	(58,849)	(59,437)	(53,494)	(54,029)	(225,809)	(180,647)
Total other income (expense)	(4,824,600)	(2,654,307)	(1,982,229)	(1,946,118)	(1,455,327)	(8,037,981)	(1,833,259)	(1,809,566)	(1,779,518)	(1,756,123)	(7,178,466)	(6,689,204)
Net (loss) income	772,934	(932,119)	(1,607,534)	(1,384,468)	(2,337,277)	(6,261,398)	(1,160,045)	(1,059,912)	(989,507)	(868,576)	(4,078,041)	(2,475,982)
Less: (Loss) income - noncontrolling intere	(1,383,140)	(175,011)	(315,282)	(363,777)	(558,437)	(1,412,507)	(371,089)	(374,800)	(378,548)	(382,333)	(1,506,770)	(1,205,416)
Net to Presidio Property Trust stockholders	(610,206)	(1,107,130)	(1,922,816)	(1,748,245)	(2,895,714)	(7,673,905)	(1,531,134)	(1,434,712)	(1,368,055)	(1,250,909)	(5,584,810)	(3,681,398)
EPS/(LPS)	($0.07)	($0.12)	($0.22)	($0.20)	($0.31)	($0.85)	($0.16)	($0.15)	($0.14)	($0.13)	($0.58)	($0.38)
Avg shares out (FD)*	8,862,957	8,881,842	8,897,037	8,922,525	9,394,253	9,023,914	9,613,425	9,614,325	9,614,425	9,615,325	9,614,375	9,615,275

Source: Company reports, Zacks estimates

*Pro forma for reverse stock split.

HISTORICAL STOCK PRICE



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