

CONNECTING COMMUNITY AND CONVENIENCE



WSR AT A GLANCE

60

Properties

5.2 M SF

Total GLA

91.3%

Occupancy

1,500+

Total Tenants

~\$650 M⁽¹⁾

Equity Market
Cap

\$20+

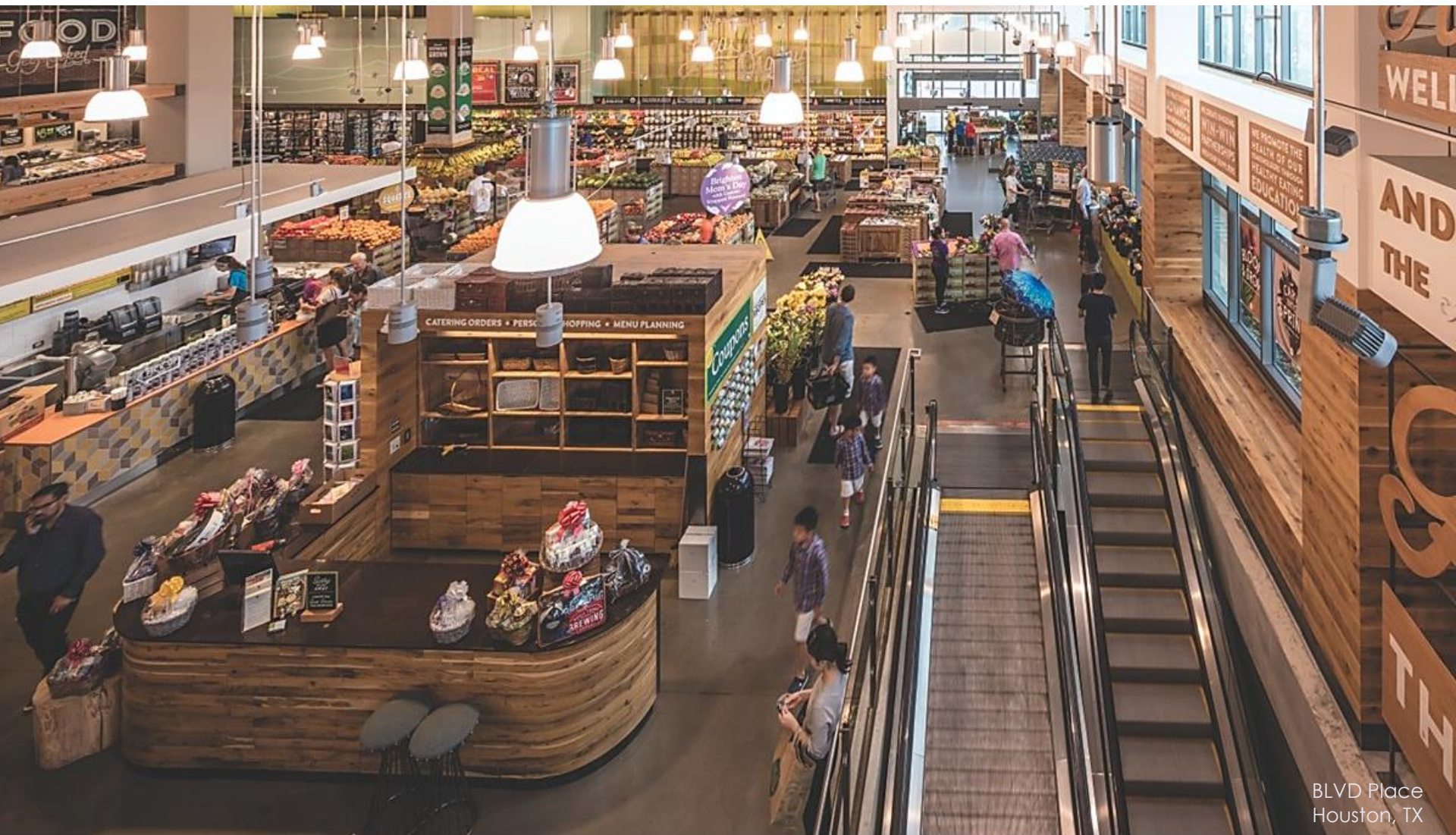
PSF Annual
Base Rent

- Quality Properties and Revenue
- Top Sun Belt Markets
- Inflation Protected Structure
- Strong Growth and Income Potential



⁽¹⁾ As of March 3, 2022

CORE BUSINESS MODEL



DIFFERENTIATED BUSINESS MODEL

High quality open-air shopping centers

- Daily touch points in Surban⁽¹⁾ areas
- Necessity and service components

Business friendly, Sun Belt concentrated markets

Quality of revenue

- Predictable: Stress tested
- Profitable: Designed to grow
- Diverse: Community connected diverse tenant mix

Inflation protection

- Responsible capital structure
- 3.9 weighted average lease term allows rent roll ups

Strong value creation pipeline

- Identified strategic, tactical and pad site developments

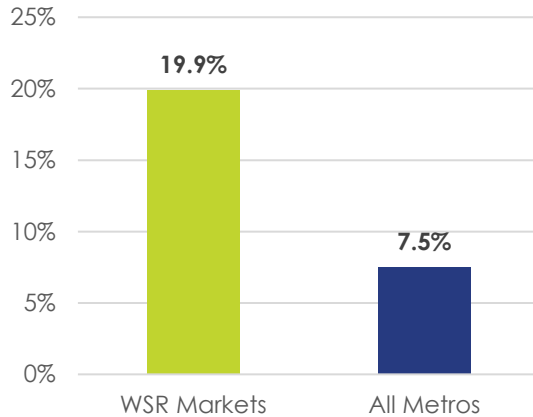


(1) Suburbs with an urban feel and urban services

SUN BELT FOCUSED

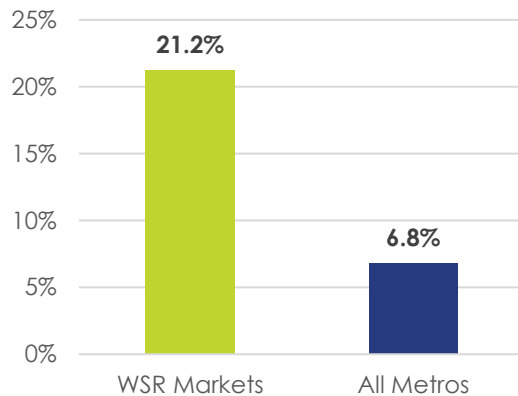
Pop Growth (2010-2020)

WSR Markets vs National



Job Growth (2010-2020)

WSR Market vs National



Phoenix: 39%⁽¹⁾



- #1** Gain in **metro-to-metro** migration
- #10** Most populous **metro** in US
- #6** Largest **tech office** growth rate over the past two decades - CBRE

Houston: 25%⁽¹⁾



- #4** Most populous **city** in US
- #5** Most populous **metro area** in US
- #4** 22 **fortune 500** companies in the metro

Austin/San Antonio: 18%⁽¹⁾



- #4** Gain in **metro-to-metro** migration
- #1** **Fastest growing** large metro
- 34%** **Pop growth** in the last decade

Dallas/Fort Worth: 17%⁽¹⁾



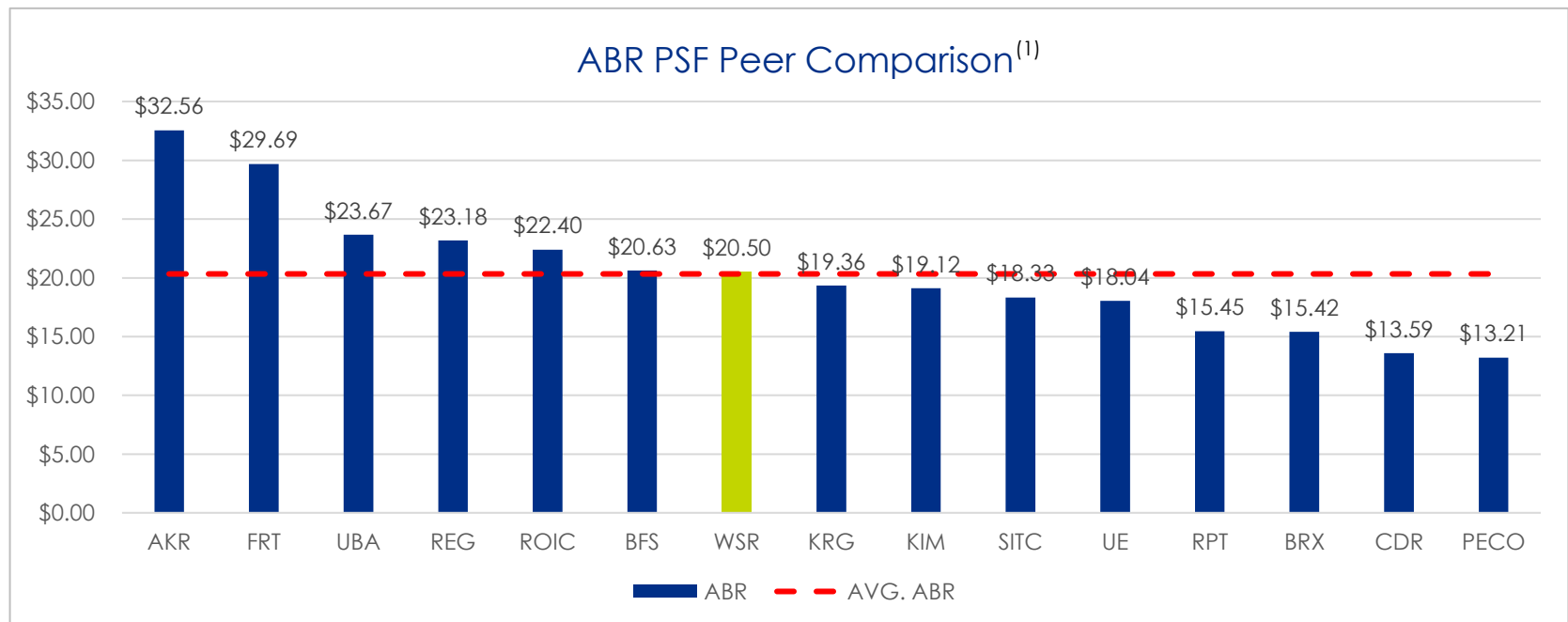
- #3** Gain in **metro-to-metro** migration
- #4** Most populous **metro area** in US
- #5** Best job, wage and high-tech GDP growth

(1) Percent of NOI as of December 31, 2021. Pro forma for December 1, 2021 acquisitions.



QUALITY OF REVENUE

- Whitestone centers located in:
 - High disposable income cities versus large coastal cities (NYC, LA, San Francisco)
 - Premier locations within our given metropolitan areas
 - Areas with a limited supply of new competing centers
- Very well-designed tenant mix



(1) As of December 31, 2021. Source: SNL and peer filings.



TENANT MIX – AMAZON EFFECT COMPATIBLE

- Service oriented tenants compatible with the Amazon effect:

Food

- Grocery
- Restaurant

Self Care

- Health
- Fitness

Services

- Financial
- Logistics

E&E

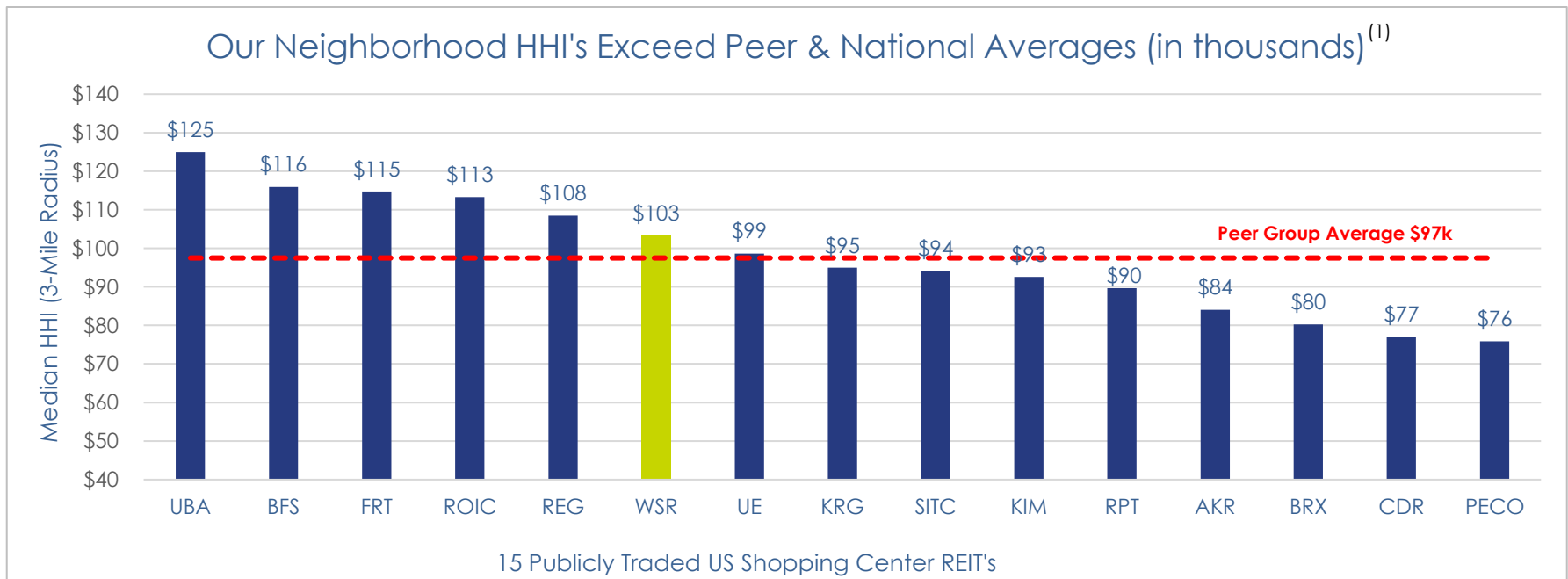
- Education
- Entertainment

- We believe we maintain a competitive advantage by engaging in heavy neighborhood research both for acquisitions and for tenant placement
- We cultivate our franchise relationships by partnering with them to help them place new franchise and market to the surrounding community
- Tenants with proven business models and poised for growth



BEST NEIGHBORHOODS IN THE MARKET

- Neighborhoods exceed peer and national averages for household income
- 'Work from Home' will drive population towards our centers which are located within desirable neighborhoods
- Well positioned for millennials relocation to Surban areas



(1) As of December 31, 2021. Source: SNL.



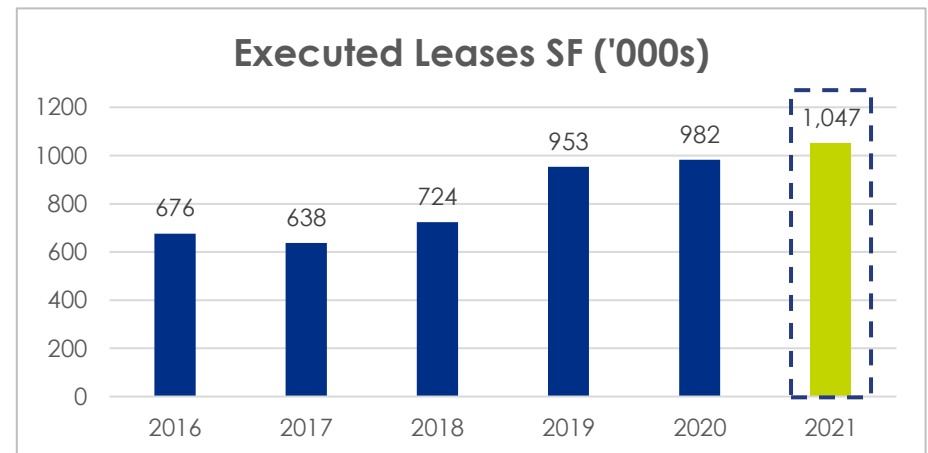
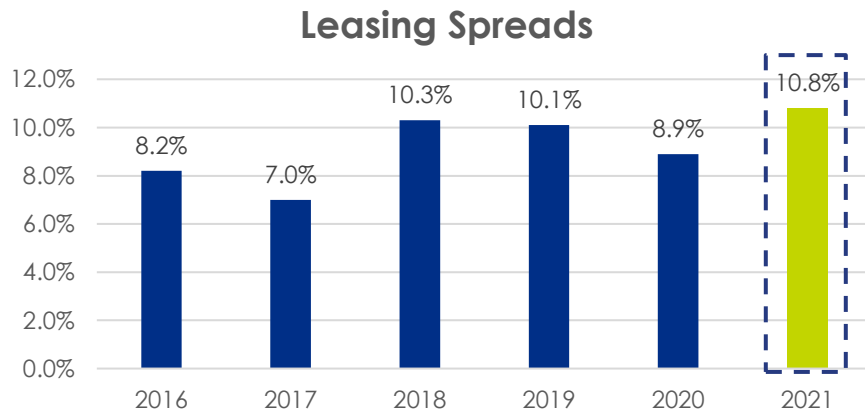
CURRENT PROGRESS



Market Street at DC Ranch
Scottsdale, AZ

LEASING

- The key to leasing is customer engagement: understanding their businesses and ensuring the right fit within our centers
- Localization versus standardization



Whitestone has nationally-aligned, commission-driven leasing teams that employee 5 key practices:

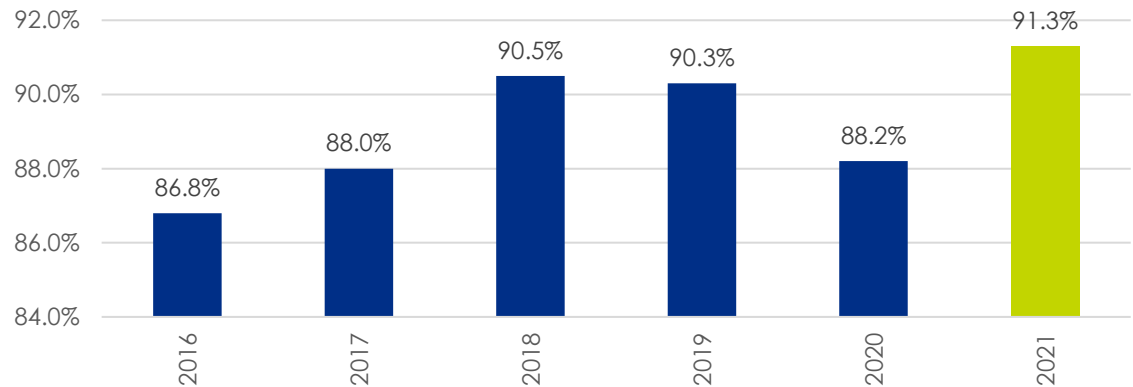
- 1) Shorter duration: 3 – 5 year terms
- 2) Annual rental increases
- 3) Strong guarantees
- 4) Minimal lease covenants
- 5) Minimal co-tenancies



GROWING OCCUPANCY AND ABR

- 4Q 2021 occupancy is an all time high
- Achieved organic growth on record lease volumes
- Improving rent PSF mirrors the transition to properties that fit our core strategy
- 93% rent PSF increase since 2010 IPO

Occupancy
(2010-2021)



Rent Per Square Foot
(2010-2021)



STRONG 2021 OPERATIONAL PERFORMANCE

Net Operating Income⁽¹⁾



FFO / Share and OP unit - diluted⁽¹⁾



(1) Please refer to slide 23 for a full reconciliation of non-GAAP measures to GAAP measures.

(2) Midpoint of the \$0.98 - \$1.02 2022 guidance range. Whitestone is unable to present a quantitative reconciliation of forward-looking non-GAAP FFO / share as unusual items are not estimable and are difficult to predict due to various factors outside of management's control. We anticipate that \$0.06 - \$0.7 of the FFO / share improvement will be as a result of G&A reductions.



STRONG VALUE CREATION PIPELINE

WE INCREASE SHAREHOLDER VALUE
...through development & redevelopment



IDENTIFIED STRATEGIC DEVELOPMENTS (4)

- Total Investment Cost: \$199.1M
- Incremental NOI: \$19.7M
- Unlevered Return: 9.9%
- Market Value @ 6% Cap Rate: \$328.6M
- Value Created: \$129.5M



IDENTIFIED TACTICAL DEVELOPMENTS/REDEVELOPMENTS (6)

- Total Investment Cost: \$7.2M
- Incremental NOI: \$2.4M
- Unlevered Return: 34%
- Market Value @ 6% Cap Rate: \$40.6M
- Value Created: \$33.4M



IDENTIFIED PAD SITE DEVELOPMENTS (13)

- Total Investment Cost: \$23.4M
- Incremental NOI: \$2.2M
- Unlevered Return: 9.4%
- Market Value @ 6% Cap Rate: \$36.6M
- Value Created: \$13.2M

2022 OBJECTIVES AND LONG-TERM VALUE DRIVERS



BLVD Place
Houston TX



2022 OBJECTIVES

- **Focus on organic growth**
 - Increase occupancy
 - Target per share earnings growth
- **Reduce G&A**
 - Lower management compensation
 - Drive efficiencies through regional realignment
- **Strengthen the balance sheet**
 - Review portfolio for monetization possibilities
 - Improve liquidity and debt metrics



ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Whitestone is committed to enhancing our ESG program and communicating our approach with investors, tenants, and other stakeholders.

Recent ESG Accomplishments

- ✓ Separated CEO and Chairman of the Board roles
- ✓ Terminated shareholder rights plan (poison pill)
- ✓ Published inaugural Corporate Responsibility & Sustainability Report
- ✓ Onboarded ESG data management software solution
- ✓ Continued focus on building a diverse, talented employee team

2022 Objectives

Strategy	Develop strategy and policies for ESG oversight and risk management, including investment and acquisition criteria
Reporting	Publish next Corporate Responsibility & Sustainability (CRS) Report
Benchmarking	Submit first GRESB Real Estate Assessment
Engagement	Continue to engage stakeholders (tenants, employees) in sustainability and DEI



WSR LONG-TERM VALUE DRIVERS



“We have a renewed focus on listening to shareholders, maximizing shareholder value and per share metrics.” – Dave Holeman, Whitestone CEO



INFLATION PROTECTION

WSR has protection and safeguards to benefit from elevated inflation

✓ Revenue Protection

- Preferential WALT (see right) for inflationary environment
- Percent of sales clauses boost revenue
- 3% percent annual rent escalations in leases

✓ Expense Protection

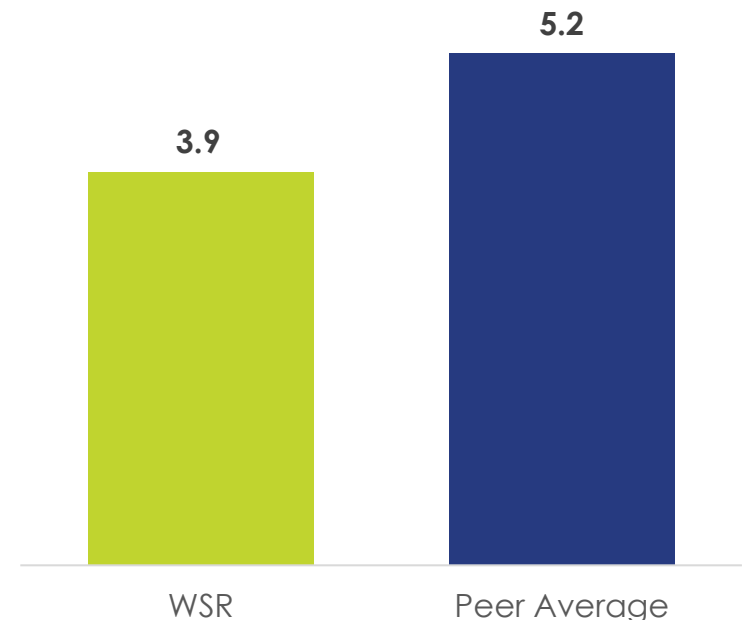
- Expense recoveries tied to triple net leases
- Minimal triple net caps

✓ Capital Spending Protection

- Smaller tenants require less capital for initial setup
- Leases cycle more quickly than debt

Shorter lease terms create more opportunities to capitalize on high renewal lease spreads

Weighted Average Lease Term (years) ⁽¹⁾

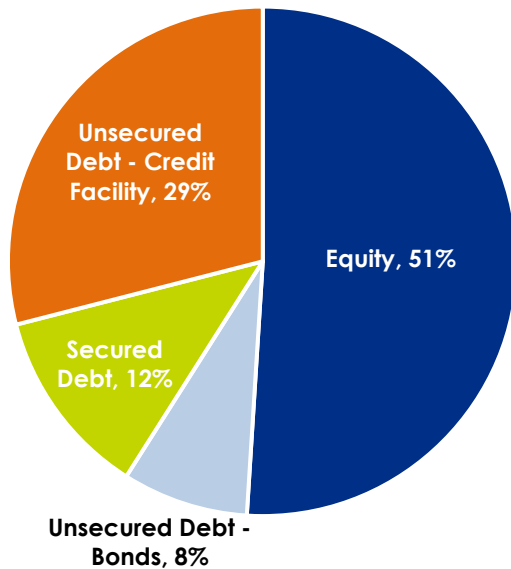


(1) ABR weighted. Source: 10Ks from the following peer set: AKR, FRT, UBA, REG, ROIC, BFS, KRG, KIM, SITC, UE, RPT, BRX, CDR, PECO

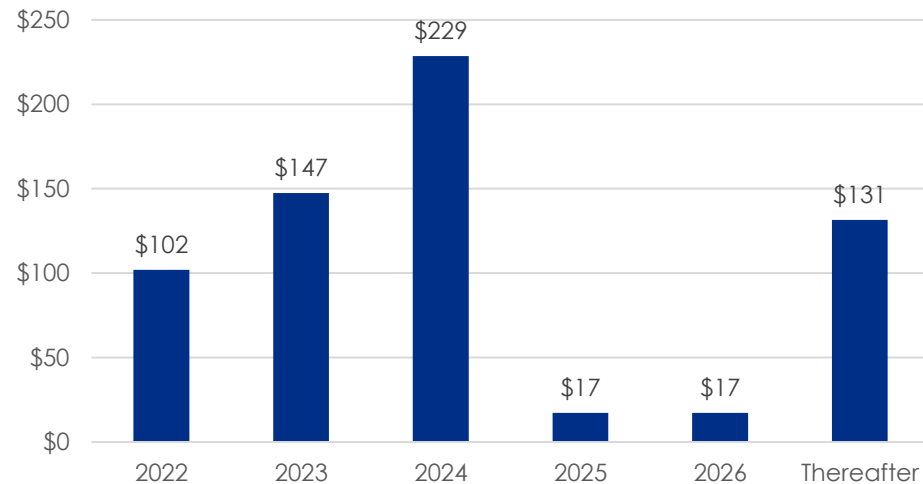


BALANCE SHEET POSITION

Capital Structure ⁽¹⁾
(\$1.3 Billion Total Capitalization)



Debt Maturities (in Millions)



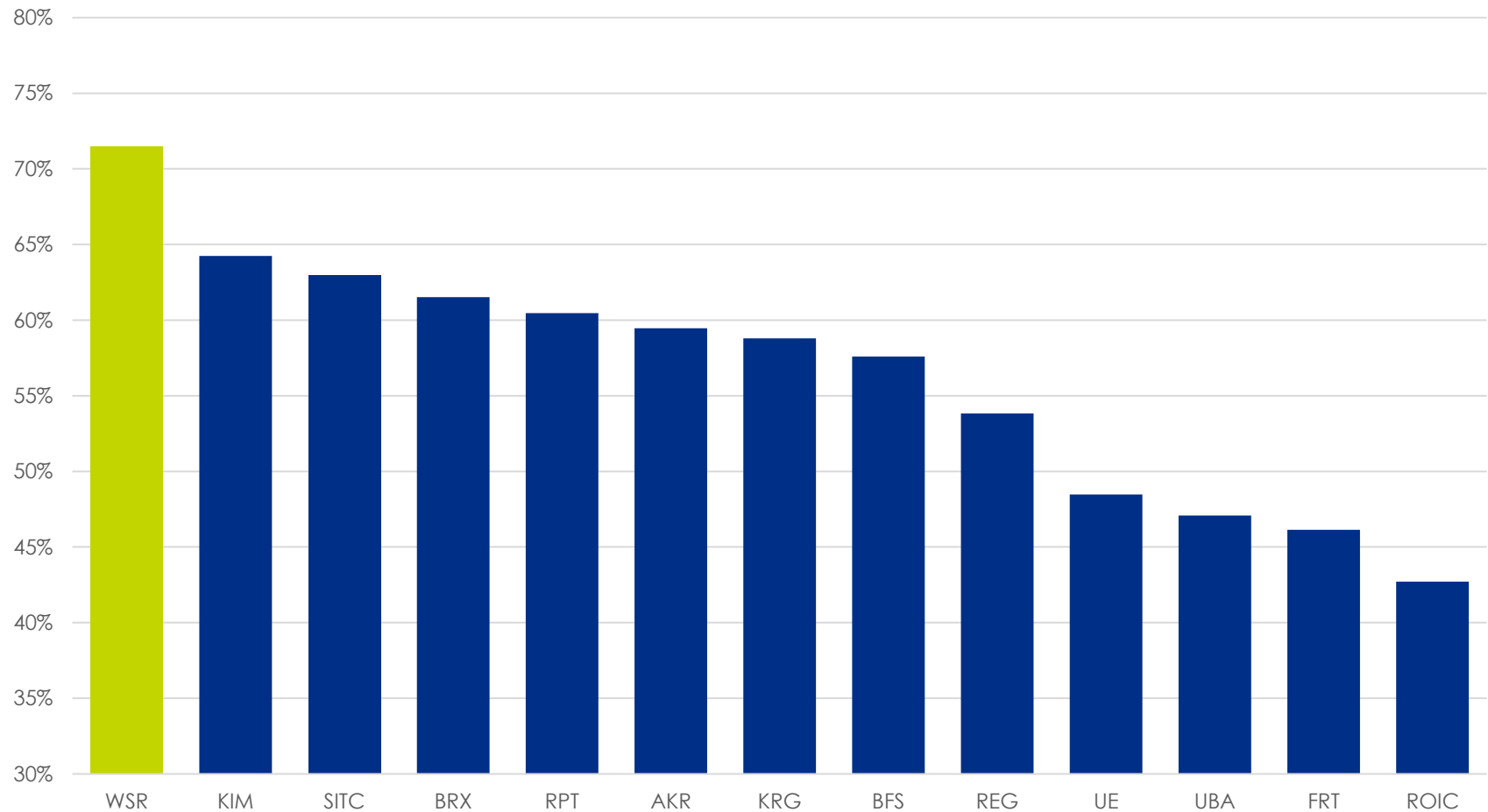
- Weighted Average Interest Rate: 3.7%
- Weighted Average Years to Maturity: 3 Years
- Total Debt: \$643 Million

(1) Equity is based upon the closing stock price on March 3, 2022. Debt is as of Dec 31, 2021.



DELIVERING VALUE TO SHAREHOLDERS

Total Shareholder Return: Jan 4, 2021 – Mar 3, 2022⁽¹⁾



(1) Excluded CDR, RVI and PECO (CDR and RVI are liquidations and PECO began trading after January 4, 2021). Source: SNL.



APPENDIX



FORWARD-LOOKING STATEMENTS

This presentation contains forward looking statements within the meaning of Section 27 A of the Securities Act of 1933 as amended, and Section 21 E of the Securities Exchange Act of 1934 as amended. Forward looking statements provide our current expectations or forecasts of future events and are not statements of historical fact. These forward looking statements include information about possible or assumed future events, including, among other things, discussion and analysis of acquisitions and the impact of such acquisitions on Whitestone REIT (“the Company”), including expected financing developments, the financial condition and results of operations of the Company, anticipated capital expenditures required to complete projects, capitalization rates and internal rates of return, amounts of anticipated cash distributions to the Company’s shareholders in the future. These forward-looking statements are not historical facts but are the intent, belief or current expectations of the Company’s management based on its knowledge and understanding of the Company’s business and industry. Forward looking statements are typically identified by the use of terms such as “may,” “will,” “should,” “potential,” “predicts,” “anticipates,” “expects,” “intends,” “plans,” “believes,” or the negative of such terms and variations of these words. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the Company’s control, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements.

Forward-looking statements that were believed to be true at the time made may ultimately prove to be incorrect or false. You are cautioned not to place undue reliance on forward looking statements. The Company undertakes no obligation to update or revise forward looking statements to reflect changed assumptions. Factors that could cause actual results to differ materially from any forward-looking statements made in this presentation include: the Company’s ability to meet its long-term goals; its assumptions regarding its earnings guidance; including its ability to effectively execute its acquisition and disposition strategy; the ability to execute the Company’s development pipeline on schedule and at the expected costs; and its ability to grow its NOI as expected. NOI growth could be impacted by a number of factors, including, among other things: its ability to continue to renew leases or re let space on attractive terms; to address its leasing rollover; the company’s ability to successfully identify, finance and consummate suitable acquisitions; the impact of such acquisitions, including financing developments, capitalization rates and internal rate of return; the Company’s ability to reduce or otherwise effectively manage its general and administrative expenses; the Company’s ability to fund from cash flows or otherwise distributions to its shareholders at current rates or at all; current adverse market and economic conditions or competition impacting lease terminations or lease defaults; legislative and regulatory changes impacting success of the Company’s real estate strategies and investment objectives; and the Company’s ability to continue to qualify as a REIT under the Internal Revenue Code of 1986 as amended. The forward-looking statements should be read in light of these factors and the factors identified in the “Risk Factors” included in the Company’s most recent Annual Report on Form 10 K, Quarterly Reports on Form 10 Q and other reports and information that the company files with the Securities and Exchange Commission.

The Company obtained the industry, market and competitive position data used in this presentation from (i) its own internal estimates and research of third-party company websites and other sources, (ii) industry and general publications and research or (iii) studies and surveys conducted by third parties. Such sources generally do not guarantee the accuracy or completeness of included information. While the Company believes that the information included in this presentation from such publications, research, studies, surveys, and websites is reliable, it has not independently verified data from these third-party sources. While the Company believes its internal estimates and research are reliable, neither such estimates and research nor such definitions have been verified by any independent source.

This presentation contains supplemental financial measures that are not calculated pursuant to US generally accepted accounting principles, or GAAP, including FFO, and NOI. These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP. A reconciliation of non-GAAP measures to GAAP measures is contained in the Appendix to this presentation.



FFO AND NOI RECONCILIATION

FFO: Funds From Operations: The National Association of Real Estate Investment Trusts ("NAREIT") defines FFO as net income (loss) (calculated in accordance with GAAP), excluding depreciation and amortization related to real estate, gains or losses from the sale of certain real estate assets, gains and losses from change in control, and impairment write-downs of certain real estate assets and investments in entities when the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity. We calculate FFO in a manner consistent with the NAREIT definition and also include adjustments for our unconsolidated real estate partnership. Management uses FFO as a supplemental measure to conduct and evaluate our business because there are certain limitations associated with using GAAP net income (loss) alone as the primary measure of our operating performance. Historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Because real estate values instead have historically risen or fallen with market conditions, management believes that the presentation of operating results for real estate companies that use historical cost accounting is insufficient by itself. In addition, securities analysts, investors and other interested parties use FFO as the primary metric for comparing the relative performance of equity REITs. FFO should not be considered as an alternative to net income or other measurements under GAAP, as an indicator of our operating performance or to cash flows from operating, investing or financing activities as a measure of liquidity. FFO does not reflect working capital changes, cash expenditures for capital improvements or principal payments on indebtedness. Although our calculation of FFO is consistent with that of NAREIT, there can be no assurance that FFO presented by us is comparable to similarly titled measures of other REITs.

	2016	2017	2018	2019	2020	2021
Net income attributable to Whitestone REIT	\$ 7.9	\$ 8.3	\$ 21.4	\$ 23.7	\$ 6.0	\$ 12.0
Depreciation and amortization of real estate assets	22.2	26.3	25.4	26.5	28.1	28.8
Depreciation and amortization of real estate assets of unconsolidated real estate partnership			2.9	2.3	1.7	1.7
(Gain) loss on sale or disposal of assets and properties	(3.3)	0.2	(4.5)	(0.6)	0.4	(0.2)
(Gain) loss on sale of assets and properties of discontinued operations, net			-	(0.6)	-	(1.8)
Gain on sale or disposal of properties or assets of unconsolidated real estate partnership			(6.3)	(13.8)	0.1	-
Net income attributable to noncontrolling interests	0.2	0.2	0.6	0.5	0.1	0.2
FFO	\$ 27.0	\$ 35.0	\$ 39.4	\$ 38.0	\$ 36.4	\$ 40.7
Distributions paid on unvested restricted common shares	(0.6)	(0.4)	(0.3)	-	-	-
FFO Excluding amount attributable to unvested restricted common shares	\$ 26.4	\$ 34.6	\$ 39.1	\$ 38.0	\$ 36.4	\$ 40.7
Weighted average number of total common shares and noncontrolling OP units - diluted	29.0	37.3	41.6	42.4	43.8	47.1
FFO per common share and OP unit - diluted	\$ 0.91	\$ 0.93	\$ 0.94	\$ 0.90	\$ 0.83	\$ 0.86
	2016	2017	2018	2019	2020	2021
Net income attributable to Whitestone REIT	\$ 7.9	\$ 8.3	\$ 21.4	\$ 23.7	\$ 6.0	\$ 12.0
General and Administrative Expenses	23.9	23.9	23.3	21.7	21.3	22.6
Depreciation and amortization	22.4	27.2	25.7	26.7	28.3	29.0
Equity in earnings of real estate partnership	-	-	(8.4)	(15.1)	(0.9)	(0.6)
Interest expense	19.2	23.7	25.2	26.3	25.8	24.6
Interest, dividend and other investment income	(0.4)	(0.4)	(1.1)	(0.7)	(0.3)	(0.1)
Provision for income taxes	0.3	0.4	0.3	0.4	0.4	0.4
(Gain) loss on sale or disposal of assets and properties	(3.3)	0.2	(4.5)	(0.6)	0.4	(0.2)
Management fee, net of related expenses	-	-	(0.2)	-	0.3	0.3
Gain on loan forgiveness	-	-	-	-	(1.7)	-
Loss (gain) on sale of assets and properties of discontinued operations, net	-	-	-	(0.6)	-	(1.8)
Profit sharing expense		0.3	-	-	-	-
NOI, adjustments for unconsolidated real estate partnership	-	-	7.7	6.3	4.2	3.8
Net income attributable to noncontrolling interests	0.2	0.2	0.6	0.5	0.1	0.2
NOI	\$ 70.3	\$ 83.8	\$ 89.9	\$ 88.6	\$ 83.9	\$ 90.2

NOI: Net Operating Income: Management believes that NOI is a useful measure of our property operating performance. We define NOI as operating revenues (rental and other revenues) less property and related expenses (property operation and maintenance and real estate taxes). Other REITs may use different methodologies for calculating NOI and, accordingly, our NOI may not be comparable to other REITs. Because NOI adjusts for general and administrative expenses, depreciation and amortization, equity in earnings of real estate partnership, interest expense, interest dividend and other investment income, provision for income taxes, gain or loss on sale of property from discontinued operations, management fee, net of related expenses, gain or loss on sale or disposal of assets, gain on loan forgiveness, our pro rata share of NOI of equity method investments and net income attributable to non controlling interest, it provides a performance measure that, when compared year-over-year, reflects the revenues and expenses directly associated with owning and operating commercial real estate properties and the impact to operations from trends in occupancy rates, rental rates and operating costs, providing perspective not immediately apparent from net income. We use NOI to evaluate our operating performance since NOI allows us to evaluate the impact that factors such as occupancy levels, lease structure, lease rates and tenant base have on our results, margins and returns. In addition, management believes that NOI provides useful information to the investment community about our property and operating performance when compared to other REITs since NOI is generally recognized as a standard measure of property performance in the real estate industry. However, NOI should not be viewed as a measure of our overall financial performance since it does not reflect general and administrative expenses, depreciation and amortization, interest expense, interest income, provision for income taxes and gain or loss on sale or disposition of assets, the level of capital expenditures and leasing costs necessary to maintain the operating performance of our properties.

