### A brand new EMERGING INDUSTRY

"We are building for an industry that does not yet exist. It's our responsibility to make sure it gets done right."

-Bryan McLaren



Investor Presentation August 2020 | OTCQB: ZDPY

OTCQB: ZDPY | August 2020



This presentation release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Readers are cautioned not to place undue reliance on these forward-looking statements. Actual results may differ materially from those indicated by these forward-looking statements as a result of risks and uncertainties impacting the Company's business including, increased competition; the ability of the Company to expand its operations through either acquisitions or internal growth, to attract and retain qualified professionals, and to expand commercial relationships; general economic conditions; and other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission.

### **COVID-19 STATEMENT**



In March 2020, the World Health Organization declared COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. We are monitoring this closely, and although operations have not been materially affected by the COVID-19 outbreak to date, the ultimate duration and severity of the outbreak and its impact on the economic environment and our business is uncertain. As of June 30, 2020, all of the properties in our portfolio are open to our Significant Tenants and their customers and will remain open pursuant to state and local government requirements. At this time, we do not foresee any material changes to our operations from COVID-19. Our tenants are continuing to generate revenue at these properties and they have continued to make rental payments in full and on time and we believe the tenants' liquidity position is sufficient to cover its expected rental obligations. Accordingly, while we do not anticipate an impact on our operations, we cannot estimate the duration of the pandemic and potential impact on our business if the properties must close or if the tenants are otherwise unable or unwilling to make rental payments. In addition, a severe or prolonged economic downturn could result in a variety of risks to our business, including weakened demand for our properties and a decreased ability to raise additional capital when needed on acceptable terms, if at all. At this time, the Company is unable to estimate the impact of this event on its operations.

### ZONED PROPERTIES<sup>®</sup>, INC.

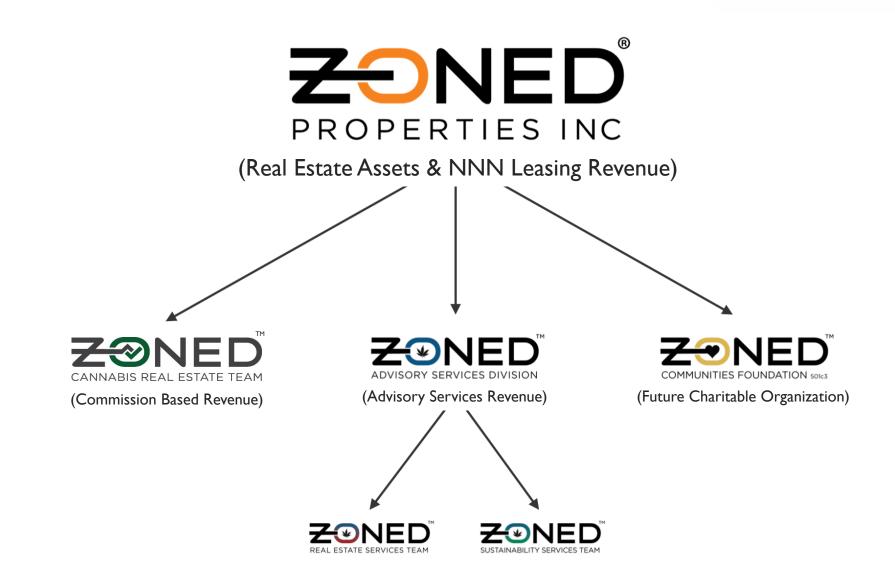


Our MISSION	To provide Real Estate & Sustainability Services for the Regulated Cannabis Industry, positioning the Company for Property Acquisitions and Revenue Growth.		
Our <b>VISION</b>	Maximizing Prosperity in Local Communities with a strong paradigm for Sustainable Development in emerging industries, including the Regulated Cannabis Industry.		
Our <b>VALUES</b>	Sophistication, Safety, Sustainability, Stewardship		

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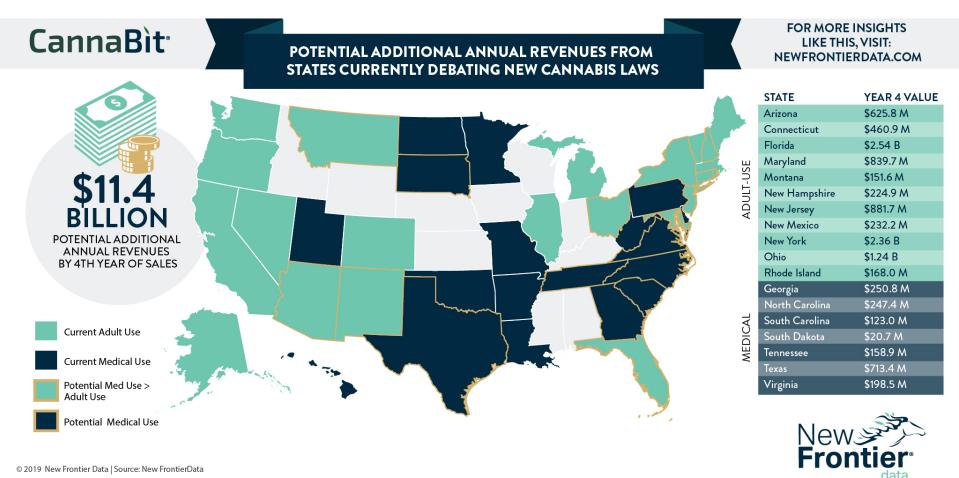
### **COMPANY ORGANIZATION**





# THE MARKET OPPORTUNITY





Source: Newfrontierdata.com

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## THE MARKET CHALLENGE



How can a Real Estate Company, Fund, or Investor effectively identify properties with successful operators for acquisition targets and sale-leaseback opportunities?



### Regulated Cannabis Industry Market Challenge

**Properly predicting the risk and success of a regulated operator,** which will in turn affect the potential value of the operating property.

## **ZONED MARKET APPROACH**



Zoned Advisory Services provides Real Estate & Sustainability Services to Regulated Cannabis Clients in order to drive our pipeline of acquisition & growth opportunities.

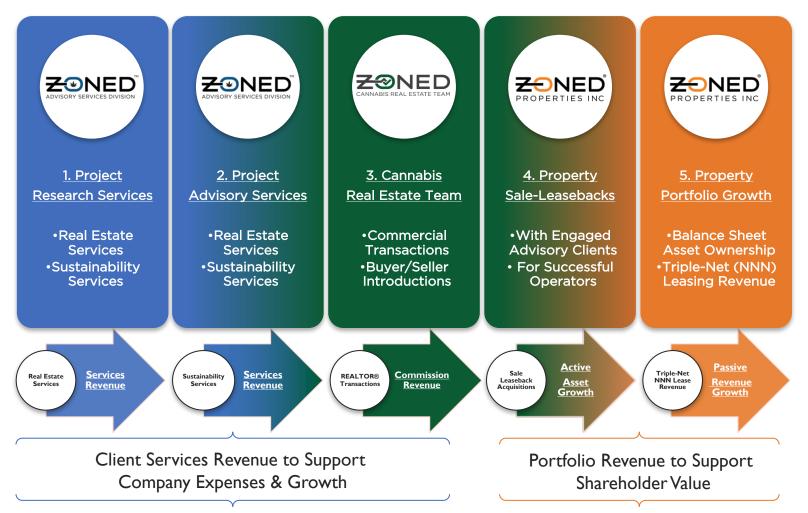


Growth driven by Corporate Social Responsibility for the Regulated Cannabis Industry.

# **ZONED GROWTH STRATEGY**



Zoned Advisory Services & Real Estate Teams can generate new revenue while vetting future acquisition targets, feeding our pipeline for property acquisitions and revenue growth.



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## ZONED ADVISORY SERVICES STRATEGY



### WE HELP CLIENTS DEVELOP CANNABIS PROJECTS

Let us develop your project, so you can develop your business.



### CLIENT & PARTNER TESTIMONIALS

"Our business would not exist without the strategic guidance from Zoned Properties."

> –Valera K. Chief Compliance Officer

"Zoned Properties has been an excellent partner in this project."

> –Ruth M. Development Services Director

"The Town of Parachute is excited to see a Zoned Properties development come to town."

> –Stuart M. Town Manager









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Real Estate transactions in the regulated cannabis industry can be extremely challenging. That's why we created our own licensed brokerage team to directly guide clients through the process towards a successful transaction.



## ZONED FRANCHISE PARTNER STRATEGY



- We believe **Franchise Organizations** are strong drivers of real estate development and investment opportunities.
- Zoned Properties has partnered with & invested in a start-up cannabis franchise organization that will allow us to leverage our network & real estate division to potentially expand across a multi-state platform.
- Through our convertible debenture, Zoned Properties has the opportunity to convert this investment toward a 33% ownership stake in the franchise organization.

## CORPORATE SOCIAL RESPONSIBILITY



- Why would a Real Estate company like Zoned Properties aim to pioneer Sustainable Development and Corporate Social Responsibility for the Regulated Cannabis industry?
- As NAREIT points out in its Sustainability and Investing Overview, "Real estate is not just the physical places where we live, work, and spend our leisure time; it helps unite and define local communities and provides an important investment resource to millions of Americans."\*
- We have a chance to **Set the Stage & Create the Paradigm** for the future of the Cannabis Marketplace by focusing on these efforts.

\* Source: <u>https://www.reit.com/investing/reits-sustainability</u>

# **PORTFOLIO ANNUAL CASH FLOW**



**Portfolio Annual Cash Flow** (As of June 30, 2020) Before and After 2020 Lease Amendments **Projected Portfolio Cash Flow with Planning Expansion** \$2,500,000 \$2,000,000 \$1,500,000 \$1,000,000 \$500,000 \$0 After Lease **Before Lease** After Phase I After Phase 2 **Total Property** Portfolio<sup>3</sup> Amendments Amendments Expansion Expansion (Q2 2021) I (O2 2022)<sup>2</sup> (Prior) (Current) ■ Gilbert ■ Green Valley ■ Kingman ■ Tempe ■ Chino Valley ■ Total Property Portfolio

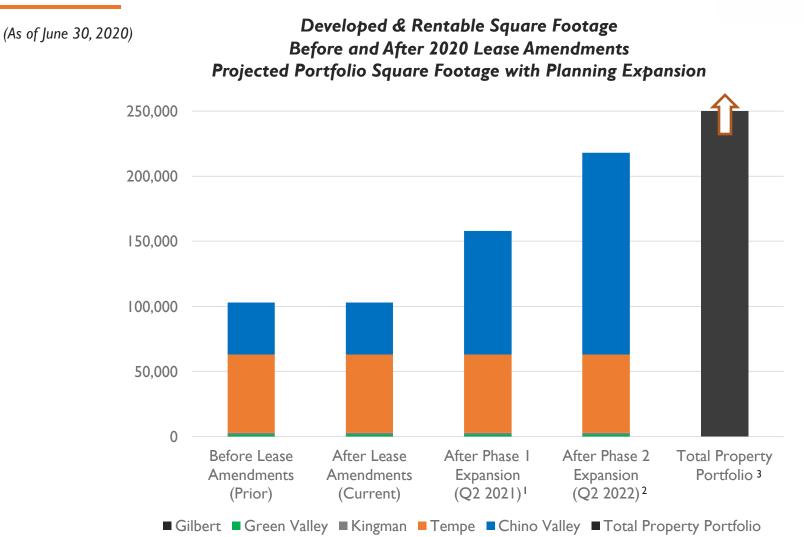
<sup>1</sup> Phase 1 Expansion projected for Q2 2021 Completion. Significant Tenant has contractually agreed to invest \$8 Million into Portfolio for Phase 1 Expansion.

<sup>2</sup> Phase 2 Expansion projected for Q2 2022 Completion. Master Plan has been approved for Phase 2 Expansion. Capital Source has not yet been identified to complete Phase 2 Expansion. <sup>3</sup> Total Property Portfolio includes approximately 2.3 Million Square Feet of debt-free real estate with vested-rights for future development.

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## **PORTFOLIO DEVELOPED & RENTABLE SQF**





<sup>1</sup> Phase 1 Expansion projected for Q2 2021 Completion. Projected to include approximately 155,000 square feet of developed & rentable square footage.

<sup>2</sup> Phase 2 Expansion projected for Q2 2022 Completion. Projected to include approximately 225,000 square feet of developed & rentable square footage.

<sup>3</sup> Total Property Portfolio includes approximately 2.3 Million Square Feet of debt-free real estate with vested-rights for future development.

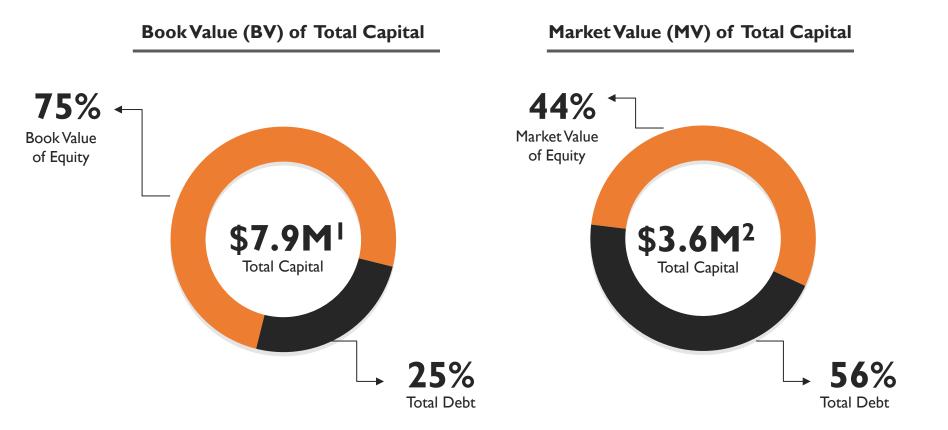
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# SUMMARY CAPITAL STRUCTURE



(As of June 30, 2020)

\*\$ in millions



<sup>1</sup> \$2.02M of Debt + \$5.89M of Stockholders' Equity = \$7.91M BV of Total Capital

<sup>2</sup> \$2.02M of Debt + \$1.56M of MV Equity (\$0.13/share at 6/30/2020 \* 12.01M shares outstanding) = \$3.58M MV of Total Capital

## SUMMARY STATEMENTS OF OPERATIONS



(As of June 30, 2020)

	Six Months Ended	Year Ended			
	6/30/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016
Total revenues	\$603,693	\$1,260,421	\$1,236,930	\$2,113,864	\$1,853,708
Total operating expenses	\$660,642	\$1,259,706	\$3,198,413	\$1,416,698	\$2,125,949
Interest expenses	\$60,000	\$120,000	-	\$42,983	\$192,492
Interest expenses – related parties	\$600	\$1,200	\$121,200	\$129,288	\$35,000
Net income / (loss)	\$(115,697)	\$(12,281) <sup>1</sup>	(\$2,027,278) <sup>2</sup>	\$1,377,902 <sup>3</sup>	(\$501,576)
Total Common Shares Outstanding	12,011,548	11,901,548	17,441,552	17,345,497	17,210,318

<sup>1</sup> Includes \$108,204 one-time gain from receipt of utilities rebate.

<sup>2</sup> Includes \$1.9 million one-time, non-cash write-off of deferred rent receivable.

<sup>3</sup> Includes \$ 831,753 one-time gain from the sale of property.

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### **SUMMARY BALANCE SHEETS**



Summary Balance Sheets as of June 30, 2020



	As of		
	6/30/2020	12/31/2019	
Cash	\$602,448	\$639,781	
Rental Properties, net	\$7,206,034	\$7,374,807	
Total Debt	\$2,020,000	\$2,020,000	
Total Liabilities	\$2,195,713	\$2,193,859	
Total Shareholders' Equity	\$5,892,183	\$5,965,644	

### **INDUSTRY LEADERSHIP**









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### **COMPANY LEADERSHIP**





Management

Bryan McLaren, MBA Chief Executive Officer & Chief Financial Officer

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### ZONED PROPERTIES<sup>®</sup>, INC.



MULTI-STATE EXPERIENCE & PROVEN SUCCESS

### CASH FLOW POSITIVE FROM OPERATIONS

2 MILLION SQ. FT. OF PROPERTY OWNERSHIP ( No Toxic Debt) OVER 5-YEARS AS PUBLIC COMPANY IN REGULATED CANNABIS

**EXECUTIVE MEMBERSHIPS FORBES, USGBC, NCIA, BBB**  TRIPLE-NET (NNN) PASSIVE REVENUE STREAM

TIGHT CAPITAL STRUCTURE 12,011,548 COMMON SHARES (As of June 30, 2020)

COMMUNITY FOCUSED REGULATED CANNABIS CO.

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### **COMPANY CONTACT**

### Bryan McLaren; Chairman, CEO & CFO

### Zoned Properties, Inc. | Scottsdale, AZ

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