



**Investor Presentation** 

August 2021 | OTCQB: ZDPY

#### FORWARD-LOOKING STATEMENTS



This presentation release contains forward-looking statements. 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. The Company is 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. Currently, all of the properties in the Company's portfolio are open to its Significant Tenants and their customers and have remained open pursuant to state and local government requirements. At this time, the Company does not foresee any material changes to its operations from COVID-19. The Company's 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 the Company does not anticipate an impact on its operations, it cannot estimate the duration of the pandemic and potential impact on its 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 the Company's business, including weakened demand for its 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®, INC.**



# Our MISSION

To Provide integrated **Real Estate Services** for the **Regulated Cannabis Industry**, positioning the Company for **Real Estate Investments** & **Revenue Growth**.

# Our **VISION**

Integrating Legacy Cannabis into Modern Communities through regulated Real Estate Development Projects.

# Our **VALUES**

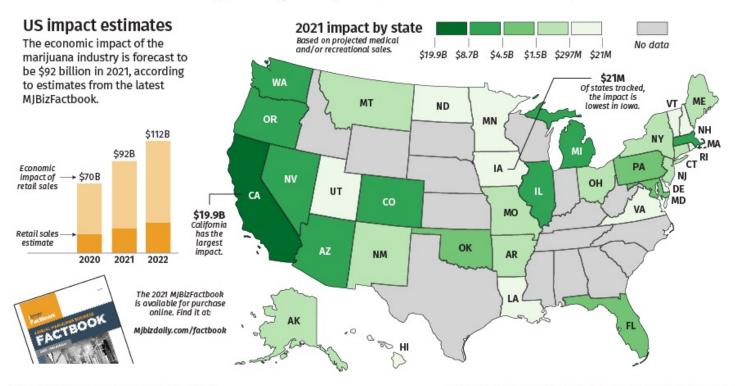
Sophistication, Safety, Sustainability, Stewardship

#### THE MARKET OPPORTUNITY



# **Economic Impact of Marijuana**

From jobs to taxes to real estate, the impact of the marijuana industry has a large – and growing – impact on the broader economy.



Source: MJBizFactbook, MJBizDaily analysis

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Source: MJBizDaily.com

#### THE MARKET OPPORTUNITY





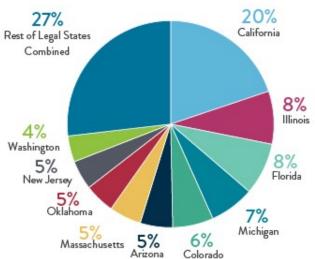
# NEW STATE MARKETS, CALIFORNIA NUMBERS BOOST OUTLOOK FOR LEGAL CANNABIS

For More Insights Like This, Visit: **NewFrontierData.com** 



Legal Adult Use — Illicit Market

#### LEGAL MARKET SHARE BY 2025



New Frontier

© 2020 New Frontier Data | Source: New Frontier Data

Legal Medical Use

Source: NewFrontierData.com

#### THE MARKET CHALLENGE



How can a Real Estate Company, Fund, or Investor effectively identify real estate or properties with successful operators for acquisition targets and investment opportunities?



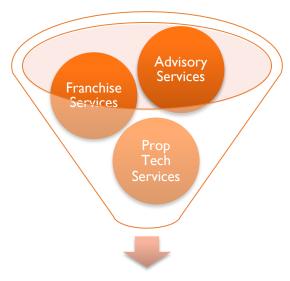
Regulated Cannabis Industry
Market Challenge

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

#### **ZONED PROPERTIES MARKET APPROACH**



Zoned Properties' Real Estate Services for Emerging and Highly Regulated Industries can help enhance value and mitigate risk for Real Estate Investment Opportunities with Clients & Partners.



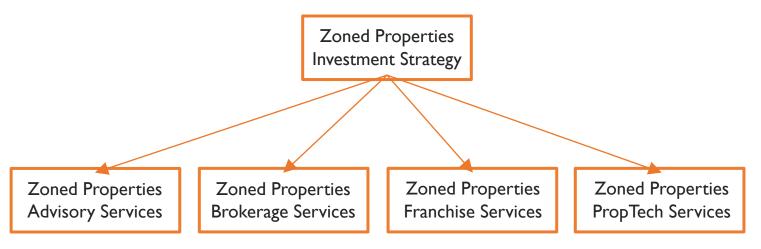
Acquisition & Investment Opportunities

#### **ZONED PROPERTIES GROWTH STRATEGY**





(Real Estate Assets & Investment Revenue)



#### (Real Estate Services Revenue & Growth Divisions)

Zoned Properties has positioned the organization as a leading real estate development firm for emerging and highly regulated industries, specifically focusing its best practices on the emerging regulated cannabis industry. We are redefining strategic approaches to commercial real estate in regulated sectors through value-driven service offerings built out of market necessity to support an evolving and increasingly complex business landscape.

#### **ZONED PROPERTIES ADVISORY SERVICES**



#### WE HELP CLIENTS DEVELOP CANNABIS PROJECTS

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





Your Property



**DEVELOP** 

Your Project



#### **SUSTAIN**

Your Profits

#### 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

















#### ZONED PROPERTIES BROKERAGE SERVICES = ====



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 toward a successful transaction.



#### ZONED PROPERTIES FRANCHISE SERVICES



- We believe Franchise Organizations are strong drivers of value for real estate development and investment opportunities.
- Zoned Properties has partnered with & provided investment for a national cannabis retail franchisor, Open Dør Dispensaries, to leverage our real estate services across a multi-state platform.
- Through our convertible debenture, Zoned Properties also has the opportunity to convert its investment for up to a 33% equity stake in the franchisor organization.



#### **ZONED PROPERTIES PROPTECH SERVICES**



- Our team has implemented two Property Technology ("PropTech")
   Data Projects that will focus on solving critical needs in regulated
   real estate markets starting with the identification of property and
   ending with consumer and community interaction/connectivity
   with the built retail environment (i.e. brick and mortar).
- Zoned Properties has invested in and partnered with two new PropTech Data Project teams focused on providing solutions to address these critical real estate needs in regulated industries.

## Zoned Properties PropTech Project #1: GIS Zoning & Mapping

 With our strategic partner and investment into the project, our goal is to utilize advanced property technology to provide solutions for property identification in regulated industries such as regulated cannabis.

#### Zoned Properties PropTech Project #2: Brick & Mortar Retail

With our strategic partner and investment into the project, our goal is to provide emerging and regulated industry operators with the tools to enhance the value of their brick & mortar real estate, through consumer-centric and brand-centric property technology solutions.

#### **CORPORATE SOCIAL RESPONSIBILITY**



- Why would a national real estate company like Zoned Properties work on integrating legacy cannabis into modern communities through regulated real estate development projects?
- 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.

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

## **ZONED PROPERTIES PORTFOLIO**



As of June 30, 2021, a summary of rental properties owned by us consisted of the following:

Location		Tempe, AZ ndustrial/		o Valley, AZ enhouse/	Gr	een Valley, AZ Retail		man, Z tail	
Description		Office		ırsery	(s)	pecial use)	(speci		
Current Use		Cannabis Facility		nnabis ncility		Cannabis ispensary		iabis nsary	
Date Acquired		March 2014	A	ugust 2015	-	October 2014	N	May 2014	
Lease Start Date		May 2018		May 2018		May 2018	N	May 2018	
Lease End Date		April 2040		April 2040		April 2040	A	pril 2040	
Total No. of Tenants		1		1		1		1	
									 Total Properties
Land Area (Acres)		3.65		47.60		1.33		0.32	52.90
Land Area (Sq. Feet)		158,772		2,072,149		57,769		13,939	2,302,629
Undeveloped Land Area (Sq. Feet)		14		1,812,563		-		6,878	1,819,441
Developed Land Area (Sq. Feet)		158,772		259,586		57,769		7,061	483,188
Total Rentable Building Sq. Ft.		60,000		40,000		1,440		1,497	102,937
Vacant Rentable Sq. Ft.		-		-		-		-	-
Sq. Ft. rented as of June 30, 2021		60,000		40,000		1,440		1,497	102,937
Annual Base Rent (*,**)									
2021 (remainder of year)	\$	305,026	\$	196,800	\$	21,000	\$	24,000	\$ 546,826
2022		610,053		393,600		42,000		48,000	1,093,653
2023		610,053		393,600		42,000		48,000	1,093,653
2024		610,053		393,600		42,000		48,000	1,093,653
2025		610,053		393,600		42,000		48,000	1,093,653
Thereafter	-	8,470,589		5,641,600		602,000		688,000	15,402,189
Total	\$	11,215,827	\$	7,412,800	\$	791,000	\$	904,000	\$ 20,323,627

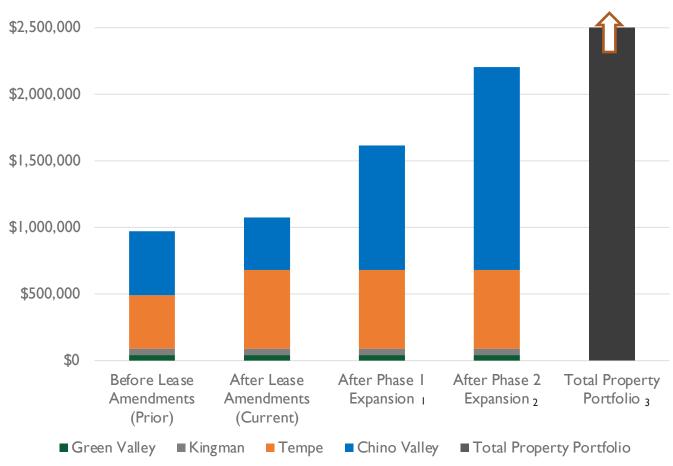
 <sup>\*</sup> Annual base rent represents amount of cash payments due from tenants.
 \*\* For Tempe, AZ, table includes rental income generated from the lease of parking lot space used by a third party as an antenna location.

#### PORTFOLIO EXPANSION & CASH FLOW



(As of June 30, 2021)

# Portfolio Annual Cash Flow Before and After 2020 Lease Amendments Projected Portfolio Cash Flow with Planning Expansion



<sup>&</sup>lt;sup>1</sup> Significant Tenant has contractually agreed to invest \$8 Million into Portfolio for Phase 1 Expansion.

<sup>&</sup>lt;sup>2</sup> Master Plan has been approved for Phase 2 Expansion. Capital Source has not yet been identified to complete Phase 2 Expansion.

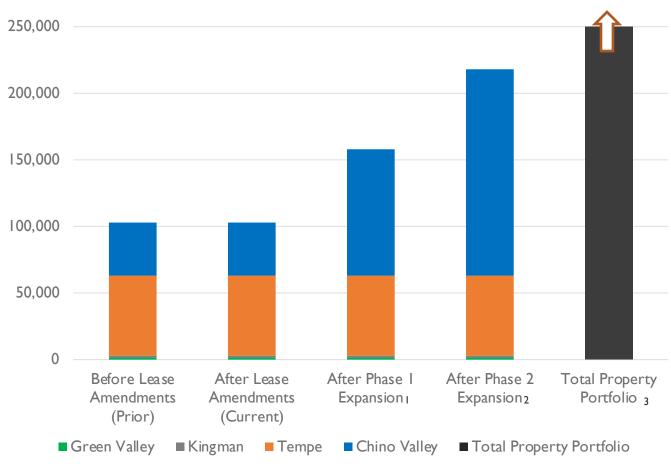
<sup>&</sup>lt;sup>3</sup> Total Property Portfolio includes approximately 2.3 Million Square Feet of debt-free real estate with vested-rights for future development.

## **PORTFOLIO EXPANSION & RENTABLE SQF**



(As of June 30, 2021)

# Developed & Rentable Square Footage Before and After 2020 Lease Amendments Projected Portfolio Square Footage with Planning Expansion



Projected to include approximately 155,000 square feet of developed & rentable square footage.

<sup>&</sup>lt;sup>2</sup> Projected to include approximately 225,000 square feet of developed & rentable square footage.

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

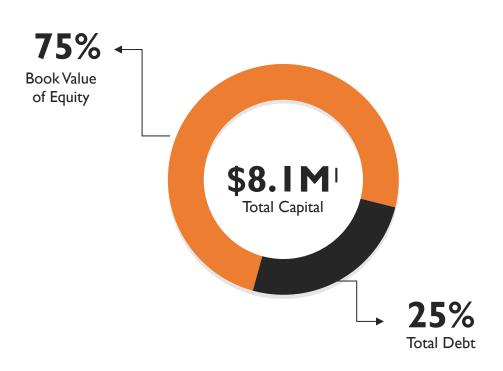
### **SUMMARY CAPITAL STRUCTURE**

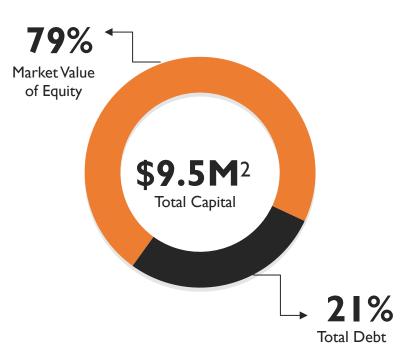


(As of June 30, 2021)
\*\$ in millions

#### **Book Value (BV) of Total Capital**

#### Market Value (MV) of Total Capital





<sup>\$2.02</sup>M of Debt + \$6.09M of Stockholders' Equity = \$8.11M BV of Total Capital

<sup>&</sup>lt;sup>2</sup> \$2.02M of Debt + \$7.50M of MV Equity (\$0.615/share at 6/30/2021 \* 12.20M shares outstanding) = \$9.52 MV of Total Capital

## **SUMMARY STATEMENTS OF OPERATIONS**



(As of June 30, 2021)

	Six Months Ended	Year Ended			
	6/30/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Total revenues	\$895,909	\$1,215,442	\$1,260,421	\$1,236,930	\$2,113,864
Total operating expenses	\$799,624	\$1,177,709	\$1,259,706	\$3,198,413	\$1,416,698
Interest expenses	\$60,000	\$120,000	\$120,000	-	\$42,983
Interest expenses – related parties	\$600	\$1,200	\$1,200	\$121,200	\$129,288
Net income (loss)	\$41,259	\$(78,338)	\$(12,281) <sup>1</sup>	(\$2,027,278) <sup>2</sup>	\$1,377,902 <sup>3</sup>
Total Common Shares Outstanding	12,201,548	12,011,548	11,901,548	17,441,552	17,345,497

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

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

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

### **SUMMARY BALANCE SHEETS**



#### Summary Balance Sheets as of June 30, 2021



	As of			
	6/30/2021	12/31/2020		
Cash	\$1,031,316	\$699,335		
Rental Properties, net	\$6,582,173	\$7,027,436		
Total Debt	\$2,020,000	\$2,020,000		
Total Liabilities	\$2,279,858	\$2,192,000		
Total Shareholders' Equity	\$6,088,705	\$5,935,737		

## **INDUSTRY LEADERSHIP**





Executive
Councils &
Memberships

















### **COMPANY LEADERSHIP**



#### **Board of Directors**

Bryan McLaren Chairman Alex McLaren
Director

Art Friedman
Independent Director

**David Honaman** Independent Director **Derek Overstreet** Independent Director

#### Executive Management

Bryan McLaren, MBA Chief Executive Officer & Chief Financial Officer

Berekk Blackwell Chief Operating Officer

# **ZONED PROPERTIES®, 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

ANCILLARY / NON-PLANT TOUCHING

TIGHT CAPITAL STRUCTURE 12,201,548 COMMON SHARES (As of June 30, 2021)

COMMUNITY FOCUSED REGULATED CANNABIS CO.

#### FOR MORE INFORMATION



#### **COMPANY CONTACT**

Bryan McLaren; Chairman, CEO & CFO

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