

# ZONED<sup>®</sup>

## PROPERTIES INC

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## Corporate Presentation

November 2023

[www.ZonedProperties.com](http://www.ZonedProperties.com)

OTCQB: **ZDPY**

# Forward Looking Statements

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## **Safe Harbor Statement**

This presentation contains forward-looking statements. All statements other than statements of historical facts included in this press release are forward-looking statements. In some cases, forward-looking statements can be identified by words such as "believe," "expect," "anticipate," "plan," "potential," "continue" or similar expressions. Such forward-looking statements include risks and uncertainties, and there are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. These factors, risks and uncertainties are discussed in the Company's filings with the Securities and Exchange Commission. Investors should not place any undue reliance on forward-looking statements since they involve known and unknown, uncertainties and other factors which are, in some cases, beyond the Company's control which could, and likely will, materially affect actual results, levels of activity, performance or achievements. Any forward-looking statement reflects the Company's current views with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to operations, results of operations, growth strategy and liquidity. The Company assumes no obligation to publicly update or revise these forward-looking statements for any reason, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

## **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 will remain open pursuant to state and local government requirements. The Company did not experience in 2020 or 2021 and does not foresee in 2022, 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.

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# Company Overview

# Company Philosophy

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## | Our **Mission**

To provide a full-spectrum of Real Estate Services for the Regulated Cannabis Industry, positioning the Company for Real Estate Investments & Revenue Growth.

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## | Our **Vision**

To Integrate Legacy Cannabis into Modern Communities through Real Estate Development Projects.

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## | Our **Values**

Sophistication | Safety | Sustainability | Stewardship

# Company Overview

A legacy company focused on regulated cannabis real estate, **Zoned Properties, Inc. (OTCQB: ZDPY)** offers a full-spectrum of **commercial real estate services** and a **property investment portfolio** focused on the legalized cannabis industry.

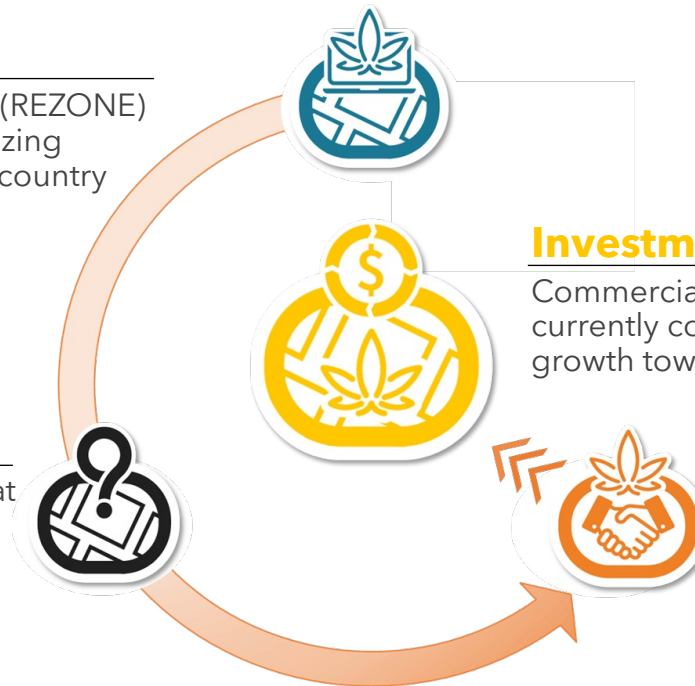
Founded in 2014, Zoned Properties has spent the last decade developing an intricate knowledge of the local, state, and regional zoning and permitting requirements that impact localities across the country, making Zoned Properties a hub for members of the cannabis and/or commercial real estate industries looking to buy, sell, or invest in the commercial cannabis real estate market.

## Property Technology (PropTech)

The Company's innovative, home-grown tech tool (REZONE) is the Company's flagship PropTech project, visualizing complex zoning conditions in localities across the country

## Site Identification Advisory

The Company's consulting division works nationally at identifying, developing, and delivering qualified cannabis commercial real estate opportunities



## Investment Portfolio

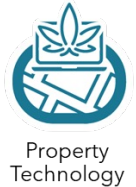
Commercial real estate leased to licensed cannabis operators, currently consists of properties in Arizona & Michigan focused on growth towards direct-to-consumer real estate

## Commercial Brokerage

The Company's fully licensed, in-house brokerage team is expanding nationally to service sale and lease transactions for the cannabis real estate market

# Revenue Divisions

# Investment Portfolio



The Company's real estate services have been intentionally positioned and designed to feed a strong pipeline of acquisition targets to its Property Investment Portfolio, currently consisting of five properties in Arizona and Michigan expected to produce over \$2.3mm of annual rental revenue in FY2023.



## Investment Portfolio Properties



Tempe, AZ

Chino Valley, AZ

Green Valley, AZ

Kingman, AZ

Pleasant Ridge, MI

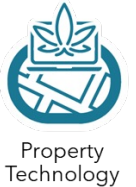
Total

Current Use	Cultivation	Cultivation	Dispensary	Dispensary	Dispensary	
Lease End Date	April 2040	April 2040	April 2040	April 2040	March 2037	
Land Area (SQF)	158,772	2,072,149	57,769	13,939	24,306	2,326,935
Rentable Building Area (SQF)	60,000	97,312	1,440	1,497	17,192	177,441
Annual Base Rent Revenue*	\$610,053**	\$1,050,970	\$42,000	\$48,000	\$579,567	\$2,330,590
Annualized Base Rent (P/SQF)*	\$10.17**	\$10.80	\$29.17	\$32.06	\$33.71	\$13.13
Total Lifetime Rent Remaining	\$9,843,292**	\$17,428,580	\$696,500	\$796,000	\$8,024,892	\$36,789,264

\*Figures are calculated as Straight-Line Accounting per GAAP, as of Q3 2023

\*\*Includes Rent from an on-site Commercial Antenna Lease

# Portfolio Strategy & Metrics



## Direct to Consumer (DTC) Real Estate Strategy



› Retail Dispensaries



› Warehouse / Logistics



› Delivery Hubs

## Investment Portfolio Metrics

**\$31  
Million**

Portfolio Value at  
7.5% Cap Rate

**\$2.3  
Million**

Annual Rental  
Revenue\*

**100%  
Leased**

Lease Occupancy  
Rate

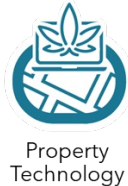
**15  
Years**

Weighted Average  
Lease Term

**44%  
Growth**

YoY Rental Revenue  
Growth YTD\*

# Recent Transaction Spotlight



Artist's rendering (front)



Artist's rendering (rear)

## Project Highlights

- › Development Project for future dispensary property located in Pleasant Ridge, Michigan.
- › The Investment Property was acquired through multiple parcel transactions in December 2022 & February 2023 for \$4.3 Million, including \$1.85 Million in seller financing, which allowed Zoned Properties to further leverage its capital stack at attractive rates.
- › The Investment Property is leased to NOXX Cannabis under a long-term, absolute-net lease agreement, which will produce an approximate 13.5% Cap Rate when straight-lined over the term of the lease agreement.
- › The lease includes 3% annual increases in base rent over the life of the lease term, yielding approximately \$580,000 in annual base rental revenue when straight-lined over the life of the lease term.
- › NOXX Cannabis is a Michigan-based vertical cannabis company providing the best brands at the best prices, through innovation, quality, and inclusivity.

# Commercial Brokerage



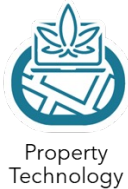
Investment  
Portfolio



Commercial  
Brokerage



Site  
Identification



Property  
Technology

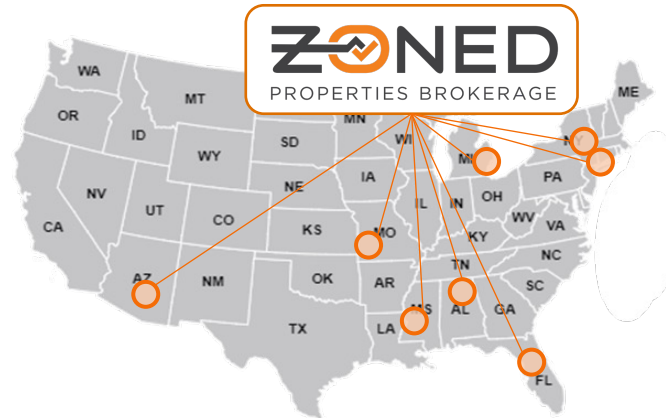
Since 2021, Zoned Properties Brokerage has closed **over \$80 million** of commercial real estate deals for clients.

## › Property Technology



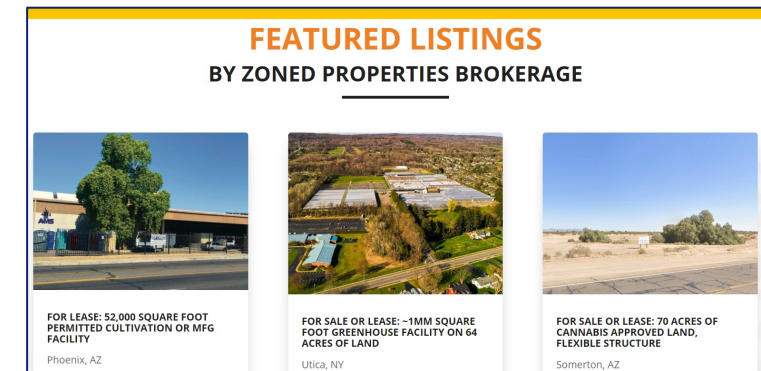
- Our competitive positioning is fortified by combining both third-party & in-house CRE property technology to continuously evolve Zoned's proprietary tech-stack
- We use our PropTech solutions to inform clients on **unique acquisition & leasing opportunities** as a result of changes in local zoning and permitting regulations

## › National Footprint



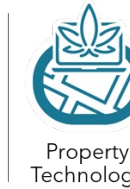
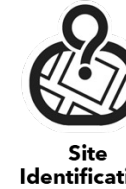
- Zoned Properties has opened in-house brokerage offices in **5 state markets** and is actively recruiting new Boots-on-the-Ground teams in new state markets to capture national opportunities
- Additional regional partnerships can provide Zoned Properties Brokerage access to **dozens of new state markets**

## › Marketing Capabilities

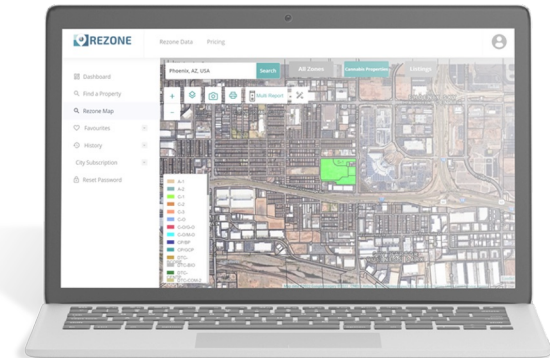


- The Company has established relationships and partnerships with some of the leading **online marketing and listing services** for cannabis commercial real estate
- Our Commercial Brokerage also has the capability to directly showcase cannabis properties throughout the Zoned Properties national network

# Site Identification Advisory



The Company's Advisory team combines decades of commercial real estate experience with proprietary Property Technology that works to identify sites that can be specifically zoned, permitted, and developed for commercial cannabis uses.



## Site Identification & Advisory Services



### Zoning & Permitting

- ✓ Municipal zoning, regulatory, and permitting review
- ✓ Custom GIS Mapping solutions
- ✓ Complex project development



### Codes & Regulations

- ✓ State and municipal regulatory development requirements
- ✓ Variable regulatory monitoring
- ✓ Client liaison with Design/AEC



### Strategy & Planning

- Our advisors focus on the unique details of each client project in order to:
- ✓ Advise on strategy for project delivery success
  - ✓ Assess projects risks and development plans

The Zoned Properties team has successfully guided hundreds of commercial cannabis projects across dozens of state markets.

# Property Technology



Investment  
Portfolio



Commercial  
Brokerage



Site  
Identification



Property  
Technology

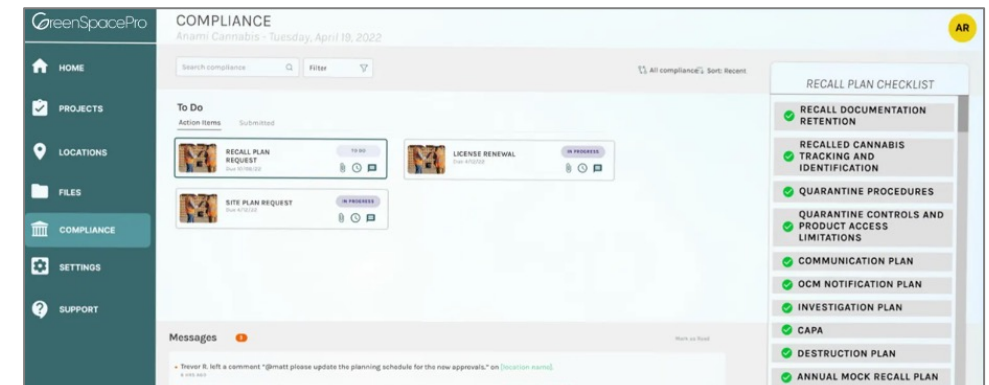
Real estate industry experts believe that Property Technology (PropTech) will become a significant driver of growth and scale in highly regulated real estate marketplaces, especially the legalized cannabis industry.



- Zoned Properties' innovative home-grown tool, **REZONE**, visualizes decades of zoning and permit conditions in cities and townships across the country.
- The volume, quality, and breadth of the cannabis real estate data included in **REZONE** is unparalleled, providing Zoned with unique competitive position within the cannabis industry.
- The Company expects to begin monetizing the platform in 2023.

## GreenSpacePro

- Zoned Properties has invested \$50,000 in AnamiTech, alongside the launch of their flagship PropTech platform, **GreenSpace Pro**, that has focused its property technology platform on project management tools and solutions for the cannabis operators, regulators, and project teams.
- **GreenSpace Pro** platform utilized in over 100 locations across various state markets by major cannabis brands including Cookies, Embarc, and Stiiizy





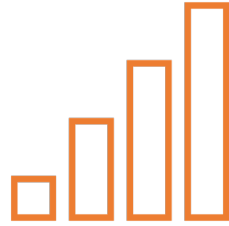
# Market Landscape

# Bullish Industry Environment



**\$38.8B**

Current  
Industry Size <sup>(1)</sup>



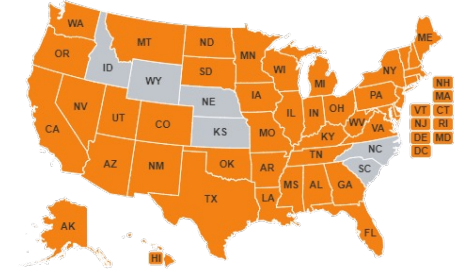
**35%**

Industry Growth  
(2020 - 2021) <sup>(1)</sup>



**91%**

of Adults Support  
Legalization <sup>(2)</sup>



**38 States**

with Cannabis  
Legalization



**11,022**

Dispensary Licenses as  
of January 2023 <sup>(3)</sup>



**16%**

of **All** US Adults  
Smoke Marijuana <sup>(4)</sup>



**11.8%**

Projected Industry  
CAGR <sup>(5)</sup>

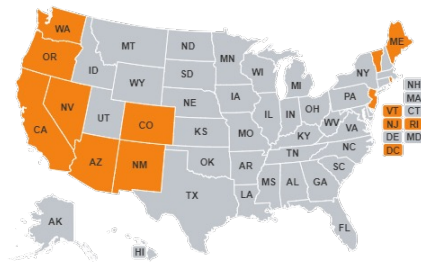


**40,000**

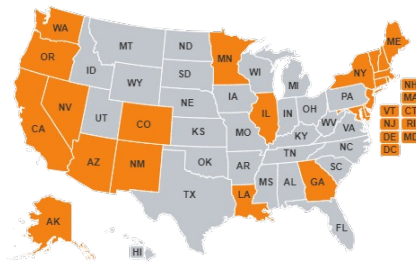
US Localities that Govern  
Cannabis Regulations

# Geographic Industry Expansion

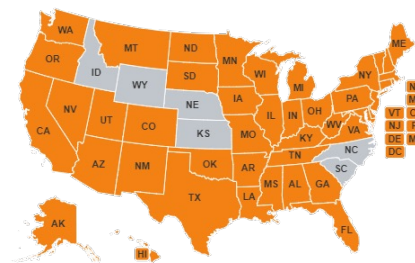
The Cannabis industry has seen unprecedented geographic growth within the last 15 years. As of May 2023, 38 states and the District of Columbia have **approved the legalization and regulation of cannabis programs at the state level**; either medicinally, recreationally, or in a limited capacity (i.e., CBD with THC).



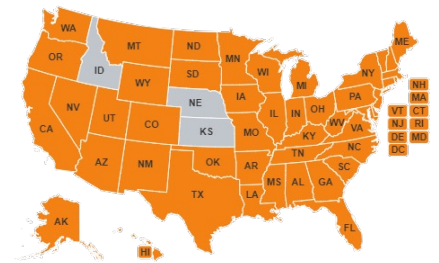
**2010**



**2015**



**2023**



**Proj. 2030**

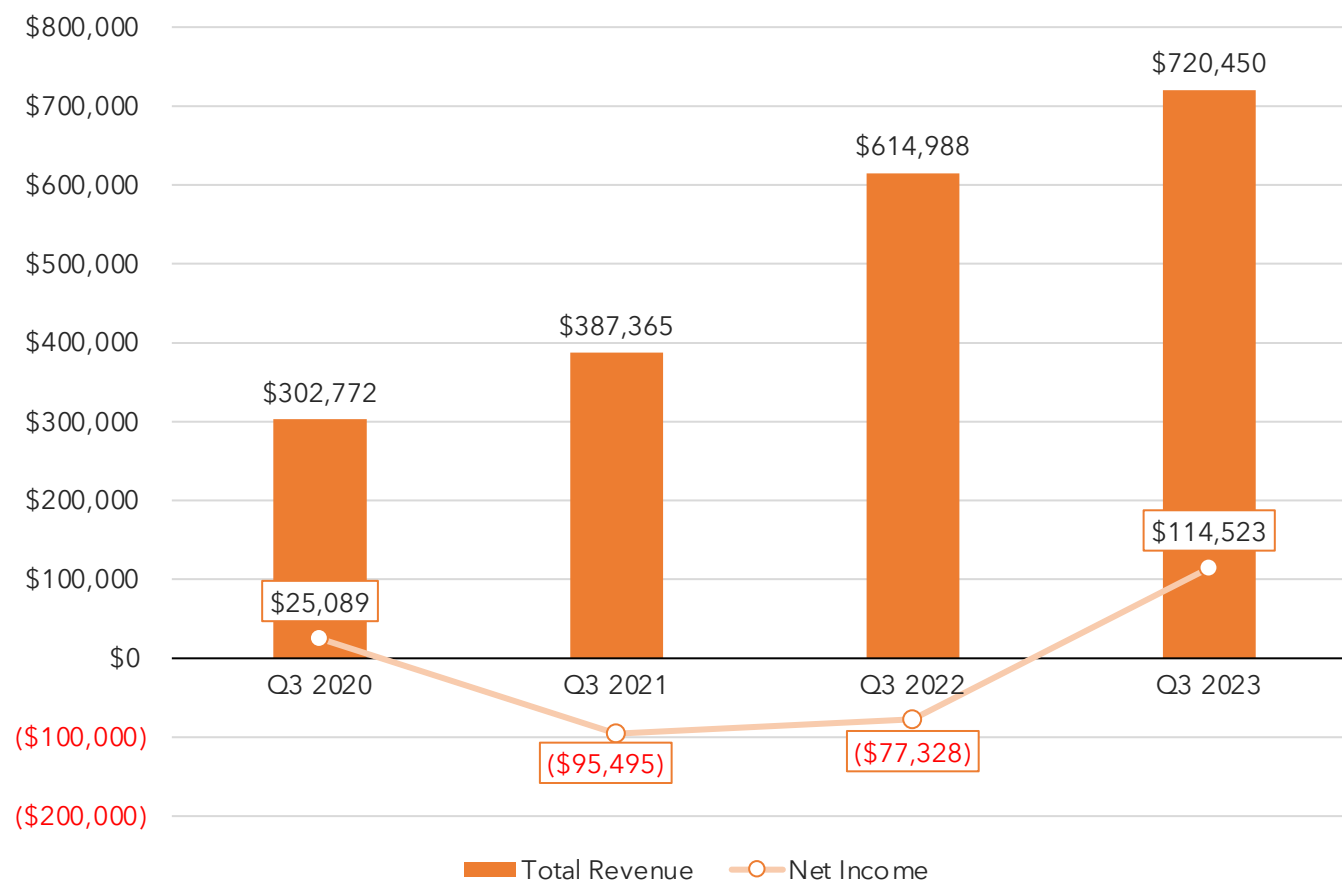
State Adoption <sup>(1)</sup>	11	23	37	40
Dispensaries	<500	954 <sup>(4)</sup>	11,022 <sup>(5)</sup>	>15,000
Annual Industry Sales	n/a	\$3.1 Billion <sup>(3)</sup>	\$38.8 Billion <sup>(3)</sup>	\$57.0 Billion <sup>(6)</sup>
Public Approval <sup>(2)</sup>	32%	53%	91%	93%



# Financial Performance

# Quarterly Performance (Q3 2023)

## Total Revenue & Consolidated Net Income



## Financial Highlights

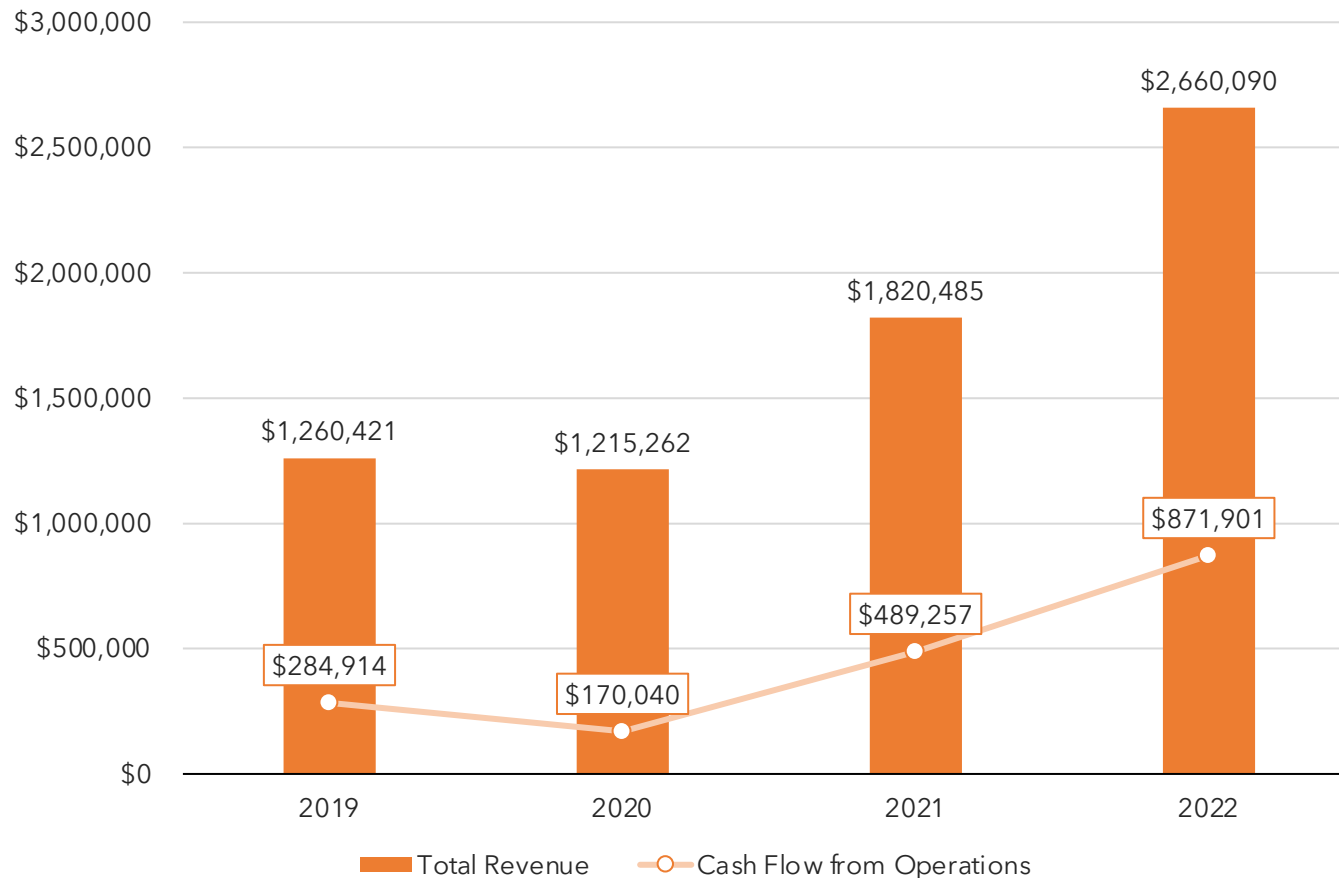
- 41% increase in Property Investment Portfolio revenue (YoY)
- 49% reduction in Real Estate Services revenue (YoY)
- 17% increase in Total Revenue (YoY)
- 2% increase in Total Operating Expense (YoY)
- Net Income of approximately \$114k versus a Net Loss of \$77k in the previous corresponding period

## Operational Highlights

- Zoned Properties has secured contractual rights for new real estate acquisition targets that have been positioned for lease opportunities to best-in-class cannabis dispensary retailers.
- The Company currently has properties secured in Arizona and Missouri, and has initiated state acquisition campaigns in Illinois and Maryland.

# Annual Performance (FY2022)

## Total Revenue & Cash Flow from Operations



## Financial Highlights

- 42.4% increase in Property Investment Portfolio revenue segment (YoY)
- 46.1% increase in Total Revenue (YoY)
- 54.5% increase in Real Estate Services revenue segment (YoY)
- 78.2% increase in Cash Flow from Operations (YoY)

## Operational Highlights

- Opened access to Capital Sources for prospective Property Acquisitions & Revenue Growth
- Diversified Property Investment Portfolio, increasing Annual Rental Revenue to >\$2.3 Million
- Focused on Talent Acquisition to support growing team and national operations expansion



# Executive Management

# Executive Management

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## **Bryan McLaren, MBA** | Chairman of the Board & Chief Executive Officer

Mr. McLaren has a strong professional background in the social, economic, and environmental development of complex business organizations. Over his professional career, he has successfully implemented large-scale projects for corporate and community organizations. Mr. McLaren has been certified as a Licensed REALTOR, Green Roof Professional, LEED Green Associate, and is an active Forbes Contributor as part of the Forbes Real Estate Council. Prior to his role at Zoned Properties, McLaren worked as a Sustainability Consultant for Waste Management where he led the strategic development and operational implementation of zero-waste programs for Higher Education clients. Sustainable development has been a life-long passion for McLaren, who strives to create a global impact by forging a strong foundation for principles of sustainability in emerging industries.


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## **Berek Blackwell** | President & Chief Operating Officer

Mr. Blackwell has served as our Chief Operating Officer since July 1, 2021, and as our President since July 1, 2022. Prior to his appointment to these positions and since September 2020, Mr. Blackwell served as our Director of Business Development. From December 2018 until June 2021, Mr. Blackwell also served as President of Daily Jam Holdings LLC. From January 2016 to December 2018, he served as Vice President of Due North Holdings LLC.

Prior to joining the Company, Mr. Blackwell developed domestic and international markets for Kahala Brands, a global franchise organization with more than 3,000 retail locations in over a dozen countries. He also led emerging brand and portfolio operations for several private equity groups investing in the restaurant franchise space. Mr. Blackwell earned his B.A. in Finance from Fort Lewis College.



# Capital Structure

# Capital Structure

## Zoned Properties (OTCQB: ZDPY) Capital Markets Profile

12.2MM

Common Shares  
Outstanding\*

\$3.0MM

Cash on Hand\*

\$871.9K

Total Full Year Cash  
Flow from Operations\*\*

22%

Total Inside Beneficial  
Ownership\*\*

\$5.7MM

Market  
Capitalization\*\*\*

\* Figures are calculated from Q3 2023 financial reporting filed November 13, 2023

\*\* Figures are from most recently completed Full Year Financials (FY2022) filed March 28, 2023

\*\*\* Market Capitalization calculated as of November 8, 2023



# Investment Thesis

# Investment Thesis

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## **Property Investment Portfolio Generating >\$2.3 Million Passive Rental Revenue (Annually)**

Focused on Direct-to-Consumer commercial real estate investments within the regulated cannabis industry

## **Scalable Growth Model with 8 Years of Publicly Audited Company Financials & Reporting**

Tight capital structure & operating cash-flow, number of shares outstanding has remained the same since 2018 at 12,201,548

## **Non-Plant Touching Company in the High Growth Emerging Cannabis Industry**

The commercial cannabis industry topped \$38 billion in 2022, with analysts expecting the industry to reach \$57 billion by 2030

## **Competitive Positioning with Access to Unique Pipeline of New Property Acquisitions**

Zoned Properties has developed an integrated business model that fuels a strong pipeline for property investments.

## **Increasing Ability to Access Capital with Strong Reputation**

Established Banking Relationships & Capital Broker Partnerships. Secured \$4.5mm debt facility @ 7.65%.

# Company Contact Information

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**Bryan McLaren**  
Chairman, CEO, & CFO

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