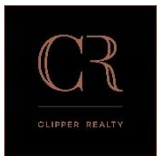




Clipper Realty Inc.

SUPPLEMENTAL DATA

First Quarter 2020



Clipper Realty Inc. Announces First Quarter 2020 Results

**Reports Record Quarterly Revenues and Record Quarterly Net Operating Income;
Announces Additional Liquidity Through Refinancing of Flatbush Gardens Property**

NEW YORK, May 11, 2020 /Business Wire/ -- Clipper Realty Inc. (NYSE: CLPR) (the “Company”), a leading owner and operator of multifamily residential and commercial properties in the New York metropolitan area, today announced financial and operating results for the three months ended March 31, 2020.

Highlights for the Three Months Ended March 31, 2020

- Achieved record quarterly revenues of \$30.9 million for the first quarter of 2020, representing an increase of 11.7% compared to the same period in 2019. Residential rental income increased 3.2% and 4.5% at the Flatbush Gardens and Tribeca House properties, respectively, for the first quarter of 2020
- Achieved quarterly income from operations of \$9.0 million for the first quarter of 2020, representing an increase of 10.3% compared to the same period in 2019
- Achieved record quarterly net operating income (“NOI”)¹ of \$17.1 million for the first quarter of 2020, representing an increase of 16.3% compared to the same period in 2019
- Recorded quarterly net loss of \$0.8 million for the first quarter of 2020
- Achieved quarterly adjusted funds from operations (“AFFO”)¹ of \$5.6 million for the first quarter of 2020, representing an increase of 5.8% compared to the same period in 2019
- Declared a dividend of \$0.095 per share for the first quarter of 2020

The Company also announced today the refinancing of its Flatbush Gardens property, providing significant additional liquidity.

David Bistricher, Co-Chairman and Chief Executive Officer, commented,

“We are very pleased with our first quarter 2020 results, especially in light of the evolving COVID-19 pandemic. The safety of our tenants and employees remains our highest priority. Our properties remain operational and are currently 98% leased, with essential staff and key procedures in place to manage through the pandemic. Our April collections were equal to 94% of our March collections, prior to the impact of COVID-19. We are extremely pleased to also announce that we have refinanced our Flatbush Gardens property with a \$329 million, twelve-year loan. The loan bears interest at 3.125% and requires interest-only payments for the first seven years, which is expected to initially reduce annual debt service by \$3.0 million. The loan adds approximately \$78 million, before reserves, to our liquidity position. In addition, we have no debt maturities on any of our operating properties until 2027. We remain focused on executing our strategic initiatives, including expertly operating our high-quality portfolio, driving cash flow, enhancing efficiencies through asset repositioning and increasing scale, to create long-term value.”

Financial Results

For the first quarter of 2020, revenues increased by \$3.2 million, or 11.7%, to \$30.9 million, compared to \$27.7 million for the first quarter of 2019. The growth was primarily attributable to improvements in

¹ NOI and AFFO are non-GAAP financial measures. For a definition of these financial measures and a reconciliation of such measures to the most comparable GAAP measures, see “Reconciliation of Non-GAAP Measures” at the end of this release.

residential rental rates at the Flatbush Gardens and Tribeca House properties, bringing the Clover House property online during the third quarter of 2019, and completing renovation and re-leasing of approximately 50% of the units at the 10 West 65th Street property during the second quarter of 2019.

For the first quarter of 2020, net loss was \$0.8 million, or \$0.02 per share, compared to net loss of \$0.1 million, or \$0.01 per share, for the first quarter of 2019. The change was primarily attributable to the revenue increases discussed above and lower property operating expenses, offset by higher property taxes, insurance expense, depreciation and amortization expense, and general and administrative expenses (each such expense inclusive of the impact of bringing the Clover House property online), and higher interest expense primarily resulting from the refinancing of the 250 Livingston Street property in May 2019 and the recognition of interest expense in connection with bringing the Clover House property online.

For the first quarter of 2020, AFFO was \$5.6 million, or \$0.13 per share, compared to \$5.3 million, or \$0.12 per share, for the first quarter of 2019. The increase was primarily attributable to the revenue increases discussed above and lower property operating expenses, partially offset by higher property taxes, insurance expense, recurring cash general and administrative expenses, and interest expense.

Balance Sheet

At March 31, 2020, notes payable (excluding unamortized loan costs) was \$1,008.7 million, compared to \$1,009.4 million at December 31, 2019; the decrease primarily reflected scheduled principal amortization.

Flatbush Gardens Refinancing

On May 8, 2020, the Company refinanced the debt on its Flatbush Gardens property with a \$329 million, twelve-year secured first mortgage loan with New York Community Bank, the property's current lender. The loan bears interest at 3.125% and requires interest-only payments for the first seven years, which is expected to initially reduce annual debt service by \$3.0 million (pro forma for scheduled principal amortization on the existing loan). With the proceeds, the Company repaid the \$246 million loan on the property due March 2028, which bore interest at 3.5% through February 2023 and was scheduled to commence principal amortization in September 2020. Net remaining proceeds of \$77.8 million, before reserves, increased the Company's cash position. In connection with the refinancing, an independent appraisal commissioned by the lender valued the property at \$475 million.

Dividend

The Company today declared a first quarter dividend of \$0.095 per share, the same amount as last quarter, to shareholders of record on May 22, 2020, payable May 29, 2020.

Conference Call and Supplemental Material

The Company will host a conference call on May 11, 2020, at 5:00 PM Eastern Time to discuss the first quarter 2020 results and provide a business update pertaining to the COVID-19 pandemic. The conference call can be accessed by dialing (800) 346-7359 or (973) 528-0008, conference entry code 848521. A replay of the call will be available from May 11, 2020, following the call, through May 25, 2020, by dialing (800) 332-6854 or (973) 528-0005, replay conference ID 848521. Supplemental data to this release can be found under the "Quarterly Earnings" navigation tab on the "Investors" page of our website at www.clipperrealty.com. The Company's filings with the Securities and Exchange Commission ("SEC") are filed at www.sec.gov under Clipper Realty Inc.

About Clipper Realty Inc.

Clipper Realty Inc. (NYSE: CLPR) is a self-administered and self-managed real estate company that acquires, owns, manages, operates and repositions multifamily residential and commercial properties in the New York metropolitan area, with a portfolio in Manhattan and Brooklyn. For more information on the Company, please visit www.clipperrealty.com.

Forward-Looking Statements

Various statements contained in this press release, including those that express a belief, expectation or intention, as well as those that are not statements of historical fact, are forward-looking statements. These forward-looking statements may include estimates concerning capital projects and the success of specific properties. Our forward-looking statements are generally accompanied by words such as "estimate," "project," "predict," "believe," "expect," "intend," "anticipate," "potential," "plan" or other words that convey the uncertainty of future events or outcomes. The forward-looking statements in this press release speak only as of the date of this press release.

We disclaim any obligation to update these statements unless required by law, and we caution you not to rely on them unduly. We have based these forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties (including uncertainties regarding the impact of the COVID-19 pandemic, and measures intended to curb its spread, on our business, our tenants and the economy generally), most of which are difficult to predict and many of which are beyond our control and which may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. For a discussion of these and other important factors that could affect our actual results, please refer to our filings with the SEC, including the "Risk Factors" section of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, our Annual Report on Form 10-K for the year ended December 31, 2019, and other reports filed from time to time with the SEC.

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Clipper Realty Inc.
Consolidated Balance Sheets
(In thousands, except for share and per share data)

	March 31, 2020	December 31,
	(unaudited)	2019
ASSETS		
Investment in real estate		
Land and improvements	\$ 540,859	\$ 540,859
Building and improvements	607,353	602,547
Tenant improvements	3,051	3,051
Furniture, fixtures and equipment	11,865	11,707
Real estate under development	32,894	31,787
Total investment in real estate	1,196,022	1,189,951
Accumulated depreciation	(114,903)	(109,418)
Investment in real estate, net	1,081,119	1,080,533
Cash and cash equivalents	36,298	42,500
Restricted cash	17,572	14,432
Tenant and other receivables, net of allowance for doubtful accounts of \$3,692 and \$3,361, respectively	4,750	4,187
Deferred rent	1,073	1,274
Deferred costs and intangible assets, net	8,560	8,782
Prepaid expenses and other assets	8,581	14,499
TOTAL ASSETS	\$ 1,157,953	\$ 1,166,207
LIABILITIES AND EQUITY		
Liabilities:		
Notes payable, net of unamortized loan costs of \$10,958 and \$11,528, respectively	\$ 997,752	\$ 997,903
Accounts payable and accrued liabilities	9,793	13,029
Security deposits	7,637	7,570
Below-market leases, net	1,496	1,625
Other liabilities	4,416	4,297
TOTAL LIABILITIES	1,021,094	1,024,424
Equity:		
Preferred stock, \$0.01 par value; 100,000 shares authorized (including 140 shares of 12.5% Series A cumulative non-voting preferred stock), zero shares issued and outstanding	-	-
Common stock, \$0.01 par value; 500,000,000 shares authorized, 17,814,672 shares issued and outstanding	178	178
Additional paid-in-capital	93,461	93,431
Accumulated deficit	(38,393)	(36,375)
Total stockholders' equity	55,246	57,234
Non-controlling interests	81,613	84,549
TOTAL EQUITY	136,859	141,783
TOTAL LIABILITIES AND EQUITY	\$ 1,157,953	\$ 1,166,207

Clipper Realty Inc.
Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)

	Three Months Ended March 31,	
	2020	2019
REVENUES		
Residential rental income	\$ 23,718	\$ 20,772
Commercial rental income	7,168	6,880
TOTAL REVENUES	30,886	27,652
OPERATING EXPENSES		
Property operating expenses	7,159	7,563
Real estate taxes and insurance	6,864	5,731
General and administrative	2,323	1,668
Depreciation and amortization	5,558	4,549
TOTAL OPERATING EXPENSES	21,904	19,511
INCOME FROM OPERATIONS	8,982	8,141
Interest expense, net	(9,788)	(8,274)
Net loss	(806)	(133)
Net loss attributable to non-controlling interests	480	79
Net loss attributable to common stockholders	\$ (326)	\$ (54)
Basic and diluted net loss per share	\$ (0.02)	\$ (0.01)
Weighted average common shares / OP units		
Common shares outstanding	17,815	17,813
OP units outstanding	26,317	26,317
Diluted shares outstanding	44,132	44,130

Clipper Realty Inc.
Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (806)	\$ (133)
<i>Adjustments to reconcile net loss to net cash provided by operating activities:</i>		
Depreciation	5,485	4,361
Amortization of deferred financing costs	304	504
Amortization of deferred costs and intangible assets	192	307
Amortization of above- and below-market leases	(99)	(424)
Deferred rent	201	634
Stock-based compensation	158	156
<i>Changes in operating assets and liabilities:</i>		
Tenant and other receivables	(563)	672
Prepaid expenses, other assets and deferred costs	5,918	5,812
Accounts payable and accrued liabilities	(1,926)	(646)
Security deposits	67	67
Other liabilities	119	640
Net cash provided by operating activities	9,050	11,950
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to land, buildings and improvements	(7,101)	(10,208)
Sale and purchase of interest rate caps, net	(14)	-
Net cash used in investing activities	(7,115)	(10,208)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of mortgage notes	(897)	(711)
Proceeds from mortgage notes	176	-
Dividends and distributions	(4,276)	(4,261)
Net cash used in financing activities	(4,997)	(4,972)
Net decrease in cash and cash equivalents and restricted cash	(3,062)	(3,230)
Cash and cash equivalents and restricted cash - beginning of period	56,932	45,864
Cash and cash equivalents and restricted cash - end of period	\$ 53,870	\$ 42,634
Cash and cash equivalents and restricted cash - beginning of period:		
Cash and cash equivalents	\$ 42,500	\$ 37,028
Restricted cash	14,432	8,836
Total cash and cash equivalents and restricted cash - beginning of period	<u>\$ 56,932</u>	<u>\$ 45,864</u>
Cash and cash equivalents and restricted cash - end of period:		
Cash and cash equivalents	\$ 36,298	\$ 29,379
Restricted cash	17,572	13,255
Total cash and cash equivalents and restricted cash - end of period	<u>\$ 53,870</u>	<u>\$ 42,634</u>
Supplemental cash flow information:		
Cash paid for interest, net of capitalized interest of \$300 and \$1,836 in 2020 and 2019, respectively	\$ 9,532	\$ 8,290
Non-cash interest capitalized to real estate under development	280	348
Additions to investment in real estate included in accounts payable and accrued liabilities	2,581	6,656

Clipper Realty Inc.
Reconciliation of Non-GAAP Measures
(In thousands, except per share data)
(Unaudited)

Non-GAAP Financial Measures

We disclose and discuss funds from operations (“FFO”), adjusted funds from operations (“AFFO”), adjusted earnings before interest, income taxes, depreciation and amortization (“Adjusted EBITDA”) and net operating income (“NOI”) all of which meet the definition of “non-GAAP financial measure” set forth in Item 10(e) of Regulation S-K promulgated by the SEC.

While management and the investment community in general believe that presentation of these measures provides useful information to investors, neither FFO, AFFO, Adjusted EBITDA, nor NOI should be considered as an alternative to net income (loss) or income from operations as an indication of our performance. We believe that to understand our performance further, FFO, AFFO, Adjusted EBITDA, and NOI should be compared with our reported net income or income from operations and considered in addition to cash flows computed in accordance with GAAP, as presented in our consolidated financial statements.

Funds From Operations and Adjusted Funds From Operations

FFO is defined by the National Association of Real Estate Investment Trusts (“NAREIT”) as net income (computed in accordance with GAAP), excluding gains (or losses) from sales of property and impairment adjustments, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Our calculation of FFO is consistent with FFO as defined by NAREIT.

AFFO is defined by us as FFO excluding amortization of identifiable intangibles incurred in property acquisitions, straight-line rent adjustments to revenue from long-term leases, amortization costs incurred in originating debt, interest rate cap mark-to-market adjustments, amortization of non-cash equity compensation, acquisition and other costs, loss on extinguishment of debt, gain on involuntary conversion and non-recurring litigation-related expenses, less recurring capital spending.

Historical cost accounting for real estate assets implicitly assumes that the value of real estate assets diminishes predictably over time. In fact, real estate values have historically risen or fallen with market conditions. FFO is intended to be a standard supplemental measure of operating performance that excludes historical cost depreciation and valuation adjustments from net income. We consider FFO useful in evaluating potential property acquisitions and measuring operating performance. We further consider AFFO useful in determining funds available for payment of distributions. Neither FFO nor AFFO represent net income or cash flows from operations computed in accordance with GAAP. You should not consider FFO and AFFO to be alternatives to net income (loss) as reliable measures of our operating performance; nor should you consider FFO and AFFO to be alternatives to cash flows from operating, investing or financing activities (computed in accordance with GAAP) as measures of liquidity.

Neither FFO nor AFFO measure whether cash flow is sufficient to fund all of our cash needs, including principal amortization, capital improvements and distributions to stockholders. FFO and AFFO do not represent cash flows from operating, investing or financing activities computed in accordance with GAAP. Further, FFO and AFFO as disclosed by other REITs might not be comparable to our calculations of FFO and AFFO.

The following table sets forth a reconciliation of FFO and AFFO for the periods presented to net loss, computed in accordance with GAAP (amounts in thousands):

	Three Months Ended March 31,	
	2020	2019
FFO		
Net loss	\$ (806)	\$ (133)
Real estate depreciation and amortization	5,558	4,549
FFO	\$ 4,752	\$ 4,416
AFFO		
FFO	\$ 4,752	\$ 4,416
Amortization of real estate tax intangible	119	119
Amortization of above- and below-market leases	(99)	(424)
Straight-line rent adjustments	201	634
Amortization of debt origination costs	304	504
Amortization of LTIP awards	158	156
Non-recurring litigation-related expenses	264	-
Recurring capital spending	(145)	(153)
AFFO	\$ 5,554	\$ 5,252
<i>AFFO Per Share/Unit</i>	<i>\$ 0.13</i>	<i>\$ 0.12</i>

Adjusted Earnings Before Interest, Income Taxes, Depreciation and Amortization

We believe that Adjusted EBITDA is a useful measure of our operating performance. We define Adjusted EBITDA as net income (loss) before allocation to non-controlling interests, plus real estate depreciation and amortization, amortization of identifiable intangibles, straight-line rent adjustments to revenue from long-term leases, amortization of non-cash equity compensation, interest expense (net), acquisition and other costs, loss on extinguishment of debt and non-recurring litigation-related expenses, less gain on involuntary conversion.

We believe that this measure provides an operating perspective not immediately apparent from GAAP income from operations or net income (loss). We consider Adjusted EBITDA to be a meaningful financial measure of our core operating performance.

However, Adjusted EBITDA should only be used as an alternative measure of our financial performance. Further, other REITs may use different methodologies for calculating Adjusted EBITDA, and accordingly, our Adjusted EBITDA may not be comparable to that of other REITs.

The following table sets forth a reconciliation of Adjusted EBITDA for the periods presented to net loss, computed in accordance with GAAP (amounts in thousands):

	Three Months Ended March 31,	
	2020	2019
Adjusted EBITDA		
Net loss	\$ (806)	\$ (133)
Real estate depreciation and amortization	5,558	4,549
Amortization of real estate tax intangible	119	119
Amortization of above- and below-market leases	(99)	(424)
Straight-line rent adjustments	201	634
Amortization of LTIP awards	158	156
Interest expense, net	9,788	8,274
Non-recurring litigation-related expenses	264	-
Adjusted EBITDA	\$ 15,183	\$ 13,175

Net Operating Income

We believe that NOI is a useful measure of our operating performance. We define NOI as income from operations plus real estate depreciation and amortization, general and administrative expenses, acquisition and other costs, amortization of identifiable intangibles and straight-line rent adjustments to revenue from long-term leases. We believe that this measure is widely recognized and provides an operating perspective not immediately apparent from GAAP income from operations or net income (loss). We use NOI to evaluate our performance because NOI allows us to evaluate the operating performance of our company by measuring the core operations of property performance and capturing trends in rental housing and property operating expenses. NOI is also a widely used metric in valuation of properties.

However, NOI should only be used as an alternative measure of our financial performance. Further, other REITs may use different methodologies for calculating NOI, and accordingly, our NOI may not be comparable to that of other REITs.

The following table sets forth a reconciliation of NOI for the periods presented to income from operations, computed in accordance with GAAP (amounts in thousands):

	Three Months Ended March 31,	
	2020	2019
NOI		
Income from operations	\$ 8,982	\$ 8,141
Real estate depreciation and amortization	5,558	4,549
General and administrative expenses	2,323	1,668
Amortization of real estate tax intangible	119	119
Amortization of above- and below-market leases	(99)	(424)
Straight-line rent adjustments	201	634
NOI	\$ 17,084	\$ 14,687

Clipper Realty Inc.
Consolidated Balance Sheets
(In thousands, except for share and per share data)

	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
	(unaudited)		(unaudited)	(unaudited)	(unaudited)		(unaudited)	(unaudited)
ASSETS								
Investment in real estate								
Land and improvements	\$ 540,859	\$ 540,859	\$ 540,859	\$ 497,343	\$ 497,343	\$ 497,343	\$ 497,343	\$ 497,343
Building and improvements	607,353	602,547	597,600	489,383	483,786	479,360	475,278	471,155
Tenant improvements	3,051	3,051	3,051	3,051	3,051	3,051	3,040	3,030
Furniture, fixtures and equipment	11,865	11,707	11,659	11,364	11,052	10,978	10,707	10,535
Real estate under development	32,894	31,787	-	139,061	132,181	125,467	116,752	111,054
Total investment in real estate	1,196,022	1,189,951	1,153,169	1,140,202	1,127,413	1,116,199	1,103,120	1,093,117
Accumulated depreciation	(114,903)	(109,418)	(103,958)	(99,217)	(94,823)	(90,462)	(86,027)	(81,881)
Investment in real estate, net	1,081,119	1,080,533	1,049,211	1,040,985	1,032,590	1,025,737	1,017,093	1,011,236
Cash and cash equivalents	36,298	42,500	43,552	56,349	29,379	37,028	12,372	15,794
Restricted cash	17,572	14,432	17,084	16,455	13,255	8,836	12,713	12,456
Tenant and other receivables, net of allowance for doubtful accounts	4,750	4,187	4,979	3,358	2,908	3,580	3,259	2,683
Deferred rent	1,073	1,274	1,485	1,669	1,851	2,485	2,743	3,001
Deferred costs and intangible assets, net	8,560	8,782	9,053	9,373	9,665	9,964	10,311	10,677
Prepaid expenses and other assets	8,581	14,499	12,954	13,193	7,506	13,378	9,179	12,347
TOTAL ASSETS	\$ 1,157,953	\$ 1,166,207	\$ 1,138,318	\$ 1,141,382	\$ 1,097,154	\$ 1,101,008	\$ 1,067,670	\$ 1,068,194
LIABILITIES AND EQUITY								
Liabilities:								
Notes payable, net of unamortized loan costs	\$ 997,752	\$ 997,903	\$ 963,218	\$ 963,335	\$ 913,683	\$ 913,564	\$ 873,110	\$ 872,579
Accounts payable and accrued liabilities	9,793	13,029	12,252	12,711	12,562	12,550	13,713	12,000
Security deposits	7,637	7,570	7,569	7,035	6,704	6,637	6,831	6,680
Below-market leases, net	1,496	1,625	1,754	2,034	2,469	2,923	3,461	3,999
Other liabilities	4,416	4,297	5,141	3,751	4,489	3,849	3,512	3,294
TOTAL LIABILITIES	1,021,094	1,024,424	989,934	988,866	939,907	939,523	900,627	898,552
Equity:								
Preferred stock, \$0.01 par value; 100,000 shares authorized (including 140 shares of 12.5% Series A cumulative non-voting preferred stock)	-	-	-	-	-	-	-	-
Common stock, \$0.01 par value; 500,000,000 shares authorized	178	178	178	178	178	178	178	178
Additional paid-in-capital	93,461	93,431	93,332	93,235	92,980	92,945	92,864	92,726
Accumulated deficit	(38,393)	(36,375)	(33,612)	(31,847)	(29,687)	(27,941)	(25,616)	(24,429)
Total stockholders' equity	55,246	57,234	59,898	61,566	63,471	65,182	67,426	68,475
Non-controlling interests	81,613	84,549	88,486	90,950	93,776	96,303	99,617	101,167
TOTAL EQUITY	136,859	141,783	148,384	152,516	157,247	161,485	167,043	169,642
TOTAL LIABILITIES AND EQUITY	\$ 1,157,953	\$ 1,166,207	\$ 1,138,318	\$ 1,141,382	\$ 1,097,154	\$ 1,101,008	\$ 1,067,670	\$ 1,068,194

Clipper Realty Inc.
Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)

	Three Months Ended March 31,	
	2020	2019
REVENUES		
Residential rental income	\$ 23,718	\$ 20,772
Commercial rental income	7,168	6,880
TOTAL REVENUES	30,886	27,652
OPERATING EXPENSES		
Property operating expenses	7,159	7,563
Real estate taxes and insurance	6,864	5,731
General and administrative	2,323	1,668
Depreciation and amortization	5,558	4,549
TOTAL OPERATING EXPENSES	21,904	19,511
INCOME FROM OPERATIONS	8,982	8,141
Interest expense, net	(9,788)	(8,274)
Net loss	(806)	(133)
Net loss attributable to non-controlling interests	480	79
Net loss attributable to common stockholders	\$ (326)	\$ (54)
Basic and diluted net loss per share	\$ (0.02)	\$ (0.01)
Weighted average common shares / OP units		
Common shares outstanding	17,815	17,813
OP units outstanding	26,317	26,317
Diluted shares outstanding	44,132	44,130

Clipper Realty Inc.
Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Three Months Ended March 31,		Three Months Ended		
	2020	2019	12/31/2019	9/30/2019	6/30/2019
CASH FLOWS FROM OPERATING ACTIVITIES					
Net loss	\$ (806)	\$ (133)	\$ (2,650)	\$ (182)	\$ (1,158)
<i>Adjustments to reconcile net loss to net cash provided by operating activities:</i>					
Depreciation	5,485	4,361	5,460	4,741	4,394
Amortization of deferred financing costs	304	504	424	335	424
Amortization of deferred costs and intangible assets	192	307	242	310	316
Amortization of above- and below-market leases	(99)	(424)	(100)	(250)	(406)
Loss on extinguishment of debt	-	-	661	-	1,771
Deferred rent	201	634	211	184	182
Stock-based compensation	158	156	325	325	704
<i>Changes in operating assets and liabilities:</i>					
Tenant and other receivables	(563)	672	792	(1,621)	(450)
Prepaid expenses, other assets and deferred costs	5,918	5,812	(3,095)	1,769	(5,742)
Accounts payable and accrued liabilities	(1,926)	(646)	3,955	412	(1,135)
Security deposits	67	67	1	534	331
Other liabilities	119	640	(844)	1,390	(738)
Net cash provided by operating activities	9,050	11,950	5,382	7,947	(1,507)
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions to land, buildings and improvements	(7,101)	(10,208)	(8,812)	(13,579)	(11,175)
Sale and purchase of interest rate caps, net	(14)	-	-	-	-
Acquisition deposit	-	-	1,550	(1,550)	-
Cash paid in connection with acquisition of real estate	-	-	(31,129)	-	-
Net cash used in investing activities	(7,115)	(10,208)	(38,391)	(15,129)	(11,175)
CASH FLOWS FROM FINANCING ACTIVITIES					
Payments of mortgage notes	(897)	(711)	(65,511)	(711)	(75,705)
Proceeds from mortgage notes	176	-	101,457	-	125,000
Dividends and distributions	(4,276)	(4,261)	(4,276)	(4,275)	(4,277)
Loan issuance and extinguishment costs	-	-	(2,365)	-	(2,166)
Net cash used in financing activities	(4,997)	(4,972)	29,305	(4,986)	42,852
Net increase (decrease) in cash and cash equivalents and restricted cash	(3,062)	(3,230)	(3,704)	(12,168)	30,170
Cash and cash equivalents and restricted cash - beginning of period	56,932	45,864	60,636	72,804	42,634
Cash and cash equivalents and restricted cash - end of period	\$ 53,870	\$ 42,634	\$ 56,932	\$ 60,636	\$ 72,804
Cash and cash equivalents and restricted cash - beginning of period:					
Cash and cash equivalents	\$ 42,500	\$ 37,028	\$ 43,552	\$ 56,349	\$ 29,379
Restricted cash	14,432	8,836	17,084	16,455	13,255
Total cash and cash equivalents and restricted cash - beginning of period	\$ 56,932	\$ 45,864	\$ 60,636	\$ 72,804	\$ 42,634
Cash and cash equivalents and restricted cash - end of period:					
Cash and cash equivalents	\$ 36,298	\$ 29,379	\$ 42,500	\$ 43,552	\$ 56,349
Restricted cash	17,572	13,255	14,432	17,084	16,455
Total cash and cash equivalents and restricted cash - end of period	\$ 53,870	\$ 42,634	\$ 56,932	\$ 60,636	\$ 72,804
Supplemental cash flow information:					
Cash paid for interest, net of capitalized interest of \$300 and \$1,836 in 2020 and 2019, respectively	\$ 9,532	\$ 8,290			
Non-cash interest capitalized to real estate under development	280	348			
Additions to investment in real estate included in accounts payable and accrued liabilities	2,581	6,656			

CLIPPER REALTY INC.
SUPPLEMENTAL DATA (UNAUDITED)
March 2020
(In thousands)

	Three months ended							
	Mar-20	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18
Revenue								
141 Livingston	\$ 3,063	\$ 3,126	\$ 2,998	\$ 2,901	\$ 2,952	\$ 2,823	\$ 2,905	\$ 2,851
250 Livingston	2,739	2,718	2,883	2,950	2,875	2,882	2,898	2,861
Flatbush Gardens	10,891	10,871	10,819	10,726	10,541	10,380	10,103	9,888
Tribeca	9,711	9,826	9,751	9,635	9,017	9,236	9,435	9,099
Aspen	1,892	1,833	1,858	1,824	1,801	1,826	1,846	1,838
10 West 65th Street	863	870	753	410	466	735	760	764
Clover House	1,727	1,383	378	-	-	-	-	-
Total Revenue	30,886	30,627	29,440	28,446	27,652	27,881	27,948	27,300
Operating Expenses								
141 Livingston	(1,048)	(1,004)	(1,066)	(884)	(898)	(812)	(903)	(768)
250 Livingston	(991)	(917)	(967)	(852)	(930)	(850)	(893)	(852)
Flatbush Gardens	(6,090)	(6,075)	(6,122)	(5,943)	(6,514)	(5,953)	(6,052)	(5,658)
Tribeca	(4,177)	(4,262)	(4,452)	(3,872)	(3,961)	(3,784)	(3,926)	(3,830)
Aspen	(749)	(683)	(658)	(564)	(627)	(606)	(572)	(548)
10 West 65th Street	(360)	(347)	(436)	(340)	(365)	(377)	(283)	(287)
Clover House	(608)	(720)	(396)	-	-	-	-	-
Total Operating Expenses	(14,023)	(14,008)	(14,097)	(12,454)	(13,294)	(12,383)	(12,630)	(11,944)
Net Operating Income GAAP ("NOI (GAAP)") (1)								
141 Livingston	2,015	2,122	1,932	2,017	2,055	2,011	2,002	2,082
250 Livingston	1,748	1,801	1,916	2,098	1,946	2,032	2,005	2,009
Flatbush Gardens	4,801	4,796	4,697	4,783	4,027	4,427	4,051	4,230
Tribeca	5,534	5,564	5,299	5,763	5,056	5,452	5,509	5,269
Aspen	1,143	1,150	1,200	1,260	1,174	1,219	1,274	1,290
10 West 65th Street	503	523	317	70	101	358	477	477
Clover House	1,119	663	(18)	-	-	-	-	-
Total NOI (GAAP)	16,863	16,619	15,343	15,992	14,358	15,498	15,318	15,357
General and administrative expenses	(2,323)	(3,016)	(1,904)	(2,579)	(1,668)	(2,271)	(1,858)	(2,606)
Acquisition and other costs	-	-	-	-	-	(101)	-	-
Depreciation and amortization	(5,558)	(5,581)	(4,929)	(4,590)	(4,549)	(4,623)	(4,351)	(4,435)
Interest expense, net	(9,788)	(10,011)	(8,692)	(8,210)	(8,274)	(8,178)	(8,052)	(8,008)
Loss on extinguishment of debt	-	(661)	-	(1,771)	-	(1,891)	-	-
Gain on involuntary conversion	-	-	-	-	-	-	194	-
Net income (loss)	\$ (806)	\$ (2,650)	\$ (182)	\$ (1,158)	\$ (133)	\$ (1,566)	\$ 1,251	\$ 308

(1) Equals revenue less operating expenses

CLIPPER REALTY INC.
SUPPLEMENTAL DATA (UNAUDITED)
March 2020
(In thousands)

	Three months ended							
	Mar-20	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18
Funds from Operations ("FFO")								
Net income (loss)	\$ (806)	\$ (2,650)	\$ (182)	\$ (1,158)	\$ (133)	\$ (1,566)	\$ 1,251	\$ 308
Real estate depreciation and amortization	5,558	5,581	4,929	4,590	4,549	4,623	4,351	4,435
FFO	\$ 4,752	\$ 2,931	\$ 4,747	\$ 3,432	\$ 4,416	\$ 3,057	\$ 5,602	\$ 4,743
Adjusted Funds from Operations ("AFFO")								
FFO	\$ 4,752	\$ 2,931	\$ 4,747	\$ 3,432	\$ 4,416	\$ 3,057	\$ 5,602	\$ 4,743
Amortization of real estate tax intangible	119	121	122	120	119	120	119	118
Amortization of above- and below-market leases	(99)	(100)	(250)	(406)	(424)	(479)	(479)	(480)
Straight-line rent adjustments	201	211	184	182	634	258	258	257
Amortization of debt origination costs	304	424	334	424	504	305	232	231
Interest rate cap mark-to-market adjustments	-	0	0	-	-	29	-	(10)
Amortization of LTIP awards	158	325	325	704	156	270	411	691
Acquisition and other	-	-	-	-	-	101	-	-
Loss on extinguishment of debt	-	661	-	1,771	-	1,891	-	-
Gain on involuntary conversion	-	-	-	-	-	-	(194)	-
Non-recurring litigation-related expenses	264	879	87	-	-	-	-	-
Recurring capital spending	(145)	(188)	(126)	(127)	(153)	(147)	(184)	(101)
AFFO	\$ 5,554	\$ 5,264	\$ 5,423	\$ 6,100	\$ 5,252	\$ 5,405	\$ 5,765	\$ 5,449
Adjusted Earnings Before Interest, Taxes and Depreciation and Amortization ("Adjusted EBITDA")								
Net income (loss)	\$ (806)	\$ (2,650)	\$ (182)	\$ (1,158)	\$ (133)	\$ (1,566)	\$ 1,251	\$ 308
Real estate depreciation and amortization	5,558	5,581	4,929	4,590	4,549	4,623	4,351	4,435
Amortization of real estate tax intangible	119	121	122	120	119	120	119	118
Amortization of above- and below-market leases	(99)	(100)	(250)	(406)	(424)	(479)	(479)	(480)
Straight-line rent adjustments	201	211	184	182	634	258	258	257
Amortization of LTIP awards	158	325	325	704	156	270	411	691
Interest expense, net	9,788	10,011	8,692	8,210	8,274	8,178	8,052	8,008
Acquisition and other	-	-	-	-	-	101	-	-
Loss on extinguishment of debt	-	661	-	1,771	-	1,891	-	-
Gain on involuntary conversion	-	-	-	-	-	-	(194)	-
Non-recurring litigation-related expenses	264	879	87	-	-	-	-	-
Adjusted EBITDA	\$ 15,183	\$ 15,039	\$ 13,907	\$ 14,013	\$ 13,175	\$ 13,396	\$ 13,769	\$ 13,337
Net Operating Income ("NOI")								
Income from operations	8,982	8,022	8,510	\$ 8,823	\$ 8,141	\$ 8,503	\$ 9,109	\$ 8,316
Real estate depreciation and amortization	5,558	5,581	4,929	4,590	4,549	4,623	4,351	4,435
General and administrative expenses	2,323	3,016	1,904	2,579	1,668	2,271	1,858	2,606
Acquisition and other	-	-	-	-	-	101	-	-
Amortization of real estate tax intangible	119	121	122	120	119	120	119	118
Amortization of above- and below-market leases	(99)	(100)	(250)	(406)	(424)	(479)	(479)	(480)
Straight-line rent adjustments	201	211	184	182	634	258	258	257
NOI	\$ 17,084	\$ 16,851	\$ 15,399	\$ 15,888	\$ 14,687	\$ 15,397	\$ 15,216	\$ 15,252

CLIPPER REALTY INC.
SUPPLEMENTAL DATA (UNAUDITED)
March 2020
(In thousands)

	Three months ended							
	Mar-20	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18
Dividends Paid								
Stockholders	\$ 1,692	\$ 1,692	\$ 1,692	\$ 1,692	\$ 1,692	\$ 1,692	\$ 1,692	\$ 1,692
Class B unitholders	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
LTIP holders	84	84	84	83	69	69	69	69
Total Dividends Paid	\$ 4,276	\$ 4,276	\$ 4,276	\$ 4,276	\$ 4,261	\$ 4,261	\$ 4,261	\$ 4,261
Share Data								
Common shares	17,815	17,815	17,815	17,815	17,813	17,813	17,813	17,813
Class B LLC units	26,317	26,317	26,317	26,317	26,317	26,317	26,317	26,317
Diluted shares outstanding	44,132	44,132	44,132	44,132	44,130	44,130	44,130	44,130
LTIP units	881	881	881	881	877	724	724	724
	<u>45,013</u>	<u>45,013</u>	<u>45,013</u>	<u>45,013</u>	<u>45,007</u>	<u>44,855</u>	<u>44,855</u>	<u>44,855</u>
Cash Flow Data								
Operating activities	\$ 9,050	\$ 5,382	\$ 7,947	\$ (1,507)	\$ 11,950	\$ (1,445)	\$ 10,102	\$ 2,893
Investing activities	(7,115)	(38,391)	(15,129)	(11,175)	(10,208)	(11,451)	(8,983)	(8,749)
Financing activities	(4,997)	29,305	(4,986)	42,852	(4,972)	33,675	(4,284)	(3,555)
Balance Sheet Data								
Investment in real estate, net	\$ 1,081,119	\$ 1,080,533	\$ 1,049,211	\$ 1,040,985	\$ 1,032,590	\$ 1,025,737	\$ 1,017,093	\$ 1,011,236
Cash and cash equivalents	36,298	42,500	43,552	56,349	29,379	37,028	12,372	15,794
Restricted cash	17,572	14,432	17,084	16,455	13,255	8,836	12,713	12,456
Total assets	1,157,953	1,166,207	1,138,318	1,141,382	1,097,154	1,101,008	1,067,670	1,068,194
Notes payable	997,752	997,903	963,218	963,335	913,683	913,564	873,110	872,579
Total liabilities	1,021,094	1,024,424	989,934	988,866	939,907	939,523	900,627	898,552
Equity	136,859	141,783	148,384	152,516	157,247	161,485	167,043	169,642
Notes Payable								
Flatbush Gardens (3.50%; Due 3/1/28)	\$ 246,000	\$ 246,000	\$ 246,000	\$ 246,000	\$ 246,000	\$ 246,000	\$ 246,000	\$ 246,000
250 Livingston (4.00%; Due 5/6/23)	-	-	-	-	-	-	33,715	33,906
250 Livingston (Libor + 2.15%; Due 12/9/20)	-	-	-	-	75,000	75,000	-	-
250 Livingston (3.63%; Due 6/6/29)	125,000	125,000	125,000	125,000	-	-	-	-
141 Livingston (3.875%; Due 6/1/28)	75,429	75,817	76,201	76,582	76,959	77,333	77,703	78,069
Tribeca House (4.506%; Due 3/6/28)	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000
Aspen (3.68%; Due 7/1/28)	66,520	66,862	67,204	67,534	67,861	68,199	68,415	68,734
Clover House (Libor + 3.85%; Due 5/9/20)	-	-	64,731	64,731	64,731	64,731	63,506	62,652
Clover House (3.53%; Due 12/1/29)	82,000	82,000	-	-	-	-	-	-
10 West 65th Street (3.375%; Due 11/1/27)	34,128	34,295	34,350	34,350	34,350	34,350	34,350	34,350
1010 Pacific Street (Libor + 3.60%; Due 12/24/20)	19,633	19,457	-	-	-	-	-	-
Principal amount outstanding	1,008,710	1,009,431	973,486	974,197	924,901	925,613	883,689	883,711
Unamortized loan costs	(10,958)	(11,528)	(10,268)	(10,862)	(11,218)	(12,049)	(10,579)	(11,132)
Notes Payable, net of unamortized loan costs	\$ 997,752	\$ 997,903	\$ 963,218	\$ 963,335	\$ 913,683	\$ 913,564	\$ 873,110	\$ 872,579

CLIPPER REALTY INC.
SUPPLEMENTAL DATA (UNAUDITED)
March 2020
(In thousands)

	Three months ended							
	Mar-20	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18
% Leased - Residential (end of period)								
250 Livingston	97.2%	100.0%	100.0%	100.0%	100.0%	94.4%	94.4%	88.9%
Flatbush Gardens	97.2%	97.6%	99.5%	98.9%	99.5%	98.4%	98.6%	97.5%
Tribeca	99.6%	98.2%	98.2%	99.6%	99.0%	95.5%	93.3%	97.6%
Aspen	100.0%	98.7%	97.8%	97.8%	97.8%	99.6%	97.0%	99.1%
10 West 65th Street	92.7%	98.8%	100.0%	96.3%	72.0%	86.6%	86.6%	86.6%
Clover House	98.7%	94.3%	84.8%	-	-	-	-	-
Rent PSF (end of period)								
141 Livingston - Office	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00
250 Livingston - Residential	\$ 50.98	\$ 47.69	\$ 50.55	\$ 50.53	\$ 48.71	\$ 44.98	\$ 50.47	\$ 50.01
250 Livingston - Office	\$ 27.71	\$ 27.71	\$ 27.71	\$ 27.71	\$ 27.71	\$ 27.71	\$ 27.71	\$ 27.71
Flatbush Gardens - Residential	\$ 24.95	\$ 24.61	\$ 24.49	\$ 24.30	\$ 24.04	\$ 23.77	\$ 23.38	\$ 22.89
Tribeca - Residential	\$ 70.75	\$ 70.52	\$ 70.85	\$ 68.77	\$ 69.14	\$ 69.58	\$ 68.92	\$ 67.79
Tribeca - Retail	\$ 51.69	\$ 52.23	\$ 52.23	\$ 52.23	\$ 51.56	\$ 50.87	\$ 50.87	\$ 50.61
Aspen - Residential	\$ 37.55	\$ 36.60	\$ 37.05	\$ 35.95	\$ 35.77	\$ 36.26	\$ 36.08	\$ 35.53
Aspen - Retail	\$ 46.87	\$ 48.39	\$ 44.27	\$ 44.22	\$ 44.22	\$ 44.22	\$ 44.22	\$ 44.18
10 West 65th Street - Residential	\$ 46.74	\$ 45.97	\$ 45.50	\$ 41.57	\$ 28.18	\$ 43.01	\$ 45.22	\$ 45.22
Clover House - Residential	\$ 70.76	\$ 69.09	\$ 69.52	-	-	-	-	-
Capital Spending								
Major capital improvements	\$ 5,768	\$ 5,417	\$ 12,547	\$ 12,349	\$ 10,988	\$ 12,650	\$ 9,686	\$ 9,738
Maintenance capex	145	188	126	127	153	147	184	101
Resident turnover	158	48	295	313	73	271	172	101
Commercial tenant improvements	-	-	-	-	-	11	10	2
Total Capital Spending	\$ 6,071	\$ 5,653	\$ 12,968	\$ 12,789	\$ 11,214	\$ 13,078	\$ 10,053	\$ 9,941