



Clipper Realty Inc.

SUPPLEMENTAL DATA

First Quarter 2022



Clipper Realty Inc. Announces First Quarter 2022 Results

NEW YORK, May 10, 2022 /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, 2022.

Highlights for the Three Months Ended March 31, 2022

- Achieved record quarterly revenues of \$32.1 million for the first quarter of 2022
- Achieved quarterly income from operations of \$6.5 million for the first quarter of 2022
- Achieved quarterly net operating income (“NOI”)¹ of \$16.5 million for the first quarter of 2022
- Recorded quarterly net loss of \$3.5 million for the first quarter of 2022
- Achieved quarterly adjusted funds from operations (“AFFO”)¹ of \$4.4 million for the first quarter of 2022
- Declared a dividend of \$0.095 per share for the first quarter of 2022

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

“We continue to see improvements in our operations as New York City further recovers from the effects of the COVID-19 pandemic. We are experiencing strong rental demand at all our properties and consistently increasing rental rates as New York City continues to open and employees return to offices. We remain focused on efficiently operating our portfolio and optimizing our results. Our properties are 96% leased and our first quarter rent collection rate was 96.5%. We have a strong liquidity position with \$43.8 million of cash on the balance sheet, consisting of \$25.3 million of unrestricted cash and \$18.5 million of restricted cash, and have no debt maturities on any operating properties until 2027, providing further support in the current environment. We remain committed to executing our strategic initiatives to create long-term value.”

Financial Results

For the first quarter of 2022, revenues increased by \$1.4 million, or 4.6%, to \$32.1 million, compared to \$30.7 million for the first quarter of 2021. Apart from the effects of a new accounting standard discussed below, residential revenue increased by \$0.6 million, or 2.9%, due to improved occupancy and rental rates at the Tribeca House and Clover House properties; commercial income increased \$0.4 million, or 5.0%, due to new leases at the Tribeca House property. Revenue in the first quarter of 2022 reflects implementation of a new accounting standard by which adjustments to receivables for collectability are made to revenue; in the first quarter of 2021, such adjustments are made to operating expenses.

For the first quarter of 2022, net loss was \$3.5 million, or \$0.09 per share compared to net loss of \$7.1 million, or \$0.18 per share, for the first quarter of 2021. Apart from a loss on extinguishment of debt in 2021 of \$3.0 million, the change was primarily attributable to the revenue change discussed above and lower property operating expenses, partially offset by increases in insurance expense, depreciation and amortization expense and general and administrative expense.

For the first quarter of 2022, AFFO was \$4.4 million, or \$0.10 per share, compared to \$3.1 million, or \$0.07 per share, for the first quarter of 2021. The change was primarily attributable to the revenue change discussed above partially offset by increases in insurance expense and general and administrative expense.

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.

Balance Sheet

At March 31, 2022, notes payable (excluding unamortized loan costs) was \$1,151.1 million, compared to \$1,144.1 million at December 31, 2021; the increase primarily reflected borrowings to develop the 1010 Pacific Street property partially offset by scheduled principal amortization.

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 20, 2022, payable May 27, 2022.

Conference Call and Supplemental Material

The Company will host a conference call on May 10, 2022, at 5:30 PM Eastern Time to discuss the first quarter 2022 results and provide a business update. The conference call can be accessed by dialing (800) 346-7359 or (973) 528-0008, conference entry code 485275. A replay of the call will be available from May 10, 2022, following the call, through May 24, 2022, by dialing (800) 332-6854 or (973) 528-0005, replay conference ID 485275. Supplemental data to this press 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 (the "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 ongoing 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 Annual Report on Form 10-K for the year ended December 31, 2021, 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, 2022	December 31,
	(unaudited)	2021
ASSETS		
Investment in real estate		
Land and improvements	\$ 540,859	\$ 540,859
Building and improvements	651,437	649,686
Tenant improvements	3,406	3,406
Furniture, fixtures and equipment	12,582	12,500
Real estate under development	111,902	97,301
Total investment in real estate	1,320,186	1,303,752
Accumulated depreciation	(164,648)	(158,002)
Investment in real estate, net	1,155,538	1,145,750
Cash and cash equivalents	25,342	34,524
Restricted cash	18,493	17,700
Tenant and other receivables, net of allowance for doubtful accounts of \$179 and \$7,905, respectively	5,076	10,260
Deferred rent	2,599	2,656
Deferred costs and intangible assets, net	6,966	7,126
Prepaid expenses and other assets	12,765	15,641
TOTAL ASSETS	\$ 1,226,779	\$ 1,233,657
LIABILITIES AND EQUITY		
Liabilities:		
Notes payable, net of unamortized loan costs of \$12,077 and \$12,898, respectively	\$ 1,139,038	\$ 1,131,154
Accounts payable and accrued liabilities	17,230	19,558
Security deposits	7,199	7,110
Below-market leases, net	44	53
Other liabilities	6,534	5,833
TOTAL LIABILITIES	1,170,045	1,163,708
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, 16,063,228 shares issued and outstanding	160	160
Additional paid-in-capital	88,215	88,089
Accumulated deficit	(66,871)	(61,736)
Total stockholders' equity	21,504	26,513
Non-controlling interests	35,230	43,436
TOTAL EQUITY	56,734	69,949
TOTAL LIABILITIES AND EQUITY	\$ 1,226,779	\$ 1,233,657

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

	Three Months Ended March 31,	
	2022	2021
REVENUES		
Residential rental income	\$ 21,462	\$ 21,604
Commercial rental income	10,588	9,047
TOTAL REVENUES	32,050	30,651
OPERATING EXPENSES		
Property operating expenses	7,539	8,642
Real estate taxes and insurance	7,931	7,312
General and administrative	2,942	2,293
Transaction pursuit costs	424	60
Depreciation and amortization	6,705	6,227
TOTAL OPERATING EXPENSES	25,541	24,534
INCOME FROM OPERATIONS	6,509	6,117
Interest expense, net	(9,985)	(10,217)
Loss on extinguishment of debt	-	(3,034)
Net loss	(3,476)	(7,134)
Net loss attributable to non-controlling interests	2,158	4,430
Net loss attributable to common stockholders	\$ (1,318)	\$ (2,704)
Basic and diluted net loss per share	\$ (0.09)	\$ (0.18)
Weighted average common shares / OP units		
Common shares outstanding	16,063	16,063
OP units outstanding	26,317	26,317
Diluted shares outstanding	42,380	42,380

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

	Three Months Ended March 31,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (3,476)	\$ (7,134)
<i>Adjustments to reconcile net loss to net cash provided by operating activities:</i>		
Depreciation	6,646	6,171
Amortization of deferred financing costs	313	308
Amortization of deferred costs and intangible assets	179	176
Amortization of above- and below-market leases	(9)	(31)
Loss on extinguishment of debt	-	3,034
Deferred rent	(189)	(1)
Stock-based compensation	495	486
Bad debt expense	(379)	1,178
Transaction pursuit costs	-	60
<i>Changes in operating assets and liabilities:</i>		
Tenant and other receivables	(237)	(2,519)
Prepaid expenses, other assets and deferred costs	3,122	2,101
Accounts payable and accrued liabilities	(668)	2,986
Security deposits	89	6
Other liabilities	701	616
Net cash provided by operating activities	6,587	7,437
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to land, buildings and improvements	(13,885)	(7,745)
Acquisition deposit	(265)	-
Cash paid in connection with acquisition of real estate	(3,701)	-
Net cash used in investing activities	(17,851)	(7,745)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of mortgage notes	(554)	(74,776)
Proceeds from mortgage notes	7,617	100,248
Dividends and distributions	(4,188)	(4,191)
Loan issuance and extinguishment costs	-	(3,809)
Net cash provided by financing activities	2,875	17,472
Net (decrease) increase in cash and cash equivalents and restricted cash	(8,389)	17,164
Cash and cash equivalents and restricted cash - beginning of period	52,224	89,032
Cash and cash equivalents and restricted cash - end of period	\$ 43,835	\$ 106,196
Cash and cash equivalents and restricted cash - beginning of period:		
Cash and cash equivalents	\$ 34,524	\$ 72,058
Restricted cash	17,700	16,974
Total cash and cash equivalents and restricted cash - beginning of period	\$ 52,224	\$ 89,032
Cash and cash equivalents and restricted cash - end of period:		
Cash and cash equivalents	\$ 25,342	\$ 87,952
Restricted cash	18,493	18,244
Total cash and cash equivalents and restricted cash - end of period	\$ 43,835	\$ 106,196
Supplemental cash flow information:		
Cash paid for interest, net of capitalized interest of \$607 and \$393 in 2022 and 2021, respectively	\$ 10,351	\$ 9,999
Non-cash interest capitalized to real estate under development	508	16
Additions to investment in real estate included in accounts payable and accrued liabilities	6,906	1,970

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 measures” 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 (loss) 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 market-to-market adjustments, amortization of non-cash equity compensation, acquisition and other costs, transaction pursuit costs, loss on modification/extinguishment of debt, gain on involuntary conversion, gain on termination of lease 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 loan 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,	
	2022	2021
FFO		
Net loss	\$ (3,476)	\$ (7,134)
Real estate depreciation and amortization	6,705	6,227
FFO	\$ 3,229	\$ (907)
 AFFO		
FFO	\$ 3,229	\$ (907)
Amortization of real estate tax intangible	120	120
Amortization of above- and below-market leases	(9)	(31)
Straight-line rent adjustments	(189)	(1)
Amortization of debt origination costs	313	308
Amortization of LTIP awards	495	486
Transaction pursuit costs	424	60
Loss on extinguishment of debt	-	3,034
Certain litigation-related expenses	86	59
Recurring capital spending	(49)	(50)
AFFO	\$ 4,420	\$ 3,078
<i>AFFO Per Share/Unit</i>	<i>\$ 0.10</i>	<i>\$ 0.07</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, transaction pursuit costs, loss on modification/extinguishment of debt and non-recurring litigation-related expenses, less gain on involuntary conversion and gain on termination of lease.

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,	
	2022	2021
Adjusted EBITDA		
Net loss	\$ (3,476)	\$ (7,134)
Real estate depreciation and amortization	6,705	6,227
Amortization of real estate tax intangible	120	120
Amortization of above- and below-market lease:	(9)	(31)
Straight-line rent adjustments	(189)	(1)
Amortization of LTIP awards	495	486
Interest expense, net	9,985	10,217
Transaction pursuit costs	424	60
Loss on extinguishment of debt	-	3,034
Certain litigation-related expenses	86	59
Adjusted EBITDA	\$ 14,141	\$ 13,037

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, transaction pursuit costs, amortization of identifiable intangibles and straight-line rent adjustments to revenue from long-term leases, less gain on termination of lease. 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,	
	2022	2021
NOI		
Income from operations	\$ 6,509	\$ 6,117
Real estate depreciation and amortization	6,705	6,227
General and administrative expenses	2,942	2,293
Transaction pursuit costs	424	60
Amortization of real estate tax intangible	120	120
Amortization of above- and below-market lease:	(9)	(31)
Straight-line rent adjustments	(189)	(1)
NOI	\$ 16,502	\$ 14,785

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

	<u>March 31,</u> <u>2022</u> <small>(unaudited)</small>	<u>December 31,</u> <u>2021</u>	<u>September 30,</u> <u>2021</u> <small>(unaudited)</small>	<u>June 30,</u> <u>2021</u> <small>(unaudited)</small>	<u>March 31,</u> <u>2021</u> <small>(unaudited)</small>	<u>December 31,</u> <u>2020</u>	<u>September 30,</u> <u>2020</u> <small>(unaudited)</small>	<u>June 30,</u> <u>2020</u> <small>(unaudited)</small>
ASSETS								
Investment in real estate								
Land and improvements	\$ 540,859	\$ 540,859	\$ 540,859	\$ 540,859	\$ 540,859	\$ 540,859	\$ 540,859	\$ 540,859
Building and improvements	651,437	649,686	644,520	637,772	634,502	630,662	624,379	613,983
Tenant improvements	3,406	3,406	3,406	3,406	3,243	3,121	2,998	3,051
Furniture, fixtures and equipment	12,582	12,500	12,418	12,356	12,278	12,217	12,090	12,001
Real estate under development	111,902	97,301	45,968	40,411	37,637	36,118	35,176	34,331
Total investment in real estate	<u>1,320,186</u>	<u>1,303,752</u>	<u>1,247,171</u>	<u>1,234,804</u>	<u>1,228,519</u>	<u>1,222,977</u>	<u>1,215,502</u>	<u>1,204,225</u>
Accumulated depreciator	<u>(164,648)</u>	<u>(158,002)</u>	<u>(151,264)</u>	<u>(144,870)</u>	<u>(138,650)</u>	<u>(132,479)</u>	<u>(126,270)</u>	<u>(120,474)</u>
Investment in real estate, net	1,155,538	1,145,750	1,095,907	1,089,934	1,089,869	1,090,498	1,089,232	1,083,751
Cash and cash equivalents	25,342	34,524	59,130	85,035	87,952	72,058	82,856	88,253
Restricted cash	18,493	17,700	29,104	13,258	18,244	16,974	22,117	28,047
Tenant and other receivables, net of allowance for doubtful account:	5,076	10,260	7,893	6,653	8,343	7,002	8,058	7,847
Deferred rent	2,599	2,656	2,579	2,507	2,455	2,454	1,960	1,739
Deferred costs and intangible assets, net	6,966	7,126	7,261	7,391	7,568	7,720	7,898	8,199
Prepaid expenses and other assets	12,765	15,641	9,742	9,087	8,975	11,160	12,047	13,471
TOTAL ASSETS	<u>\$ 1,226,779</u>	<u>\$ 1,233,657</u>	<u>\$ 1,211,616</u>	<u>\$ 1,213,865</u>	<u>\$ 1,223,406</u>	<u>\$ 1,207,866</u>	<u>\$ 1,224,168</u>	<u>\$ 1,231,307</u>
LIABILITIES AND EQUITY								
Liabilities:								
Notes payable, net of unamortized loan costs	\$ 1,139,038	\$ 1,131,154	\$ 1,102,492	\$ 1,104,535	\$ 1,104,479	\$ 1,079,458	\$ 1,079,585	\$ 1,079,677
Accounts payable and accrued liabilities:	17,230	19,558	16,611	11,169	12,492	11,725	11,757	10,809
Security deposits	7,199	7,110	6,855	6,970	6,989	6,983	7,079	7,576
Below-market leases, net	44	53	61	94	126	157	189	1,367
Other liabilities	6,534	5,833	5,889	4,449	6,045	5,429	4,172	3,560
TOTAL LIABILITIES	<u>1,170,045</u>	<u>1,163,708</u>	<u>1,131,908</u>	<u>1,127,217</u>	<u>1,130,131</u>	<u>1,103,752</u>	<u>1,102,782</u>	<u>1,102,989</u>
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	160	160	160	160	160	160	178	178
Additional paid-in-capital	88,215	88,089	87,898	87,707	87,469	87,347	93,612	93,626
Accumulated deficit	<u>(66,871)</u>	<u>(61,736)</u>	<u>(57,847)</u>	<u>(55,026)</u>	<u>(52,275)</u>	<u>(48,045)</u>	<u>(44,865)</u>	<u>(42,005)</u>
Total stockholders' equity	21,504	26,513	30,211	32,841	35,354	39,462	48,925	51,799
Non-controlling interests	35,230	43,436	49,497	53,807	57,921	64,652	72,461	76,519
TOTAL EQUITY	<u>56,734</u>	<u>69,949</u>	<u>79,708</u>	<u>86,648</u>	<u>93,275</u>	<u>104,114</u>	<u>121,386</u>	<u>128,318</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 1,226,779</u>	<u>\$ 1,233,657</u>	<u>\$ 1,211,616</u>	<u>\$ 1,213,865</u>	<u>\$ 1,223,406</u>	<u>\$ 1,207,866</u>	<u>\$ 1,224,168</u>	<u>\$ 1,231,307</u>

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

	Three Months Ended March 31,		Three Months Ended		
	2022	2021	12/31/2021	9/30/2021	6/30/2021
CASH FLOWS FROM OPERATING ACTIVITIES					
Net loss	\$ (3,476)	\$ (7,134)	\$ (6,237)	\$ (3,417)	\$ (3,230)
<i>Adjustments to reconcile net loss to net cash provided by operating activities:</i>					
Depreciation	6,646	6,171	6,737	6,394	6,232
Amortization of deferred financing costs	313	308	313	313	313
Amortization of deferred costs and intangible assets	179	176	177	177	177
Amortization of above- and below-market leases	(9)	(31)	(9)	(32)	(32)
Loss on extinguishment/modification of debt	-	3,034	-	-	-
Gain on involuntary conversion	-	-	-	-	(139)
Deferred rent	(189)	(1)	(77)	(72)	(51)
Stock-based compensation	495	486	665	665	795
Bad debt expense	(379)	1,178	(428)	200	900
Transaction pursuit costs	-	60	-	-	-
<i>Changes in operating assets and liabilities:</i>					
Tenant and other receivables	(237)	(2,519)	(1,938)	(1,592)	942
Prepaid expenses, other assets and deferred costs	3,122	2,101	(3,926)	(702)	(112)
Accounts payable and accrued liabilities	(668)	2,986	1,855	1,223	(2,609)
Security deposits	89	6	255	(116)	(19)
Other liabilities	701	616	(54)	1,439	(1,595)
Net cash provided by (used in) operating activities	<u>6,587</u>	<u>7,437</u>	<u>(2,667)</u>	<u>4,481</u>	<u>1,571</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions to land, buildings and improvements	(13,885)	(7,745)	(14,729)	(8,046)	(5,012)
Insurance proceeds from involuntary conversion	-	-	-	151	-
Acquisition deposit	(265)	-	(2,015)	-	-
Cash paid in connection with acquisition of real estate	(3,701)	-	(40,548)	-	-
Net cash used in investing activities	<u>(17,851)</u>	<u>(7,745)</u>	<u>(57,291)</u>	<u>(7,896)</u>	<u>(5,012)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Payments of mortgage notes	(554)	(74,776)	(543)	(21,587)	(527)
Proceeds from mortgage notes	7,617	100,248	30,000	21,259	257
Dividends and distributions	(4,188)	(4,191)	(4,188)	(4,188)	(4,191)
Loan issuance and extinguishment costs	-	(3,809)	(1,321)	(2,130)	-
Net cash provided by (used in) financing activities	<u>2,875</u>	<u>17,472</u>	<u>23,948</u>	<u>(6,645)</u>	<u>(4,461)</u>
Net (decrease) increase in cash and cash equivalents and restricted cash	(8,389)	17,164	(36,010)	(10,059)	(7,902)
Cash and cash equivalents and restricted cash - beginning of period	52,224	89,032	88,234	98,294	106,196
Cash and cash equivalents and restricted cash - end of period	<u>\$ 43,835</u>	<u>\$ 106,196</u>	<u>\$ 52,224</u>	<u>\$ 88,234</u>	<u>\$ 98,294</u>
Cash and cash equivalents and restricted cash - beginning of period:					
Cash and cash equivalents	\$ 34,524	\$ 72,058	\$ 59,130	\$ 85,035	\$ 87,952
Restricted cash	17,700	16,974	29,104	13,258	18,244
Total cash and cash equivalents and restricted cash - beginning of period	<u>\$ 52,224</u>	<u>\$ 89,032</u>	<u>\$ 88,234</u>	<u>\$ 98,294</u>	<u>\$ 106,196</u>
Cash and cash equivalents and restricted cash - end of period:					
Cash and cash equivalents	\$ 25,342	\$ 87,952	\$ 34,524	\$ 59,130	\$ 85,035
Restricted cash	18,493	18,244	17,700	29,104	13,258
Total cash and cash equivalents and restricted cash - end of period	<u>\$ 43,835</u>	<u>\$ 106,196</u>	<u>\$ 52,224</u>	<u>\$ 88,234</u>	<u>\$ 98,294</u>
Supplemental cash flow information:					
Cash paid for interest, net of capitalized interest of \$607 and \$393 in 2022 and 2021, respectively	\$ 10,351	\$ 9,999			
Non-cash interest capitalized to real estate under development	508	16			
Additions to investment in real estate included in accounts payable and accrued liabilities	6,906	1,970			

CLIPPER REALTY INC.
SUPPLEMENTAL DATA (UNAUDITED)
First Quarter 2022
(In thousands)

	Three months ended							
	Mar-22	Dec-21	Sep-21	Jun-21	Mar-21	Dec-20	Sep-20	Jun-20
Revenue								
141 Livingston	\$ 3,950	\$ 4,158	\$ 3,818	\$ 3,814	\$ 3,815	\$ 3,947	\$ 3,675	\$ 3,506
250 Livingston	4,228	4,222	4,233	4,212	4,221	4,211	3,395	2,736
Flatbush Gardens	9,931	10,260	10,405	10,512	10,687	10,767	10,805	10,849
Tribeca	9,822	8,096	8,151	8,019	7,918	7,580	8,151	9,551
Aspen	1,675	1,688	1,682	1,716	1,696	1,720	1,669	1,894
10 West 65th Street	793	784	785	804	820	789	651	770
Clover House	1,650	1,567	1,558	1,593	1,494	1,323	1,695	1,852
Total Revenue	32,050	30,776	30,631	30,670	30,651	30,337	30,040	31,158
Operating Expenses								
141 Livingston	(1,491)	(1,398)	(1,580)	(1,422)	(1,374)	(1,318)	(1,332)	(899)
250 Livingston	(1,080)	(1,004)	(975)	(963)	(1,001)	(975)	(955)	(847)
Flatbush Gardens	(6,668)	(5,494)	(5,763)	(6,002)	(7,162)	(5,793)	(6,571)	(6,002)
Tribeca	(4,256)	(4,535)	(4,527)	(4,445)	(4,570)	(4,892)	(4,723)	(4,168)
Aspen	(731)	(731)	(645)	(673)	(719)	(873)	(646)	(743)
10 West 65th Street	(423)	(374)	(377)	(399)	(442)	(422)	(392)	(388)
Clover House	(822)	(836)	(672)	(680)	(686)	(916)	(711)	(599)
Total Operating Expenses	(15,471)	(14,371)	(14,537)	(14,583)	(15,954)	(15,189)	(15,330)	(13,646)
Net Operating Income GAAP ("NOI (GAAP)") (1)								
141 Livingston	2,459	2,760	2,238	2,392	2,441	2,629	2,342	2,607
250 Livingston	3,148	3,218	3,258	3,249	3,220	3,236	2,440	1,889
Flatbush Gardens	3,264	4,767	4,642	4,510	3,525	4,974	4,234	4,847
Tribeca	5,565	3,561	3,624	3,574	3,348	2,688	3,428	5,383
Aspen	943	957	1,037	1,043	977	847	1,023	1,151
10 West 65th Street	370	410	407	405	378	367	259	382
Clover House	828	731	886	912	808	407	984	1,253
Total NOI (GAAP)	16,579	16,405	16,094	16,087	14,697	15,148	14,710	17,512
General and administrative expenses	(2,942)	(2,791)	(2,684)	(2,802)	(2,293)	(2,404)	(2,297)	(2,704)
Transaction pursuit costs	(424)	-	-	-	(60)	-	-	-
Depreciation and amortization	(6,705)	(6,794)	(6,452)	(6,289)	(6,227)	(6,266)	(5,934)	(5,872)
Gain on termination of lease	-	-	-	-	-	-	838	-
Litigation settlement and other	-	(2,730)	-	-	-	-	-	-
Interest expense, net	(9,985)	(10,326)	(10,375)	(10,366)	(10,217)	(10,254)	(10,207)	(9,979)
Loss on extinguishment/modification of debt	-	-	-	-	(3,034)	-	-	(4,228)
Gain on involuntary conversion	-	-	-	139	-	-	-	85
Net loss	\$ (3,476)	\$ (6,236)	\$ (3,417)	\$ (3,231)	\$ (7,134)	\$ (3,776)	\$ (2,890)	\$ (5,186)

(1) Equals revenue less operating expenses

CLIPPER REALTY INC.
SUPPLEMENTAL DATA (UNAUDITED)
First Quarter 2022
(In thousands)

	Three months ended							
	Mar-22	Dec-21	Sep-21	Jun-21	Mar-21	Dec-20	Sep-20	Jun-20
Funds from Operations ("FFO")								
Net loss	\$ (3,476)	\$ (6,236)	\$ (3,417)	\$ (3,231)	\$ (7,134)	\$ (3,776)	\$ (2,890)	\$ (5,186)
Real estate depreciation and amortization	6,705	6,794	6,452	6,289	6,227	6,266	5,934	5,872
FFO	\$ 3,229	\$ 558	\$ 3,035	\$ 3,058	\$ (907)	\$ 2,490	\$ 3,044	\$ 686
Adjusted Funds from Operations ("AFFO")								
FFO	\$ 3,229	\$ 558	\$ 3,035	\$ 3,058	\$ (907)	\$ 2,490	\$ 3,044	\$ 686
Amortization of real estate tax intangible	120	120	120	121	120	121	120	121
Amortization of above- and below-market leases	(9)	(8)	(33)	(32)	(31)	(32)	(130)	(129)
Straight-line rent adjustments	(189)	(77)	(72)	(52)	(1)	(494)	(221)	(237)
Amortization of debt origination costs	313	313	313	313	308	302	302	304
Interest rate cap mark-to-market adjustments	-	-	-	-	-	-	-	-
Amortization of LTIP awards	495	665	665	795	486	556	556	536
Transaction pursuit costs	424	-	-	-	60	-	-	-
Loss on extinguishment of debt	-	-	-	-	3,034	-	-	4,228
Gain on involuntary conversion	-	-	-	(139)	-	-	-	(85)
Gain on termination of lease	-	-	-	-	-	-	(838)	-
Litigation settlement and other	-	2,730	-	-	-	-	-	-
Certain litigation-related expenses	86	100	75	65	59	114	76	270
Recurring capital spending	(49)	(46)	(51)	(58)	(50)	(72)	(59)	(238)
AFFO	\$ 4,420	\$ 4,355	\$ 4,052	\$ 4,071	\$ 3,078	\$ 2,985	\$ 2,850	\$ 5,456
Adjusted Earnings Before Interest, Taxes and Depreciation and Amortization ("Adjusted EBITDA")								
Net loss	\$ (3,476)	\$ (6,236)	\$ (3,417)	\$ (3,231)	\$ (7,134)	\$ (3,776)	\$ (2,890)	\$ (5,186)
Real estate depreciation and amortization	6,705	6,794	6,452	6,289	6,227	6,266	5,934	5,872
Amortization of real estate tax intangible	120	120	120	121	120	121	120	121
Amortization of above- and below-market leases	(9)	(8)	(33)	(32)	(31)	(32)	(130)	(129)
Straight-line rent adjustments	(189)	(77)	(72)	(52)	(1)	(494)	(221)	(237)
Amortization of LTIP awards	495	665	665	795	486	556	556	536
Interest expense, net	9,985	10,326	10,375	10,366	10,217	10,254	10,207	9,979
Transaction pursuit costs	424	-	-	-	60	-	-	-
Loss on extinguishment of debt	-	-	-	-	3,034	-	-	4,228
Gain on involuntary conversion	-	-	-	(139)	-	-	-	(85)
Gain on termination of lease	-	-	-	-	-	-	(838)	-
Litigation settlement and other	-	2,730	-	-	-	-	-	-
Certain litigation-related expenses	86	100	75	65	59	114	76	270
Adjusted EBITDA	\$ 14,141	\$ 14,414	\$ 14,165	\$ 14,182	\$ 13,037	\$ 13,009	\$ 12,814	\$ 15,369
Net Operating Income ("NOI")								
Income from operations	\$ 6,509	\$ 4,090	\$ 6,958	\$ 6,996	\$ 6,117	\$ 6,478	\$ 7,317	\$ 8,936
Real estate depreciation and amortization	6,705	6,794	6,452	6,289	6,227	6,266	5,934	5,872
General and administrative expenses	2,942	2,791	2,684	2,802	2,293	2,404	2,297	2,704
Transaction pursuit costs	424	-	-	-	60	-	-	-
Amortization of real estate tax intangible	120	120	120	121	120	121	120	121
Amortization of above- and below-market leases	(9)	(8)	(33)	(32)	(31)	(32)	(130)	(129)
Straight-line rent adjustments	(189)	(77)	(72)	(52)	(1)	(494)	(221)	(237)
Gain on termination of lease	-	-	-	-	-	-	(838)	-
Litigation settlement	-	2,730	-	-	-	-	-	-
NOI	\$ 16,502	\$ 16,440	\$ 16,109	\$ 16,124	\$ 14,785	\$ 14,743	\$ 14,479	\$ 17,267

CLIPPER REALTY INC.
SUPPLEMENTAL DATA (UNAUDITED)
First Quarter 2022
(In thousands)

	Three months ended							
	Mar-22	Dec-21	Sep-21	Jun-21	Mar-21	Dec-20	Sep-20	Jun-20
Dividends Paid								
Stockholders	\$ 1,526	\$ 1,526	\$ 1,526	\$ 1,526	\$ 1,526	\$ 1,687	\$ 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	162	162	162	165	165	134	134	127
Total Dividends Paid	\$ 4,188	\$ 4,188	\$ 4,188	\$ 4,191	\$ 4,191	\$ 4,321	\$ 4,327	\$ 4,319
Share Data								
Common shares	16,063	16,063	16,063	16,063	16,063	16,063	17,769	17,815
Class B LLC units	26,317	26,317	26,317	26,317	26,317	26,317	26,317	26,317
Diluted shares outstanding	42,381	42,381	42,381	42,381	42,381	42,381	44,086	44,132
LTIP units	1,773	1,702	1,702	1,702	1,736	1,410	1,410	1,410
	<u>44,154</u>	<u>44,083</u>	<u>44,083</u>	<u>44,083</u>	<u>44,116</u>	<u>43,791</u>	<u>45,497</u>	<u>45,542</u>
Cash Flow Data								
Operating activities	\$ 6,587	\$ (2,667)	\$ 4,481	\$ 1,571	\$ 7,437	\$ 5,744	\$ 5,164	\$ (3,968)
Investing activities	(17,851)	(57,291)	(7,896)	(5,012)	(7,745)	(6,926)	(11,263)	(6,410)
Financing activities	2,875	23,948	(6,645)	(4,461)	17,472	(14,759)	(5,228)	72,808
Balance Sheet Data								
Investment in real estate, net	\$ 1,155,538	\$ 1,145,750	\$ 1,095,907	\$ 1,089,934	\$ 1,089,869	\$ 1,090,498	\$ 1,089,232	\$ 1,083,751
Cash and cash equivalents	25,342	34,524	59,130	85,035	87,952	72,058	82,856	88,253
Restricted cash	18,493	17,700	29,104	13,258	18,244	16,974	22,117	28,047
Total assets	1,226,779	1,233,657	1,211,616	1,213,865	1,223,406	1,207,866	1,224,168	1,231,307
Notes payable	1,139,038	1,131,154	1,102,492	1,104,535	1,104,479	1,079,458	1,079,585	1,079,677
Total liabilities	1,170,045	1,163,708	1,131,908	1,127,217	1,130,131	1,103,752	1,102,782	1,102,989
Equity	56,734	69,949	79,708	86,648	93,275	104,114	121,386	128,318
Notes Payable								
Flatbush Gardens (3.125%; Due 6/1/32)	\$ 329,000	\$ 329,000	\$ 329,000	\$ 329,000	\$ 329,000	\$ 329,000	\$ 329,000	\$ 329,000
250 Livingston (3.63%; Due 6/6/29)	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
141 Livingston (3.875%; Due 6/1/28)	-	-	-	-	-	74,241	74,641	75,036
141 Livingston (3.21%; Due 3/6/31)	100,000	100,000	100,000	100,000	100,000	-	-	-
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)	63,670	64,046	64,413	64,769	65,122	65,485	65,837	66,180
Clover House (Libor + 3.85%; Due 5/9/20)	-	-	-	-	-	-	-	-
Clover House (3.53%; Due 12/1/29)	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000
10 West 65th Street (3.375%; Due 11/1/27)	32,743	32,921	33,098	33,273	33,447	33,619	33,790	33,960
1010 Pacific Street (Libor + 3.60%; Due 12/24/20)	-	-	-	20,880	20,624	20,375	20,128	19,880
1010 Pacific Street (Libor (Floor 0.5%) + 3.60%; Due 9/1/24)	28,701	21,084	21,084	-	-	-	-	-
953 Dean St (Prime + 1.6% (Floor 4.85%))	30,000	30,000	-	-	-	-	-	-
Principal amount outstanding	1,151,115	1,144,052	1,114,595	1,114,922	1,115,192	1,089,720	1,090,396	1,091,057
Unamortized loan costs	(12,077)	(12,898)	(12,103)	(10,387)	(10,713)	(10,262)	(10,811)	(11,380)
Notes Payable, net of unamortized loan costs	\$ 1,139,038	\$ 1,131,154	\$ 1,102,492	\$ 1,104,535	\$ 1,104,479	\$ 1,079,458	\$ 1,079,585	\$ 1,079,677

CLIPPER REALTY INC.
SUPPLEMENTAL DATA (UNAUDITED)
First Quarter 2022
(In thousands)

	Three months ended							
	Mar-22	Dec-21	Sep-21	Jun-21	Mar-21	Dec-20	Sep-20	Jun-20
% Leased - Residential (end of period)								
250 Livingston	100.0%	97.2%	97.2%	100.0%	97.2%	94.4%	88.9%	94.4%
Flatbush Gardens	94.7%	92.3%	92.6%	92.5%	93.7%	94.7%	96.3%	97.2%
Tribeca	98.8%	97.8%	96.6%	97.0%	96.5%	89.7%	80.1%	91.3%
Aspen	98.7%	98.3%	94.6%	93.5%	95.7%	94.4%	89.7%	95.3%
10 West 65th Street	98.8%	97.6%	98.2%	96.3%	96.3%	98.8%	89.0%	95.1%
Clover House	96.8%	98.7%	93.9%	98.7%	98.1%	98.7%	89.9%	97.5%
Rent PSF (end of period)								
250 Livingston - Residential	\$ 45.86	\$ 46.06	\$ 41.40	\$ 44.91	\$ 45.60	\$ 47.72	\$ 48.44	\$ 46.27
Flatbush Gardens - Residential	\$ 25.37	\$ 25.12	\$ 25.03	\$ 24.96	\$ 25.07	\$ 25.14	\$ 25.10	\$ 25.05
Tribeca - Residential	\$ 64.76	\$ 62.68	\$ 59.84	\$ 60.14	\$ 62.43	\$ 64.20	\$ 65.74	\$ 70.43
Aspen - Residential	\$ 35.62	\$ 35.60	\$ 34.13	\$ 34.84	\$ 35.17	\$ 34.64	\$ 35.94	\$ 37.73
10 West 65th Street - Residential	\$ 44.74	\$ 43.84	\$ 40.78	\$ 40.99	\$ 43.98	\$ 44.80	\$ 42.37	\$ 41.74
Clover House - Residential	\$ 67.13	\$ 63.41	\$ 61.63	\$ 60.90	\$ 62.78	\$ 49.36	\$ 67.56	\$ 72.05
141 Livingston - Office	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 40.00	\$ 40.00
250 Livingston - Office	\$ 43.62	\$ 43.62	\$ 43.62	\$ 43.62	\$ 43.62	\$ 43.62	\$ 43.62	\$ 27.71
Tribeca - Retail	\$ 49.29	\$ 45.00	\$ 45.76	\$ 42.77	\$ 44.81	\$ 45.25	\$ 42.15	\$ 44.48
Aspen - Retail	\$ 42.00	\$ 41.90	\$ 41.90	\$ 41.85	\$ 40.18	\$ 39.44	\$ 39.44	\$ 39.39
Capital Spending								
Major capital improvements	16,302	56,392	12,254	6,060	5,310	7,153	11,182	7,876
Maintenance capex	49	46	51	58	50	72	59	238
Resident turnover	82	144	62	78	61	127	88	136
Commercial tenant improvements	-	-	-	163	122	122	42	-
Total Capital Spending	\$ 16,435	\$ 56,582	\$ 12,367	\$ 6,360	\$ 5,542	\$ 7,475	\$ 11,372	\$ 8,251