

Terreno Realty Corporation

Q1 2022 Update

May 4, 2022



Forward Looking Statements

This presentation contains forward-looking statements within the meaning of the federal securities laws. All statements other than statements of historical fact are forward-looking statements and, in some cases, can be identified by the use of the words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “project,” “result,” “should,” “will,” “seek,” “target,” “see,” “likely,” “position,” “opportunity,” “outlook,” “potential,” “enthusiastic,” “future,” and similar expressions. These statements are subject to risks, uncertainties, and assumptions and are not guarantees of future performance, which may be affected by known and unknown risks, trends, uncertainties, and factors that are beyond our control, including risks related to our ability to meet our estimated forecasts related to stabilized cap rates and the impact of the COVID-19 pandemic on our business, our tenants and the national and local economies. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated, or projected.

We caution investors that forward-looking statements are based on management's beliefs and on assumptions made by, and information currently available to, management. Factors that may cause actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements include, but are not limited to: (i) our ability to identify and acquire industrial properties on terms favorable to us; (ii) general volatility of the capital markets and the market price of our stock; (iii) adverse economic or real estate conditions or developments in the industrial real estate sector and/or in the markets in which we acquire properties; (iv) our dependence on key personnel and our reliance on third parties to property manage the majority of our industrial properties; (v) our dependence upon tenants; (vi) our ability to comply with the laws, rules and regulations applicable to companies, and in particular, public companies; (vii) our ability to manage our growth effectively; (viii) tenant bankruptcies and defaults on or non-renewal of leases by tenants; (ix) decreased rental rates or increased vacancy rates; (x) increased interest rates and operating costs; (xi) declining real estate valuations and impairment charges; (xii) our expected leverage, our failure to obtain necessary outside financing, and future debt obligations; (xiii) our ability to make distributions to our stockholders; (xiv) our failure to successfully hedge against interest rate increases; (xv) our failure to successfully operate acquired properties; (xvi) our failure to maintain our status as a real estate investment trust (“REIT”) and possible adverse changes to tax laws; (xvii) uninsured or underinsured losses relating to our properties; (xviii) environmental uncertainties and risks related to natural disasters; (xix) financial market fluctuations; (xx) changes in real estate and zoning laws and increases in real property tax rates; and (xxi) the impact of COVID-19 on the U.S., regional and global economies and the business, financial condition and results of operations of our Company and our tenants. Other factors that could materially affect results can be found in the Company's Annual Report on Form 10-K for the year ended December 31, 2021, including those set forth under the sections titled “Risk Factors” and “Management's Discussion and Analysis of Financial Condition and Results of Operations,” in the Company's preliminary prospectus supplement relating to the offering under the section titled “Risk Factors”, and in our other public filings.

We expressly disclaim any responsibility to update our forward-looking statements, whether as a result of new information, future events, or otherwise. Accordingly, investors should use caution in relying on past forward-looking statements, which are based on results and trends at the time they are made, to anticipate future results or trends.

Investment Strategy

Unique and Highly Selective Market Approach

- Acquire, own and operate industrial real estate in six major coastal U.S. markets. Exclusively.
 - Mix of core and value-add investments
 - No greenfield development
 - No complex joint ventures
 - Emphasis on discount to replacement cost provides margin of safety
- Superior market fundamentals
 - Strong demand generators (high population densities, high volume distribution points, logistics infrastructure)
 - Physical and regulatory constraints to new supply
 - Shrinking supply in certain submarkets

Functional Assets in Infill Locations

- Broad product opportunity set ⁽¹⁾
 - Warehouse / distribution (79.5%)
 - Flex (including light industrial and R&D) (4.7%)
 - Transshipment (6.5%)
 - Improved land (9.3%) ⁽²⁾
- Functional and flexible assets
 - Cater to sub-market tenant demands, including last-mile distribution
 - Generally suitable for multiple tenants
 - Opportunity for higher and better use over time

Goal: Superior same store NOI and per share NAV growth

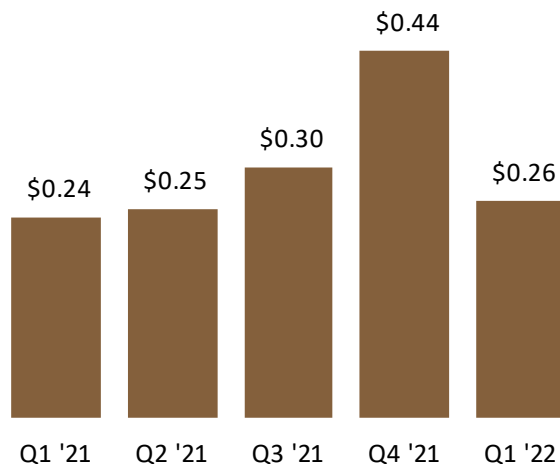
⁽¹⁾ Reflects Terreno portfolio composition based on annualized base rent as of March 31, 2022. Excludes four properties under redevelopment that upon completion will consist of four buildings aggregating approximately 0.5 million square feet and two improved land parcels of approximately 12.1 acres.

⁽²⁾ Includes 37 improved land parcels totaling approximately 128.3 acres that are 94.9% leased as of March 31, 2022. Such land is used for industrial outdoor storage and may be redeveloped to higher and better use.

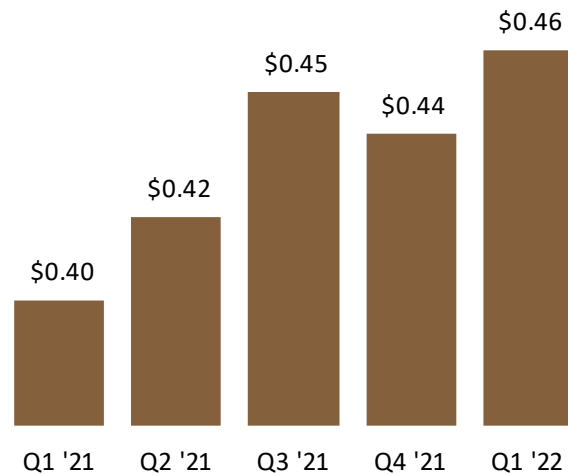


Financial Highlights

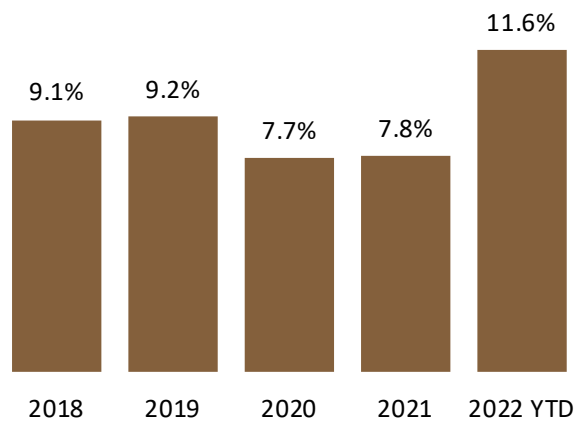
Net Income Per Share



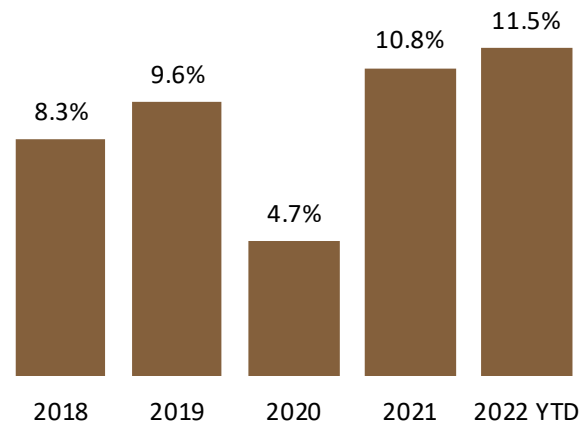
FFO Per Share ⁽¹⁾



Cash Same Store NOI Growth ⁽¹⁾⁽²⁾



Cash SSNOI Excluding Termination Fees ⁽¹⁾⁽²⁾



4 (1) This is a non-GAAP financial measure. Please see our Reporting Definitions for further explanation.

(2) For the three months ended March 31, 2022 and 2021, cash-basis same store NOI included approximately \$0.1 million related to properties that were acquired vacant or with near term expirations in 2020. Same store NOI for the year ended December 31, 2020 included approximately \$3.3 million of termination fees at our Belleville property.



Recent Highlights

Investment Highlights

Q1 2022 Acquisitions	\$86.2 million
2022 YTD Acquisitions⁽¹⁾	\$113.3 million
Acquisitions Under Contract⁽¹⁾⁽²⁾	\$177.7 million
Acquisitions Under LOI⁽¹⁾⁽²⁾	\$108.4 million
2022 YTD Dispositions⁽¹⁾	\$110.4 million

Capital Markets Activities

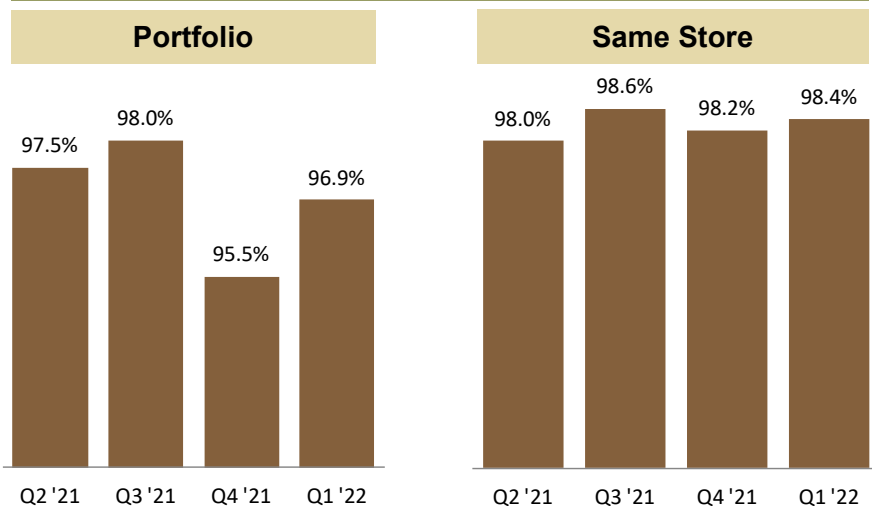
- During the first quarter of 2022, Terreno Realty Corporation did not issue any shares of common stock under the Company's at-the-market equity offering program.
- Cash balance of approximately \$109.5 million as of March 31, 2022.

Operating Highlights

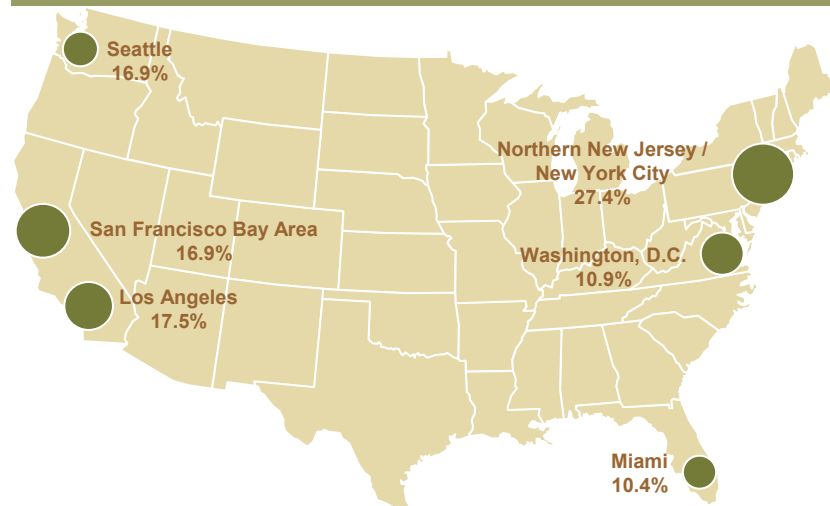
- Cash rents on new and renewed leases commencing during the three months ended March 31, 2022 increased approximately 34.8% on approximately 0.7 million square feet; tenant retention during the three months ended March 31, 2022 was 47.7%.
- Total portfolio, excluding four properties under redevelopment and 37 improved land parcels, was 96.9% leased as of March 31, 2022 as compared to 95.5% at December 30, 2021 and 96.1% at March 31, 2021. Occupancy at March 31, 2022 included acquired vacancy of 141,000 square feet (approximately 90bps) that was acquired pre-leased and is expected to commence prior to June 30, 2022.
- The same store portfolio of approximately 12.3 million square feet, representing approximately 81.6% of our total square feet, was 98.4% leased as of March 31, 2022 as compared to 98.2% as of December 31, 2021 and 97.4% as of March 31, 2021.

Current Portfolio Overview

Occupancy (1)



Six Major Coastal U.S. Markets (2)



Key Metrics (3)

Square Feet	15.1 million	Average Acquisition Size	\$14.6 million
Number of Buildings	256	Weighted Average Occupancy at Acquisition	84.2%
37 Improved Land Parcels	128.3 acres; 94.9% leased	Square Feet Under Redevelopment	536,000

(1) Portfolio and Same Store occupancy based on 15.1 million and 12.3 million square feet, respectively, as of March, 2022, and excludes 37 improved land parcels consisting of 128.3 acres and four properties under redevelopment that upon completion will contain approximately 0.5 million square feet. Occupancy at March 31, 2022 included acquired vacancy of 141,000 square feet (approximately 90bps) that was acquired pre-leased and is expected to commence prior to June 30, 2022.

(2) Based on annualized base rent by market including 15.1 million square feet and 37 improved land parcels consisting of 128.3 acres as of March 31, 2022. Excludes four properties under redevelopment that upon completion will contain approximately 0.5 million square feet.

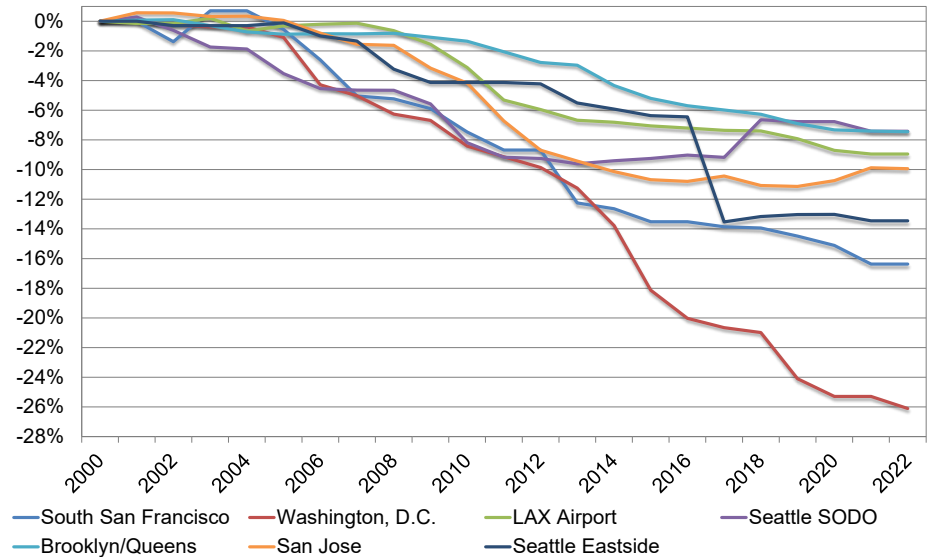
(3) Properties owned as of March 31, 2022. Excludes four properties under redevelopment that upon completion will contain approximately 0.5 million square feet. Average acquisition size and weighted average occupancy at acquisition exclude 26 properties sold with an aggregate 3.9 million square feet.

Terreno's Submarket Focus

Highly Focused Submarket Strategy

- 34% of portfolio located in **shrinking supply** submarkets ⁽¹⁾
 - Characterized by shrinking industrial supply. Offers opportunities to convert existing buildings into higher and better use over time. Urban infill.
- 48% of portfolio in **no net new supply** submarkets ⁽¹⁾
 - Characterized by older existing industrial product. Offers opportunities to redevelop existing buildings into new, modern industrial buildings. Infill.
- 18% of portfolio in **new supply** submarkets ⁽¹⁾
 - Characterized by industrial buildings that will remain in their current state for the foreseeable future with previously undeveloped land available for industrial development. Greenfield.

Percentage Decrease in Industrial Supply Since 2000 ⁽²⁾ In Select Submarkets



Submarket	SF Decrease (Millions of SF)	Decrease Since 2000	Annual SF Decrease
Washington, D.C.	2.7	26.1%	1.2%
South San Francisco	3.0	16.4%	0.7%
Seattle Eastside	1.6	13.5%	0.6%
San Jose	6.1	9.9%	0.5%
LAX Airport	1.6	9.0%	0.4%
Brooklyn/Queens	13.4	7.4%	0.3%
Seattle SODO	1.7	7.4%	0.3%

7 (1) As of May 3, 2022. Reflects Terreno's portfolio composition based on geography and purchase price, includes properties under redevelopment, and improved land parcels. Refer to Appendix for submarket classifications.
 (2) Data provided by Costar. As a comparison, industrial supply has increased 25% nationally and 127% in the Inland Empire since 2000.



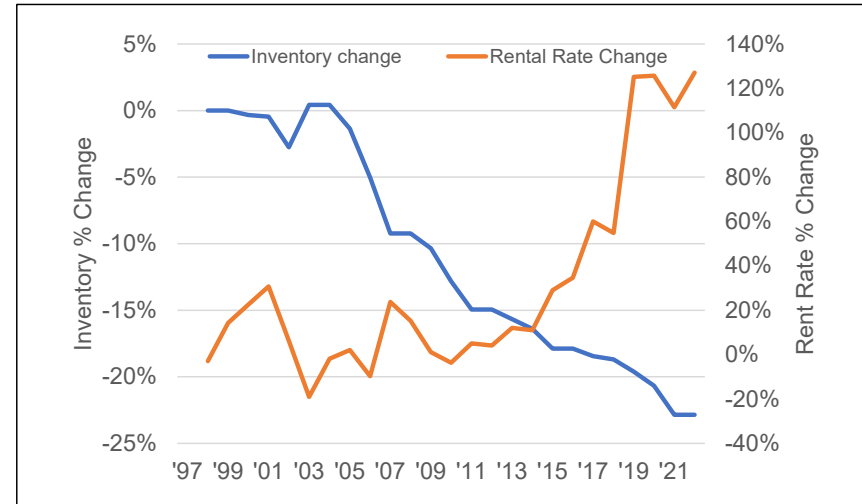
Shrinking Supply: South San Francisco

Approximately 23% Decrease in Supply Since 1997

Percentage Inventory Decrease and Rental Rate Increase Since 1997



■ Demolished Industrial Inventory
 ■ Approved for Redevelopment
■ Terreno Properties (6 buildings, 223,000 SF)

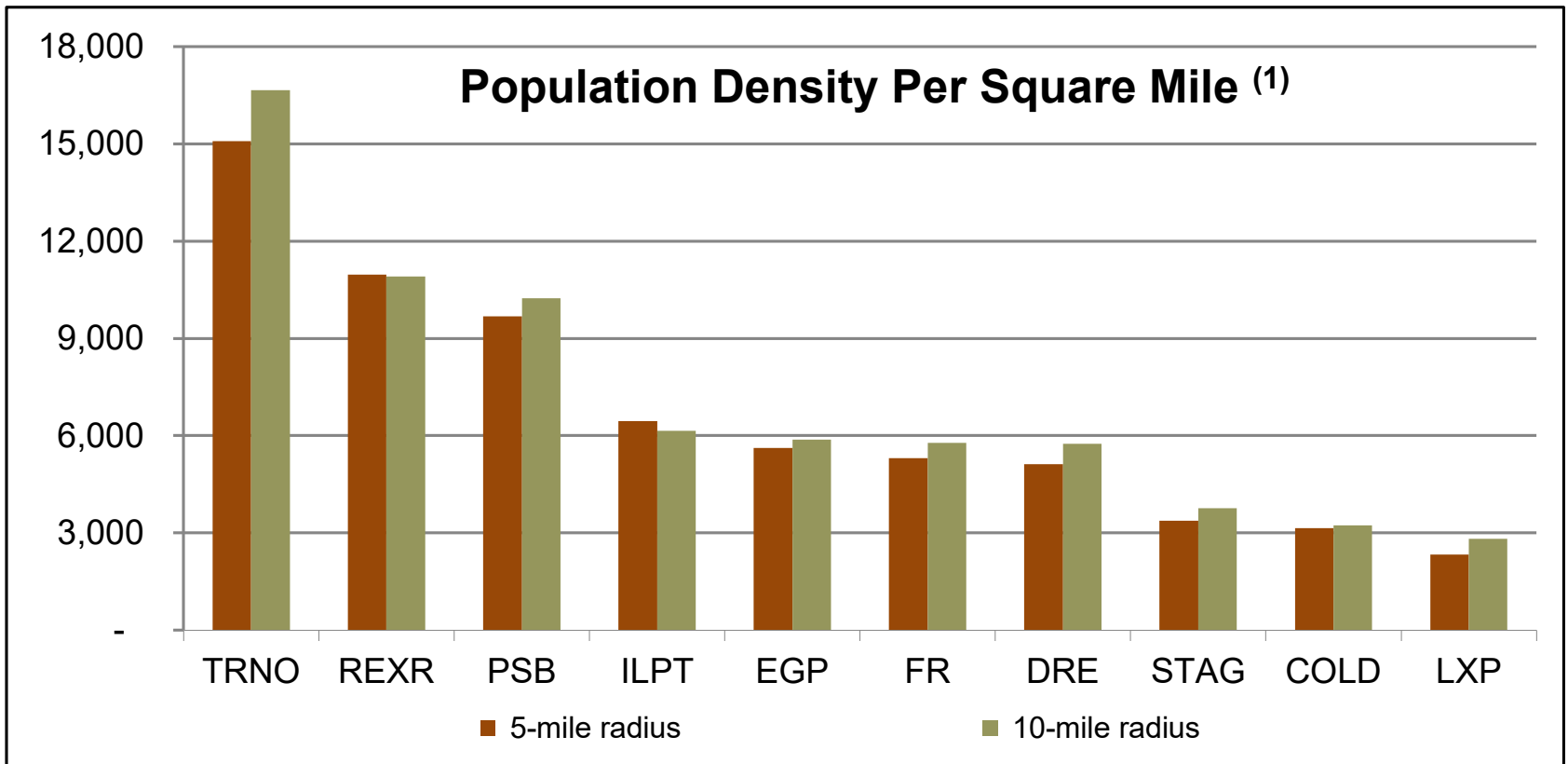


Source: CoStar

- South San Francisco zoning limits freight forwarding contributing to higher and better use conversions.
- Industrial buildings are being demolished and replaced by life science, creative office, manufacturing, and multifamily.

Submarket Focus: Infill

Terreno portfolio located within highest density population submarkets as compared to other industrial REITs



(1) Represents average population density weighted by square feet and ranked by 5-mile radius.

Prologis (NYSE: PLD) excluded due to lack of disclosed data.

Source: S&P Global Market Intelligence, Terreno Realty Corporation.

Submarket Focus: Infill

Terreno portfolio located within highest density population submarkets as compared to other industrial REITs



- TRNO represents average population density within 5-mile radius of owned properties, weighted by square footage.
- Peers represent average population density within 5-mile radius of owned properties for combined portfolios of COLD, DRE, EGP, FR, ILPT, PSB, REXR, and STAG, weighted by square footage, and located in states with TRNO-owned properties.
- PLD excluded due to lack of disclosed data.
- Source: S&P Global Market Intelligence, Terreno Realty Corporation.

Submarket Focus: Ownership Density

Expanding presence in infill submarkets

Meadowlands, Northern New Jersey:



SoDo, Seattle Washington:



Superior Long-Term Results

11.0%

Average Cash
SSNOI Growth
Since IPO⁽¹⁾

12.5%

Unleveraged IRR on
26 Sold Properties
Since IPO⁽¹⁾

11.8%

Dividend CAGR
Since 2011 Initiation

14.1%

TSR CAGR Since
2010 IPO

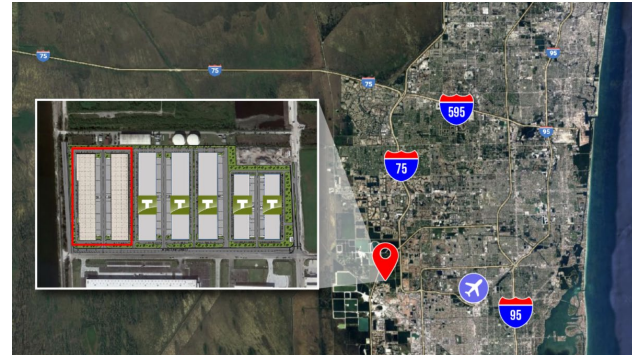
⁽¹⁾ See Appendix for details.

Selected Recent Acquisitions

4281-4341 West 108th Street

Hialeah, FL
February 9, 2022

- Purchase Price: \$73.2 million
- Estimated Stabilized Cap Rate: 3.8%
- Size: Two industrial distribution buildings under development containing approximately 407,000 square feet on 19.8 acres to be LEED certified
- Occupancy: 100% pre-leased to two tenants
- Location: Immediately adjacent to Terreno Realty Corporation's five existing buildings on West 108th Street and adjacent to Florida's Turnpike and I-75



NE 33rd Place

Bellevue, WA
February 23, 2022

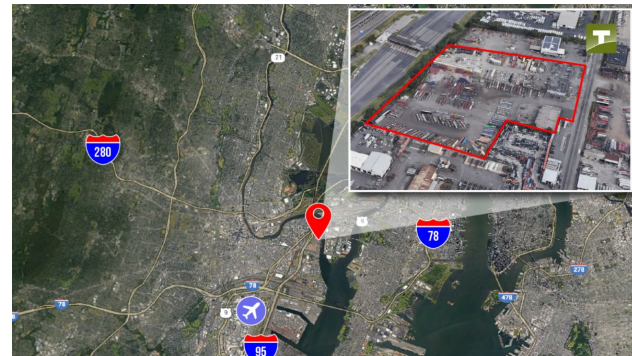
- Purchase Price: \$13.0 million
- Estimated Stabilized Cap Rate: 3.4%
- Size: One industrial distribution buildings containing approximately 20,000 square feet on 0.9 acres, one flex building containing approximately 9,000 square feet on 0.8 acres, and one approximately 1.2-acre improved land parcel
- Occupancy: 100% leased to three tenants
- Location: Adjacent to the intersection of I-405 and Washington SR 520



87 Doremus Avenue

Newark, NJ
April 18, 2022

- Purchase Price: \$17.3 million
- Estimated Stabilized Cap Rate: 5.3%
- Size: 9.7-acre improved land parcel
- Occupancy: 100% leased to two tenants
- Location: Adjacent to Exit 15E of the New Jersey Turnpike, Terreno Realty Corporation's 85 Doremus Avenue property, and Newark Liberty Airport and Port Newark



Selected Examples of Value Creation

- Since Terreno's 2010 IPO, approximately 60% of our acquisitions have been value-add investments. Terreno has successfully stabilized 92 value-add investments to date. Terreno has sold approximately 10% of its properties for an unleveraged IRR of 12.5%.

Strategy	Examples
Leasing and Redevelopment	<ul style="list-style-type: none"> 15001 South San Pedro Street, Gardena: 2.0-acre improved land parcel acquired in October 2021 for approximately \$8.8 million. The property was acquired vacant. Upon acquisition, executed a 5-year lease that commenced October 18, 2021 with a regional logistics provider resulting in an estimated stabilized cap rate of 7.0%. America's Gateway Building 5, Doral: One industrial distribution building acquired as part of a portfolio in May 2013. Redevelopment work included suite reconfiguration, removal of second story mezzanine, and installation of demising walls to convert from single to multi-tenant, construction of new insulated office space, painting interior and exterior of the building, and LED lighting and HVAC upgrades. The redevelopment, originally scheduled to be stabilized in the fourth quarter of 2022, was completed in February 2022. The property was 100% leased upon completion to four tenants with leases expiring in 2027 resulting in a stabilized cap rate of 6.6% and a total investment cost of \$7.5 million.
Value Realized	<ul style="list-style-type: none"> Sold 26 properties since inception for a sales price totaling \$518.1 million, realizing an 12.5% unleveraged IRR. Most recently, sold Middlebrook Crossroads in New Jersey. Terreno acquired the property 76% leased for approximately \$27.0 million in March 2012. The property was sold fully leased in May 2022 for approximately \$110.4 million, generating an unleveraged IRR of 15.2%.

Value Creation – Leasing

- **Property:** 15001 South San Pedro Street
- **Location:** Gardena, CA
- **Size:** 2.0-acre improved land parcel
- **Acquisition Price:** \$8.8 million in October 2021
- **Initial Occupancy:** Vacant
- **Leasing:** Executed a 5-year lease upon acquisition commencing October 2021 with a regional logistics provider resulting in an estimated stabilized cap rate of 7.0%

**Value Creation – Executed 5-year lease providing
an estimated stabilized cap rate of 7.0%**

Value Creation – Redevelopment

- **Property:** America's Gateway 5
- **Location:** Doral, FL
- **Size:** One industrial distribution building containing approximately 52,000 square feet on 2.4 acres
- **Acquisition Date:** May 2013
- **Redevelopment:** Redevelopment work included removal of mezzanine and installation of demising walls to convert from single to multi-tenant, construction of new insulated office space, painting interior and exterior, and LED lighting and HVAC upgrades

- **Stabilization:** The redevelopment, originally scheduled to be stabilized in the fourth quarter of 2022, was completed in February 2022. The property was 100% leased upon completion to four tenants with leases expiring in 2027. The stabilized cap rate is 6.6% for a total investment of \$7.5 million

Value Creation – Estimated stabilized cap rate of 6.6% and total investment of \$7.5 million



Value Realized



- **Property:** Middlebrook Crossroads
- **Location:** Bound Brook, NJ
- **Size:** 18 multi-tenant industrial buildings containing approximately 581,000 square feet on 38 acres
- **Acquisition Price:** \$27.0 million in September 2010
- **Acquisition Occupancy:** 76% leased
- **Value Created:** Purchased at 40% discount to replacement cost, expanded parking areas and leased to 100%

Value Realized – Sold in May 2022 for \$110.4 million (net book value of approximately \$30.6 million) generating an estimated unleveraged internal rate of return of 15.2%

Environmental Highlights

- We contribute positively to the environment by owning and operating facilities in infill locations close to population centers thereby minimizing vehicle miles traveled and the concomitant use of fuel and production of airborne particulate matter pollution. We do not develop buildings in greenfield locations. When re-leasing and redeveloping, we reduce our carbon footprint by upgrading existing facilities with energy efficient lighting and heating, and water saving solutions. Many of our properties are in historical manufacturing sites and we remove hazardous materials and clean up those sites that have environmental contaminants.

Recent Highlights

Rooftop Solar

- Entered agreements to host rooftop solar projects in Washington, D.C., with an aggregate power generating capacity of 8.4 MW —equivalent capacity to power over 700 homes. The Company expects the projects to be operational in 2023 as part of Terreno Realty Corporation’s sustainability goal of rooftop solar on at least 5% of total rooftop area by year-end 2024.

Green Building Certifications



- Achieved LEED certification at 4021-4071 and 4151 West 108th Street in Hialeah, Florida totaling 495,000 square feet of newly-developed buildings built on former landfill site. Commenced LEED certification on an additional 938,000 square feet of newly-developed buildings built on former landfill and industrial land sites in Miami.

Energy Efficient Lighting

- Continued our energy efficient lighting program with more than 70% of our portfolio containing energy efficient lighting and are committed to upgrading the lighting across the portfolio as we gain access to units during vacancy periods.

Commitment to ESG Excellence

- Formed an Environmental, Social and Governance (“ESG”) committee with senior management stakeholders, incorporated ESG goals in annual and long-term business plans, and participated in the GRESB Real Estate Assessment for the first time in 2021.



Market Leading Corporate Structure

Management Alignment

- Executive Team's long-term incentive compensation fully aligned with stockholders
 - Performance shares tied to three-year total stockholder return exceeding the MSCI U.S. REIT Index and FTSE Nareit Equity Industrial Index
 - No annual cash bonus plan for CEO and President with their long-term compensation paid solely in stock
- No stock options, SARs, dividend equivalent units or UPREIT units
- Significant senior management and board investment in common shares (approximately 2.3% of outstanding shares valued at \$128 million)

Corporate Governance

- Ranked #1 among all REITs for Corporate Governance by Green Street Advisors, June 30, 2021
- Majority independent directors with diverse expertise serving annual terms; no classification of Board without shareholder approval (“MUTA opt-out”)
- Adopted a majority voting standard in non-contested director elections
- Opted out of three Maryland anti-takeover provisions (no opt in without stockholder approval)
- Ownership limits designed to protect REIT status and not for the purpose of serving as an anti-takeover device
- No stockholder rights plan unless approved in advance by stockholders or if adopted, subject to termination if not ratified by stockholders within 12 months

Key Takeaways

- Focused strategy
 - Six major coastal US markets, exclusively
 - Flexible and functional assets in infill locations
- Acquisition opportunities across our target markets at discounts to replacement cost
 - Ability to convert value-add investments into stabilized assets and realize value
 - Urban infill locations provide superior rent growth and higher and better use opportunities over time
- Strong balance sheet including an investment grade credit rating
- Demonstrated value creation with 26 properties sold for an aggregate sales price of approximately \$518.1 million earning a 12.5% unleveraged IRR
- 11.8% dividend CAGR since initiating dividend in 2011
- 14.1% compounded annual total shareholder return since 2010 IPO
- Aligned management team and market leading corporate governance

Appendix

Appendix: Statements Of Operations

CONSOLIDATED STATEMENTS OF OPERATIONS (in thousands except share and per share data)

	For the Three Months Ended March 31,	
	2022	2021
REVENUES		
Rental revenues and tenant expense reimbursements	\$ 64,035	\$ 50,691
Total revenues	64,035	50,691
COSTS AND EXPENSES		
Property operating expenses	16,876	13,512
Depreciation and amortization	14,982	11,376
General and administrative ⁽¹⁾	7,527	5,582
Acquisition costs	28	55
Total costs and expenses	39,413	30,525
OTHER INCOME (EXPENSE)		
Interest and other income	121	236
Interest expense, including amortization	(5,081)	(4,145)
Total other income and expenses	(4,960)	(3,909)
Net income	19,662	16,257
Allocation to participating securities	(81)	(51)
Net income available to common stockholders	\$ 19,581	\$ 16,206
EARNINGS PER COMMON SHARE - BASIC AND DILUTED:		
Net income available to common stockholders - basic	\$ 0.26	\$ 0.24
Net income available to common stockholders - diluted	\$ 0.26	\$ 0.24
BASIC WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	75,199,529	68,603,068
DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	75,284,498	68,862,922

Appendix: Net Income, FFO and Adjusted FFO

NET INCOME, FFO AND ADJUSTED FFO ⁽¹⁾ (in thousands except share and per share data)	For the Three Months Ended March 31,	
	2022	2021
Total revenues	\$ 64,035	\$ 50,691
Property operating expenses	(16,876)	(13,512)
Depreciation and amortization	(14,982)	(11,376)
General and administrative ⁽²⁾	(7,527)	(5,582)
Acquisition costs	(28)	(55)
Interest and other income	121	236
Interest expense, including amortization	(5,081)	(4,145)
Net income	19,662	16,257
Allocation to participating securities	(81)	(51)
Net income available to common stockholders	\$ 19,581	\$ 16,206
Net income available to common stockholders per common share - basic	\$ 0.26	\$ 0.24
Net income available to common stockholders per common share - diluted	\$ 0.26	\$ 0.24
Adjustments to arrive at Funds from Operations:		
Depreciation and amortization related to real estate	14,959	11,363
Allocation to participating securities	(141)	(86)
Funds from Operations ⁽¹⁾	\$ 34,480	\$ 27,534
Funds from operations per common share - basic	\$ 0.46	\$ 0.40
Funds from operations per common share - diluted	\$ 0.46	\$ 0.40
Adjustments to arrive at Adjusted Funds From Operations:		
Acquisition costs	28	55
Stock-based compensation	2,829	1,970
Straight-line rents	(2,313)	(1,410)
Amortization of lease intangibles	(3,111)	(1,443)
Total capital expenditures	(30,705)	(5,989)
Capital expenditures related to stabilization ⁽³⁾	23,513	1,157
Adjusted Funds from Operations	\$ 24,721	\$ 21,874
Common stock dividends paid	\$ 25,618	\$ 19,870
Weighted average basic common shares	75,199,529	68,603,068
Weighted average diluted common shares	75,284,498	68,862,922

(1) See Reporting Definitions for further explanation.

(2) Includes non-cash compensation associated with the Company's Performance Share awards. The Company recognized compensation expense related to all Performance Share awards outstanding of approximately \$1.5 million and \$1.3 million for the three months ended March 31, 2022 and 2021, respectively.

(3) Capital expenditures related to stabilization includes costs incurred related to leasing acquired vacancy and redevelopment projects.

Appendix: Supplemental Components of NAV

COMPONENTS OF NET OPERATING INCOME ⁽¹⁾ (in thousands except share and per share data)	<i>For the Three Months Ended March 31, 2022</i>	
Total revenues	\$	64,035
Less straight-line rents		(2,313)
Less amortization of lease intangibles		(3,111)
Less property operating expenses		(16,876)
Cash net operating income	\$	41,735
CONTRACTUAL RENT ABATEMENTS	\$	1,768
LEASE TERMINATION INCOME	\$	148
CASH NOI FROM REDEVELOPMENTS	\$	-
BALANCE SHEET ITEMS		
Other assets and liabilities		
Cash and cash equivalents	\$	106,278
Restricted cash		3,246
Construction in progress ⁽²⁾		125,198
Other assets, net		57,029
Less straight-line rents		(34,045)
Security deposits		(25,539)
Dividends payable		(25,680)
Accounts payable and other liabilities		(43,795)
Total other assets and liabilities	\$	162,692
DEBT		
Credit facility	\$	-
Term Loan ⁽³⁾		(100,000)
Senior unsecured notes ⁽³⁾		(625,000)
Total debt	\$	(725,000)
Total shares outstanding		75,525,288

Q1 2022 Acquisitions

Property Name	Date	Purchase Price (in thousands)	Estimated Stabilized Cap Rate	Leased % at Acquisition
Countyline 29-30	February 9, 2022	\$ 73,200	3.8%	0% ⁽⁴⁾
33rd Place	February 23, 2022	\$ 13,040	3.4%	100%
Total/Weighted Average		\$ 86,240	3.7%	15%

SUMMARY MARKET INFORMATION (Investments in Real Estate) ⁽²⁾

Market	Rentable Square Feet	Occupancy % as of March 31, 2022	Annualized Base Rent (000's)	Base Rent Per Occupied Square Foot
Los Angeles	2,695,418	99.3%	\$ 28,878	\$ 10.78
Northern New Jersey/New York City	3,449,112	97.8%	44,956	13.33
San Francisco Bay Area	2,197,008	98.9%	30,799	14.17
Seattle	2,781,352	96.7%	29,939	11.14
Miami ⁽⁵⁾	2,262,361	93.8%	19,304	9.10
Washington, D.C.	1,761,704	93.0%	19,085	11.64
Total/Weighted Average	15,146,955	96.9%	\$ 172,961	\$ 11.79

SUMMARY MARKET INFORMATION (Improved Land) ⁽²⁾

Market	Number of Parcels	Acreage	Occupancy % as of March 31, 2022	Annualized Base Rent (000's)
Los Angeles	10	20.7	90.5%	\$ 4,601
Northern New Jersey/New York City	10	54.2	100.0%	7,328
San Francisco Bay Area	3	7.1	100.0%	1,447
Seattle	9	22.4	79.3%	2,300
Miami	2	3.2	100.0%	422
Washington, D.C.	3	20.7	100.0%	1,733
Total/Weighted Average	37	128.3	94.9%	\$ 17,831

(1) See Reporting Definitions for further explanation.

(2) The Company had four properties under redevelopment as of March 31, 2022 that upon completion will consist of four buildings aggregating approximately 0.5 million square feet and two improved land parcels aggregating approximately 12.1 acres, with a total expected investment of approximately \$144.4 million.

(3) Excludes deferred financing costs and loan fees.

(4) The property is included in the redevelopment pool and is 100% pre-leased to two tenants.

(5) Includes acquired vacancy of 141,000 square feet that was acquired pre-leased and is expected to commence prior to June 30, 2022.

Appendix: Same Store Results

SAME STORE GROWTH ⁽¹⁾ (in thousands)	For the Three Months Ended March 31,			
	2022	2021	\$ Change	% Change
Net income	\$ 19,662	\$ 16,257	\$ 3,405	20.9%
Depreciation and amortization	14,982	11,376	3,606	31.7%
General and administrative	7,527	5,582	1,945	34.8%
Acquisition costs	28	55	(27)	(49.1)%
Total other income and expenses	4,960	3,909	1,051	26.9%
Net operating income	47,159	37,179	9,980	26.8%
Less non-same store NOI	(8,512)	(1,718)	(6,794)	395.5%
Same store NOI	<u>\$ 38,647</u>	<u>\$ 35,461</u>	<u>\$ 3,186</u>	<u>9.0%</u>
Less straight-line rents and amortization of lease intangibles	(2,130)	(2,731)	601	(22.0)%
Cash-basis same store NOI	<u>\$ 36,517</u>	<u>\$ 32,730</u>	<u>\$ 3,787</u>	<u>11.6%</u>
Less termination fee income	(148)	(118)	(30)	25.4%
Cash-basis same store NOI excluding termination fees	<u>\$ 36,369</u>	<u>\$ 32,612</u>	<u>\$ 3,757</u>	<u>11.5%</u>

HISTORICAL SAME STORE RESULTS ^{(1) (2)}

	Full Year 2012	Full Year 2013	Full Year 2014	Full Year 2015	Full Year 2016	Full Year 2017	Full Year 2018	Full Year 2019	Full Year 2020	Full Year 2021	2022 YTD
Same store square feet	2,235,500	3,091,365	4,792,329	6,312,641	8,627,109	10,159,084	10,421,965	11,795,386	12,018,238	12,494,870	12,353,599
Occupancy %	93.0%	96.8%	97.1%	94.4%	99.0%	97.5%	99.1%	98.4%	98.0%	98.2%	98.4%
Cash-basis same store NOI growth %	11.9%	18.1%	12.9%	3.1%	8.6%	16.5%	9.1%	9.2%	7.7%	7.8%	11.6%
Average cash-basis same store growth since IPO:			11.0%								

(1) Same Store NOI is computed as rental revenues, including tenant expense reimbursements, less property operating expenses on a same store basis. The same store pool includes all properties that were owned as of March 31, 2022 and since January 1, 2021 and excludes properties that were held for sale, disposed of prior to or were under redevelopment as of March 31, 2022. See Reporting Definitions for further explanation.

(2) Historical Same Store Results include cash-basis same store NOI growth %'s as reported in the Company's Form 10-Q and 10-K's. Previously reported cash-basis same store NOI growth has not been adjusted for properties that were subsequently disposed of or held for sale.

Appendix: Redevelopments and Dispositions

REDEVELOPMENTS

Property Name	Total Expected Investment (in thousands) ⁽¹⁾	Amount Spent to Date (in thousands)	Amount Remaining to Spend (in thousands)	Estimated Stabilized Return on Cost ⁽²⁾	Estimated Post-Development Square Feet	Estimated Stabilization Quarter	% Pre-leased March 31, 2022
73rd Street	\$ 20,616	\$ 18,063	\$ 2,553	5.5%	128,844	Q3 2022	33.5%
Countyline 29 30	75,538	64,124	11,414	3.8%	407,084	Q3 2022	100%
Paterson Plank III	23,643	19,188	4,455	4.5%	N/A	Q1 2023	0%
Berryessa	24,563	23,823	740	5.1%	N/A	Q1 2023	0%
Total/Weighted Average	\$ 144,360	\$ 125,198	\$ 19,162	4.4%	535,928		84.0%

HISTORICAL DISPOSITIONS

Property	Market	Acquisition Date	Disposition Date	Acquisition Price (in thousands)	Disposition Price (in thousands)	Unleveraged IRR
Rialto	Los Angeles	September 2010	November 2012	\$ 12,110	\$ 16,962	20.9%
Maltese	New Jersey/New York	September 2010	December 2013	16,500	19,000	11.8%
Warm Springs	San Francisco	March 2010	June 2015	7,264	13,400	15.1%
Sweitzer	Washington, D.C.	October 2012	November 2015	6,950	11,200	21.5%
Fortune Qume	San Francisco	March 2010	February 2016	5,550	8,200	11.3%
Global Plaza	Washington, D.C.	March 2012	March 2016	6,100	8,200	13.2%
39th Street	Miami	August 2011	September 2016	4,400	6,097	12.1%
Whittier	Los Angeles	June 2012	April 2017	16,100	25,300	14.5%
Bollman	Washington, D.C.	June 2011	August 2017	7,500	12,000	12.4%
Route 100	Washington, D.C.	June 2013	August 2017	16,650	28,500	15.7%
8441 Dorsey	Washington, D.C.	March 2011	December 2017	5,800	11,500	11.9%
Hampton	Washington, D.C.	May 2014	February 2018	18,050	20,250	6.9%
10th Avenue	Miami	December 2010	June 2018	9,000	24,300	11.5%
26th Street (office)	Miami	September 2012	November 2018	3,150	4,325	14.4%
Miller Ave	Los Angeles	December 2014	November 2018	22,899	33,217	14.5%
California Ave	Los Angeles	June 2014	March 2019	7,815	12,410	12.4%
10100 NW 25th Str	Miami	January 2011	August 2019	9,875	14,000	7.2%
8215 Dorsey	Washington, D.C.	November 2009	October 2019	6,000	7,470	7.5%
9020 Junction	Washington, D.C.	November 2010	December 2019	13,800	15,000	7.6%
9070 Junction	Washington, D.C.	February 2015	June 2020	10,360	16,609	8.3%
Troy Hill	Washington, D.C.	August 2012	June 2020	6,664	9,348	9.2%
Parkway	Washington, D.C.	March 2014	June 2020	18,000	25,293	12.8%
NW 60th Avenue	Miami	December 2010	July 2020	7,750	22,150	7.4%
Hanford	Seattle	April 2017	September 2021	5,900	10,300	11.0%
Melanie Lane	New Jersey/New York	September 2013	October 2021	20,000	32,700	10.1%
Middlebrook	New Jersey/New York	September 2010	May 2022	27,000	110,350	15.2%
			Total	\$ 291,187	\$ 518,081	12.5%

(1) Total expected investment for the property includes the initial purchase price, buyer's due diligence and closing costs, estimated near-term redevelopment expenditures, capitalized interest and leasing costs necessary to achieve stabilization.

(2) Estimated stabilized return on cost is calculated as annualized cash basis net operating income for the property stabilized to market occupancy (generally 95%) divided by the total expected investment for the property.

(3) During the first quarter of 2022, we completed redevelopment of Americas Gateway 5 in Miami, Florida. The property is 100% leased to four tenants. The total cost of the redeveloped property was approximately \$7.5 million and the estimated stabilized cap rate is 6.6%

Appendix: Capitalization

<u>Maturity (in thousands except share and per share data)</u>	<u>Credit Facility</u>	<u>Term Loans</u>	<u>Senior Unsecured Notes</u>	<u>Total Debt</u>
2022 (9 months)	\$ -	\$ -	\$ 50,000	\$ 50,000
2023	-	-	-	-
2024	-	-	100,000	100,000
2025	-	-	-	-
2026	-	-	50,000	50,000
Thereafter	-	100,000	425,000	525,000
Subtotal	-	100,000	625,000	725,000
Deferred financing costs, net	-	(480)	(3,656)	(4,136)
Total Debt, net	<u>\$ -</u>	<u>\$ 99,520</u>	<u>\$ 621,344</u>	<u>\$ 720,864</u>
Weighted Average Interest Rate	n/a	1.3%	3.2%	3.0%
			As of March 31, 2022	As of March 31, 2021
Total Debt, net			<u>\$ 720,864</u>	<u>\$ 448,004</u>
Common Stock				
Shares Outstanding			75,525,288	69,372,554
Market Price			<u>\$ 74.05</u>	<u>\$ 59.21</u>
Total Equity			<u>5,592,648</u>	<u>4,107,549</u>
Total Market Capitalization			<u>\$ 6,313,512</u>	<u>\$ 4,555,553</u>
Total Debt-to-Total Investments in Properties			23.7%	19.1%
Total Debt-to-Total Market Capitalization			11.4%	9.8%
Floating Rate Debt as a % of Total Debt ⁽¹⁾			13.8%	22.3%
Unhedged Floating Rate Debt as a % of Total Debt ⁽²⁾			13.8%	11.2%
Mortgage Loans Payable as a % of Total Debt			0.0%	0.0%
Mortgage Loans Payable as a % of Total Investments in Properties			0.0%	0.0%
Adjusted EBITDA ⁽³⁾			\$ 42,582	\$ 33,803
Interest Coverage			8.4 x	8.2 x
Fixed Charge Coverage			7.4 x	8.1 x
Total Debt-to-Adjusted EBITDA ⁽³⁾			4.2 x	3.3 x
Weighted Average Maturity of Total Debt (years)			5.7	4.3

(1) Floating rate debt includes our existing \$100.0 million of variable-rate term loan borrowings, \$50 million of which was subject to an interest rate cap of 4.0% plus 1.20% to 1.70%, depending on leverage, as of March 31, 2021.

27 (2) Hedged debt includes our existing \$100.0 million of variable-rate term loan borrowings, \$50 million of which was subject to an interest rate cap of 4.0% plus 1.20% to 1.70%, depending on leverage, as of March 31, 2021.

(3) See Reporting Definitions for further explanation.



Appendix: Submarket Focus

Market	Shrinking Supply (1)	No Net New Supply (2)	New Supply (3)
Los Angeles	LAX	South Bay	Inland Empire West
	West of 405	Commerce/Vernon	Inland Empire East
	Hawthorne	Mid-Counties	
	Downtown LA	San Fernando Valley	
		Orange County	
New York City/Northern New Jersey	Brooklyn/Queens/Bronx	Meadowlands	Exit 8A
	Secaucus	Newark/Elizabeth	Exit 10 / I 287
	Bayonne	Fairfield	
	Jersey City	Exit 12	
	Teterboro	JFK	
		Kearny	
San Francisco Bay Area	Silicon Valley	East Bay	Livermore
	San Jose		Richmond
	South SF		Fremont
	Dogpatch/Mission Bay		
Miami	Central Dade	Airport/Doral	Medley
		Hialeah	Airport North
			North Dade
			Hialeah North
Seattle	South Seattle	Kent	Auburn
	Tukwila	SeaTac	Sumner
	Eastside	Renton	Fife
			Pullayup
Washington D.C.	D.C.	Corridor	Dulles
	Inside the D.C. Beltway	Close in PG County	
	Alexandria	Close in NOVA	
% of Terreno's Portfolio ⁽⁴⁾	34%	48%	18%

- (1) *Shrinking Supply: Characterized by shrinking industrial supply. Offers opportunities to convert existing buildings into higher and better use over time. Super infill.*
- (2) *No Net New Supply: Characterized by older existing industrial product. Offers opportunities to redevelop existing buildings into new, modern industrial buildings. Infill.*
- (3) *New Supply: Characterized by industrial buildings that will remain in their current state for the foreseeable future with previously undeveloped land available for industrial development. Greenfield.*
- (4) *As of May 3, 2022. Reflects Terreno portfolio composition based on geography and purchase price, includes four properties under redevelopment and improved land parcels. Completed redevelopments are included at total investment.*

Appendix: Management and Board of Directors

<p>Blake Baird <i>Chairman and CEO</i></p>	<ul style="list-style-type: none"> ▪ Co-founded Terreno Realty Corporation in 2007 ▪ Former President and Director of AMB Property Corporation (NYSE: AMB) ▪ Director of Sunstone Hotel Investors, Inc. (NYSE: SHO)
<p>Mike Coke <i>President</i></p>	<ul style="list-style-type: none"> ▪ Co-founded Terreno Realty Corporation in 2007 ▪ Former Chief Financial Officer and Executive Vice President of AMB ▪ Director of Broadstone Net Lease, Inc. (NYSE: BNL)
<p>Jaime Cannon <i>EVP and CFO</i></p>	<ul style="list-style-type: none"> ▪ Joined Terreno Realty Corporation in 2010 ▪ Former Vice President, Treasury at AMB ▪ Former Audit Manager at PriceWaterhouseCoopers LLP
<p>John Meyer <i>EVP</i></p>	<ul style="list-style-type: none"> ▪ Joined Terreno Realty Corporation in 2010 ▪ Former Senior Vice President, Director of Transactions, Southwest Region for AMB
<p>Linda Assante <i>Nominating & Corporate Governance Chair</i></p>	<ul style="list-style-type: none"> ▪ Former Managing Partner at Jasper Ridge Partners and Former Principal with The Townsend Group ▪ Director of James Campbell Company LLC
<p>Lee Carlson <i>Audit Chair</i></p>	<ul style="list-style-type: none"> ▪ Principal of NNC Apartment Ventures, LLC ▪ Former Executive Vice President, Chief Operating Officer, Chief Financial Officer and Board Member of BRE Properties
<p>David Lee <i>Director</i></p>	<ul style="list-style-type: none"> ▪ Former founder and portfolio manager of T. Rowe Price Real Estate Fund ▪ Former founder and portfolio manager of T. Rowe Price Global Real Estate Fund
<p>Doug Pasquale <i>Lead Director</i></p>	<ul style="list-style-type: none"> ▪ Former President, Chief Executive Officer and Chairman of Nationwide Health Properties (formerly NYSE: NHP) ▪ Executive Chairman and Chairman of the Board of Sunstone Hotel Investors, Inc. (NYSE: SHO) ▪ Director of Alexander & Baldwin (NYSE: ALEX) and Dine Brands Global (NYSE: DIN)
<p>Dennis Polk <i>Compensation Chair</i></p>	<ul style="list-style-type: none"> ▪ Executive Chair of the Board of Directors of TD SYNEX (NYSE: SNX) ▪ Director of Concentrix Corporation (NASDAQ: CNXC)

Appendix: Reporting Definitions

Adjusted EBITDA: We compute Adjusted EBITDA as earnings before interest, taxes, depreciation and amortization, gain on sales of real estate investments, acquisition costs and stock-based compensation. We believe that presenting Adjusted EBITDA provides useful information to investors regarding our operating performance because it is a measure of our operations on an unleveraged basis before the effects of tax, gain (loss) on sales of real estate investments, non-cash depreciation and amortization expense, acquisition costs and stock-based compensation. By excluding interest expense, Adjusted EBITDA allows investors to measure our operating performance independent of our capital structure and indebtedness and, therefore, allows for more meaningful comparison of our operating performance between quarters as well as annual periods and for the comparison of our operating performance to that of other companies, both in the real estate industry and in other industries. As we are currently in a growth phase, acquisition costs are excluded from Adjusted EBITDA to allow for the comparison of our operating performance to that of stabilized companies.

The following table reflects the calculation of Adjusted EBITDA reconciled from net income for the three months ended March 31, 2022 and 2021 (dollars in thousands):

	<i>For the Three Months Ended March 31,</i>			
	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
Net income	\$ 19,662	\$ 16,257	\$ 3,405	20.9%
Depreciation and amortization	14,982	11,376	3,606	31.7%
Interest expense, including amortization	5,081	4,145	936	22.6%
Stock-based compensation	2,829	1,970	859	43.6%
Acquisition costs	28	55	(27)	(49.1)%
Adjusted EBITDA	<u>\$ 42,582</u>	<u>\$ 33,803</u>	<u>\$ 8,779</u>	<u>26.0%</u>

Appendix: Reporting Definitions

Adjusted Funds from Operations (AFFO): We compute AFFO by adding to or subtracting from FFO (see definition below) (i) acquisition costs (ii) stock-based compensation (iii) straight-line rents, (iii) amortization of above- and below-market lease intangibles and (iv) non-recurring capital expenditures required to stabilize acquired vacancy or renovation projects. We use AFFO as a meaningful supplemental measure of our operating performance because it captures trends in our portfolio operating results when compared year over year. We also believe that AFFO is a widely recognized supplemental measure of the performance of REITs and is used by investors as a basis to assess operating performance in comparison to other REITs. As a result, we believe that the use of AFFO, together with the required GAAP presentations, provide a more complete understanding of our operating performance.

Funds from Operations (FFO): We compute FFO in accordance with standards established by the National Association of Real Estate Investment Trusts (“Nareit”), which defines FFO as net income (loss) (determined in accordance with GAAP), excluding gains (losses) from sales of property and impairment write-downs of depreciable real estate, plus depreciation and amortization on real estate assets and after adjustments for unconsolidated partnerships and joint ventures (which are calculated to reflect FFO on the same basis). We believe that presenting FFO provides useful information to investors regarding our operating performance because it is a measure of our operations without regard to specified non-cash items, such as real estate depreciation and amortization and gain or loss on sale of assets.

We believe that FFO is a meaningful supplemental measure of our operating performance because historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values have historically risen or fallen with market conditions, many industry investors and analysts have considered the presentation of operating results for real estate companies that use historical cost accounting alone to be insufficient. As a result, we believe that the use of FFO, together with the required GAAP presentations, provide a more complete understanding of our operating performance.

Appendix: Reporting Definitions

Net Operating Income (NOI): We compute NOI as rental revenues, including tenant expense reimbursements, less property operating expenses. We compute same store NOI as rental revenues, including tenant expense reimbursements, less property operating expenses on a same store basis. NOI excludes depreciation, amortization, general and administrative expenses, acquisition costs and interest expense. We compute cash-basis same store NOI as same store NOI excluding straight-line rents and amortization of lease intangibles. The same store pool includes all properties that were owned as of March 31, 2022 and since January 1, 2021 and excludes properties that were either held for sale, disposed of prior to, held for sale to a third party or in redevelopment as of March 31, 2022. As of March 31, 2022, the same store pool consisted of 200 buildings aggregating approximately 12.3 million square feet representing approximately 81.6% of our total square feet owned and 24 improved land parcels containing 91.5 acres. We believe that presenting NOI, same store NOI and cash-basis same store NOI provides useful information to investors regarding the operating performance of our properties because NOI excludes certain items that are not considered to be controllable in connection with the management of the property, such as depreciation, amortization, general and administrative expenses, acquisition costs and interest expense. By presenting same store NOI and cash-basis same store NOI, the operating results on a same store basis are directly comparable from period to period.

Stabilized Cap Rate: We compute estimated stabilized cap rates as annualized cash basis net operating income stabilized to market occupancy (generally 95%) divided by total acquisition cost. Total acquisition cost includes the initial purchase price, the effects of marking assumed debt to market, buyer's due diligence and closing costs, estimated near-term capital expenditures and leasing costs necessary to achieve stabilization.