



# **Clipper Realty Inc.**

## **SUPPLEMENTAL DATA**

**First Quarter 2021**



## Clipper Realty Inc. Announces First Quarter 2021 Results

NEW YORK, May 10, 2021 /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, 2021.

### Highlights for the Three Months Ended March 31, 2021

- Achieved quarterly revenues of \$30.7 million for the first quarter of 2021
- Achieved quarterly income from operations of \$6.1 million for the first quarter of 2021
- Achieved quarterly net operating income (“NOI”)<sup>1</sup> of \$14.8 million for the first quarter of 2021
- Recorded quarterly net loss of \$7.1 million for the first quarter of 2021, or \$4.1 million excluding a non-recurring \$3.0 million loss on extinguishment of debt
- Achieved quarterly adjusted funds from operations (“AFFO”)<sup>1</sup> of \$3.1 million for the first quarter of 2021
- Declared a dividend of \$0.095 per share for the first quarter of 2021

The Company also announced today that Michael Frenz, its Chief Financial Officer, will resign from his position effective May 11, 2021, in order to pursue another opportunity. Mr. Frenz has been Chief Financial Officer since July 2019. Lawrence Kreider, Jr., the Company’s previous Chief Financial Officer since its formation in 2015, will become Chief Financial Officer effective upon Mr. Frenz’s resignation.

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

“We continue to see meaningful signs of improvement as New York City further strengthens from the depths of the COVID-19 pandemic. We anticipate recently strong rental demand to remain elevated, and pricing to improve, as New York City continues to reopen and vaccinations proliferate. We remain focused on efficiently operating our portfolio, with the safety of our tenants and employees our highest priority. Despite the pandemic-related headwinds, our properties are 95% leased and our first quarter rent collection rate was over 96%. We have a strong liquidity position with \$106.2 million of cash on the balance sheet, consisting of \$88.0 million of unrestricted cash and \$18.2 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.

On behalf of the entire Company, we thank Michael for his many contributions to Clipper Realty. His efforts have strengthened our organization and positioned us well for the years ahead, and we wish him success in his future endeavors. I am also excited to welcome back Larry as our CFO. Larry initially joined the business in 2014, and led the Company’s Rule 144A offering in August 2015 and initial public offering in February 2017. His intimate knowledge of our operations, management expertise and extensive financial experience will help drive our strategic vision for the future. Michael and Larry will work with our executive management, finance and accounting teams to ensure a smooth transition.”

### Financial Results

For the first quarter of 2021, revenues decreased by \$0.7 million, or 2.1%, to \$30.7 million, compared to \$31.3 million for the first quarter of 2020; the change was primarily attributable to declines in leased occupancy and

---

<sup>1</sup> 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 rate at the Tribeca House property and the termination of certain commercial leases at the Tribeca House property, partially offset by the commencement of a new office lease at the 250 Livingston Street property during the third quarter of 2020.

For the first quarter of 2021, net loss was \$7.1 million, or \$0.18 per share (\$4.1 million, or \$0.11 per share, excluding a non-recurring \$3.0 million loss on extinguishment of debt), compared to net loss of \$0.4 million, or \$0.01 per share, for the first quarter of 2020; the change, excluding the non-recurring item, was primarily attributable to the revenue change discussed above and higher property operating expenses (including an increase in the provision for bad debt), property taxes, insurance expense, depreciation and amortization expense and interest expense (primarily resulting from the refinancing of the Flatbush Gardens property in May 2020 and the 141 Livingston Street property in February 2021).

For the first quarter of 2021, AFFO was \$3.1 million, or \$0.07 per share, compared to \$5.6 million, or \$0.13 per share, for the first quarter of 2020; the change was primarily attributable to the revenue change discussed above and higher property operating expenses (including an increase in the provision for bad debt), property taxes, insurance expense and interest expense, partially offset by lower recurring cash general and administrative expenses.

### **Balance Sheet**

At March 31, 2021, notes payable (excluding unamortized loan costs) was \$1,115.2 million, compared to \$1,089.7 million at December 31, 2020; the increase primarily reflected the refinancing of the 141 Livingston Street property in February 2021, 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, 2021, payable May 27, 2021.

### **Conference Call and Supplemental Material**

The Company will host a conference call on May 10, 2021, at 5:00 PM Eastern Time to discuss the first quarter 2021 results and provide a business update. The conference call can be accessed by dialing (800) 346-7359 or (973) 528-0008, conference entry code 885914. A replay of the call will be available from May 10, 2021, following the call, through May 24, 2021, by dialing (800) 332-6854 or (973) 528-0005, replay conference ID 885914. 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](http://www.clipperrealty.com). The Company’s filings with the Securities and Exchange Commission (the “SEC”) are filed at [www.sec.gov](http://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](http://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, 2020, and other reports filed from time to time with the SEC.

Contact Information:

Michael Frenz  
Chief Financial Officer  
(718) 438-2804 x2274  
mfrenz@clipperrealty.com

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

	<b>March 31, 2021</b>	<b>December 31,</b>
	(unaudited)	<b>2020</b>
<b>ASSETS</b>		
Investment in real estate		
Land and improvements	\$ 540,859	\$ 540,859
Building and improvements	634,502	630,662
Tenant improvements	3,243	3,121
Furniture, fixtures and equipment	12,278	12,217
Real estate under development	37,637	36,118
Total investment in real estate	1,228,519	1,222,977
Accumulated depreciation	(138,650)	(132,479)
Investment in real estate, net	1,089,869	1,090,498
Cash and cash equivalents	87,952	72,058
Restricted cash	18,244	16,974
Tenant and other receivables, net of allowance for doubtful accounts of \$7,199 and \$5,993, respectively	8,343	7,002
Deferred rent	2,455	2,454
Deferred costs and intangible assets, net	7,568	7,720
Prepaid expenses and other assets	8,975	11,160
<b>TOTAL ASSETS</b>	<b>\$ 1,223,406</b>	<b>\$ 1,207,866</b>
<b>LIABILITIES AND EQUITY</b>		
Liabilities:		
Notes payable, net of unamortized loan costs of \$10,713 and \$10,262, respectively	\$ 1,104,479	\$ 1,079,458
Accounts payable and accrued liabilities	12,492	11,725
Security deposits	6,989	6,983
Below-market leases, net	126	157
Other liabilities	6,045	5,429
<b>TOTAL LIABILITIES</b>	<b>1,130,131</b>	<b>1,103,752</b>
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	87,469	87,347
Accumulated deficit	(52,275)	(48,045)
Total stockholders' equity	35,354	39,462
Non-controlling interests	57,921	64,652
<b>TOTAL EQUITY</b>	<b>93,275</b>	<b>104,114</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 1,223,406</b>	<b>\$ 1,207,866</b>

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

	<b>Three Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>REVENUES</b>		
Residential rental income	\$ 21,604	\$ 23,718
Commercial rental income	9,047	7,597
<b>TOTAL REVENUES</b>	<b>30,651</b>	<b>31,315</b>
<b>OPERATING EXPENSES</b>		
Property operating expenses	8,642	7,159
Real estate taxes and insurance	7,312	6,864
General and administrative	2,293	2,323
Transaction pursuit costs	60	-
Depreciation and amortization	6,227	5,558
<b>TOTAL OPERATING EXPENSES</b>	<b>24,534</b>	<b>21,904</b>
<b>INCOME FROM OPERATIONS</b>	<b>6,117</b>	<b>9,411</b>
Interest expense, net	(10,217)	(9,788)
Loss on extinguishment of debt	(3,034)	-
<b>Net loss</b>	<b>(7,134)</b>	<b>(377)</b>
Net loss attributable to non-controlling interests	4,430	225
<b>Net loss attributable to common stockholders</b>	<b>\$ (2,704)</b>	<b>\$ (152)</b>
Basic and diluted net loss per share	\$ (0.18)	\$ (0.01)
<b>Weighted average common shares / OP units</b>		
Common shares outstanding	16,063	17,815
OP units outstanding	26,317	26,317
Diluted shares outstanding	42,380	44,132

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

	<b>Three Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$ (7,134)	\$ (377)
<i>Adjustments to reconcile net loss to net cash provided by operating activities:</i>		
Depreciation	6,171	5,485
Amortization of deferred financing costs	308	304
Amortization of deferred costs and intangible assets	176	192
Amortization of above- and below-market leases	(31)	(99)
Loss on extinguishment of debt	3,034	-
Deferred rent	(1)	(228)
Stock-based compensation	486	158
Bad debt expense	1,178	-
Transaction pursuit costs	60	-
<i>Changes in operating assets and liabilities:</i>		
Tenant and other receivables	(2,519)	(563)
Prepaid expenses, other assets and deferred costs	2,101	5,918
Accounts payable and accrued liabilities	2,986	(1,926)
Security deposits	6	67
Other liabilities	616	119
<b>Net cash provided by operating activities</b>	<b>7,437</b>	<b>9,050</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to land, buildings and improvements	(7,745)	(7,101)
Sale and purchase of interest rate caps, net	-	(14)
<b>Net cash used in investing activities</b>	<b>(7,745)</b>	<b>(7,115)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments of mortgage notes	(74,776)	(897)
Proceeds from mortgage notes	100,248	176
Dividends and distributions	(4,191)	(4,276)
Loan issuance and extinguishment costs	(3,809)	-
<b>Net cash provided by (used in) financing activities</b>	<b>17,472</b>	<b>(4,997)</b>
Net increase (decrease) in cash and cash equivalents and restricted cash	17,164	(3,062)
Cash and cash equivalents and restricted cash - beginning of period	89,032	56,932
<b>Cash and cash equivalents and restricted cash - end of period</b>	<b>\$ 106,196</b>	<b>\$ 53,870</b>
Cash and cash equivalents and restricted cash - beginning of period:		
Cash and cash equivalents	\$ 72,058	\$ 42,500
Restricted cash	16,974	14,432
Total cash and cash equivalents and restricted cash - beginning of period	\$ 89,032	\$ 56,932
Cash and cash equivalents and restricted cash - end of period:		
Cash and cash equivalents	\$ 87,952	\$ 36,298
Restricted cash	18,244	17,572
Total cash and cash equivalents and restricted cash - end of period	\$ 106,196	\$ 53,870
Supplemental cash flow information:		
Cash paid for interest, net of capitalized interest of \$393 and \$300 in 2021 and 2020, respectively	\$ 9,999	\$ 9,532
Non-cash interest capitalized to real estate under development	16	280
Additions to investment in real estate included in accounts payable and accrued liabilities	1,970	2,581

**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 mark-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 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):

	<b>Three Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>FFO</b>		
Net loss	\$ (7,134)	\$ (377)
Real estate depreciation and amortization	6,227	5,558
<b>FFO</b>	<b>\$ (907)</b>	<b>\$ 5,181</b>
 <b>AFFO</b>		
FFO	\$ (907)	\$ 5,181
Amortization of real estate tax intangible	120	119
Amortization of above- and below-market leases	(31)	(99)
Straight-line rent adjustments	(1)	(228)
Amortization of debt origination costs	308	304
Amortization of LTIP awards	486	158
Transaction pursuit costs	60	-
Loss on extinguishment of debt	3,034	-
Non-recurring litigation-related expenses	59	264
Recurring capital spending	(50)	(145)
<b>AFFO</b>	<b>\$ 3,078</b>	<b>\$ 5,554</b>
<i>AFFO Per Share/Unit</i>	<i>\$ 0.07</i>	<i>\$ 0.13</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):

	<b>Three Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>Adjusted EBITDA</b>		
Net loss	\$ (7,134)	\$ (377)
Real estate depreciation and amortization	6,227	5,558
Amortization of real estate tax intangible	120	119
Amortization of above- and below-market leases	(31)	(99)
Straight-line rent adjustments	(1)	(228)
Amortization of LTIP awards	486	158
Interest expense, net	10,217	9,788
Transaction pursuit costs	60	-
Loss on extinguishment of debt	3,034	-
Non-recurring litigation-related expenses	59	264
<b>Adjusted EBITDA</b>	<b>\$ 13,037</b>	<b>\$ 15,183</b>

### **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):

	<b>Three Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>NOI</b>		
Income from operations	\$ 6,117	\$ 9,411
Real estate depreciation and amortization	6,227	5,558
General and administrative expenses	2,293	2,323
Transaction pursuit costs	60	-
Amortization of real estate tax intangible	120	119
Amortization of above- and below-market leases	(31)	(99)
Straight-line rent adjustments	(1)	(228)
<b>NOI</b>	<b>\$ 14,785</b>	<b>\$ 17,084</b>

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

	March 31, 2021 (unaudited)	December 31, 2020	September 30, 2020 (unaudited)	June 30, 2020 (unaudited)	March 31, 2020 (unaudited)	December 31, 2019	September 30, 2019 (unaudited)	June 30, 2019 (unaudited)
<b>ASSETS</b>								
Investment in real estate								
Land and improvements	\$ 540,859	\$ 540,859	\$ 540,859	\$ 540,859	\$ 540,859	\$ 540,859	\$ 540,859	\$ 497,343
Building and improvements	634,502	630,662	624,379	613,983	607,353	602,547	597,600	489,383
Tenant improvements	3,243	3,121	2,998	3,051	3,051	3,051	3,051	3,051
Furniture, fixtures and equipment	12,278	12,217	12,090	12,001	11,865	11,707	11,659	11,364
Real estate under development	37,637	36,118	35,176	34,331	32,894	31,787	-	139,061
Total investment in real estate	<u>1,228,519</u>	<u>1,222,977</u>	<u>1,215,502</u>	<u>1,204,225</u>	<u>1,196,022</u>	<u>1,189,951</u>	<u>1,153,169</u>	<u>1,140,202</u>
Accumulated depreciation	(138,650)	(132,479)	(126,270)	(120,474)	(114,903)	(109,418)	(103,958)	(99,217)
Investment in real estate, net	<u>1,089,869</u>	<u>1,090,498</u>	<u>1,089,232</u>	<u>1,083,751</u>	<u>1,081,119</u>	<u>1,080,533</u>	<u>1,049,211</u>	<u>1,040,985</u>
Cash and cash equivalents	87,952	72,058	82,856	88,253	36,298	42,500	43,552	56,349
Restricted cash	18,244	16,974	22,117	28,047	17,572	14,432	17,084	16,455
Tenant and other receivables, net of allowance for doubtful accounts	8,343	7,002	8,058	7,847	4,750	4,187	4,979	3,358
Deferred rent	2,455	2,454	1,960	1,739	1,502	1,274	1,485	1,669
Deferred costs and intangible assets, net	7,568	7,720	7,898	8,199	8,560	8,782	9,053	9,373
Prepaid expenses and other assets	8,975	11,160	12,047	13,471	8,581	14,499	12,954	13,193
<b>TOTAL ASSETS</b>	<b><u>\$ 1,223,406</u></b>	<b><u>\$ 1,207,866</u></b>	<b><u>\$ 1,224,168</u></b>	<b><u>\$ 1,231,307</u></b>	<b><u>\$ 1,158,382</u></b>	<b><u>\$ 1,166,207</u></b>	<b><u>\$ 1,138,318</u></b>	<b><u>\$ 1,141,382</u></b>
<b>LIABILITIES AND EQUITY</b>								
Liabilities:								
Notes payable, net of unamortized loan costs	\$ 1,104,479	\$ 1,079,458	\$ 1,079,585	\$ 1,079,677	\$ 997,752	\$ 997,903	\$ 963,218	\$ 963,335
Accounts payable and accrued liabilities	12,492	11,725	11,757	10,809	9,793	13,029	12,252	12,711
Security deposits	6,989	6,983	7,079	7,576	7,637	7,570	7,569	7,035
Below-market leases, net	126	157	189	1,367	1,496	1,625	1,754	2,034
Other liabilities	6,045	5,429	4,172	3,560	4,416	4,297	5,141	3,751
<b>TOTAL LIABILITIES</b>	<b><u>1,130,131</u></b>	<b><u>1,103,752</u></b>	<b><u>1,102,782</u></b>	<b><u>1,102,989</u></b>	<b><u>1,021,094</u></b>	<b><u>1,024,424</u></b>	<b><u>989,934</u></b>	<b><u>988,866</u></b>
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	178	178	178	178	178	178
Additional paid-in-capital	87,469	87,347	93,612	93,626	93,461	93,431	93,332	93,235
Accumulated deficit	(52,275)	(48,045)	(44,865)	(42,005)	(38,219)	(36,375)	(33,612)	(31,847)
Total stockholders' equity	<u>35,354</u>	<u>39,462</u>	<u>48,925</u>	<u>51,799</u>	<u>55,420</u>	<u>57,234</u>	<u>59,898</u>	<u>61,566</u>
Non-controlling interests	57,921	64,652	72,461	76,519	81,868	84,549	88,486	90,950
<b>TOTAL EQUITY</b>	<b><u>93,275</u></b>	<b><u>104,114</u></b>	<b><u>121,386</u></b>	<b><u>128,318</u></b>	<b><u>137,288</u></b>	<b><u>141,783</u></b>	<b><u>148,384</u></b>	<b><u>152,516</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>\$ 1,223,406</u></b>	<b><u>\$ 1,207,866</u></b>	<b><u>\$ 1,224,168</u></b>	<b><u>\$ 1,231,307</u></b>	<b><u>\$ 1,158,382</u></b>	<b><u>\$ 1,166,207</u></b>	<b><u>\$ 1,138,318</u></b>	<b><u>\$ 1,141,382</u></b>

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

	<b>Three Months Ended March 31,</b>		<b>Three Months Ended</b>		
	<b>2021</b>	<b>2020</b>	<b>12/31/2020</b>	<b>9/30/2020</b>	<b>6/30/2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Net loss	\$ (7,134)	\$ (377)	\$ (3,776)	\$ (2,890)	\$ (5,186)
<i>Adjustments to reconcile net loss to net cash provided by (used in) operating activities:</i>					
Depreciation	6,171	5,485	6,208	5,861	5,593
Amortization of deferred financing costs	308	304	302	302	304
Amortization of deferred costs and intangible assets	176	192	179	193	400
Amortization of above- and below-market leases	(31)	(99)	(32)	(130)	(129)
Loss on extinguishment/modification of debt	3,034	-	-	-	4,228
Gain on involuntary conversion	-	-	-	-	(85)
Gain on termination of lease	-	-	-	(838)	-
Deferred rent	(1)	(228)	(493)	(221)	(237)
Stock-based compensation	486	158	556	556	535
Bad debt expense	1,178	-	985	659	599
Transaction pursuit costs	60	-	-	-	-
<i>Changes in operating assets and liabilities:</i>					
Tenant and other receivables	(2,519)	(563)	70	(870)	(3,696)
Prepaid expenses, other assets and deferred costs	2,101	5,918	887	1,352	(4,929)
Accounts payable and accrued liabilities	2,986	(1,926)	(303)	1,075	(448)
Security deposits	6	67	(95)	(497)	(61)
Other liabilities	616	119	1,256	612	(856)
<b>Net cash provided by (used in) operating activities</b>	<b><u>7,437</u></b>	<b><u>9,050</u></b>	<b><u>5,744</u></b>	<b><u>5,164</u></b>	<b><u>(3,968)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Additions to land, buildings and improvements	(7,745)	(7,101)	(6,926)	(11,263)	(6,521)
Insurance proceeds from involuntary conversion	-	-	-	-	111
Sale and purchase of interest rate caps, net	-	(14)	-	-	-
<b>Net cash used in investing activities</b>	<b><u>(7,745)</u></b>	<b><u>(7,115)</u></b>	<b><u>(6,926)</u></b>	<b><u>(11,263)</u></b>	<b><u>(6,410)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Repurchase of common stock	-	-	(9,762)	(240)	-
Payments of mortgage notes	(74,776)	(897)	(924)	(908)	(246,901)
Proceeds from mortgage notes	100,248	176	248	247	329,248
Dividends and distributions	(4,191)	(4,276)	(4,321)	(4,327)	(4,319)
Loan issuance and extinguishment costs	(3,809)	-	-	-	(5,220)
<b>Net cash provided by (used in) financing activities</b>	<b><u>17,472</u></b>	<b><u>(4,997)</u></b>	<b><u>(14,759)</u></b>	<b><u>(5,228)</u></b>	<b><u>72,808</u></b>
Net increase (decrease) in cash and cash equivalents and restricted cash	17,164	(3,062)	(15,941)	(11,327)	62,430
Cash and cash equivalents and restricted cash - beginning of period	89,032	56,932	104,973	116,300	53,870
<b>Cash and cash equivalents and restricted cash - end of period</b>	<b><u>\$ 106,196</u></b>	<b><u>\$ 53,870</u></b>	<b><u>\$ 89,032</u></b>	<b><u>\$ 104,973</u></b>	<b><u>\$ 116,300</u></b>
Cash and cash equivalents and restricted cash - beginning of period:					
Cash and cash equivalents	\$ 72,058	\$ 42,500	\$ 82,856	\$ 88,253	\$ 36,298
Restricted cash	16,974	14,432	22,117	28,047	17,572
Total cash and cash equivalents and restricted cash - beginning of period	<u>\$ 89,032</u>	<u>\$ 56,932</u>	<u>\$ 104,973</u>	<u>\$ 116,300</u>	<u>\$ 53,870</u>
Cash and cash equivalents and restricted cash - end of period:					
Cash and cash equivalents	\$ 87,952	\$ 36,298	\$ 72,058	\$ 82,856	\$ 88,253
Restricted cash	18,244	17,572	16,974	22,117	28,047
Total cash and cash equivalents and restricted cash - end of period	<u>\$ 106,196</u>	<u>\$ 53,870</u>	<u>\$ 89,032</u>	<u>\$ 104,973</u>	<u>\$ 116,300</u>
Supplemental cash flow information:					
Cash paid for interest, net of capitalized interest of \$393 and \$300 in 2021 and 2020, respectively	\$ 9,999	\$ 9,532			
Non-cash interest capitalized to real estate under development	16	280			
Additions to investment in real estate included in accounts payable and accrued liabilities	1,970	2,581			

**CLIPPER REALTY INC.**  
**SUPPLEMENTAL DATA (UNAUDITED)**  
**March 2021**  
(In thousands)

	Three months ended							
	Mar-21	Dec-20	Sep-20	Jun-20	Mar-20	Dec-19	Sep-19	Jun-19
<b>Revenue</b>								
141 Livingston	\$ 3,815	\$ 3,947	\$ 3,675	\$ 3,506	\$ 3,493	\$ 3,126	\$ 2,998	\$ 2,901
250 Livingston	4,221	4,211	3,395	2,736	2,739	2,718	2,883	2,950
Flatbush Gardens	10,687	10,767	10,805	10,849	10,891	10,871	10,819	10,726
Tribeca	7,918	7,580	8,151	9,551	9,711	9,826	9,751	9,635
Aspen	1,696	1,720	1,669	1,894	1,892	1,833	1,858	1,824
10 West 65th Street	820	789	651	770	863	870	753	410
Clover House	1,494	1,323	1,695	1,852	1,727	1,383	378	-
<b>Total Revenue</b>	<b>30,651</b>	<b>30,337</b>	<b>30,040</b>	<b>31,158</b>	<b>31,315</b>	<b>30,627</b>	<b>29,440</b>	<b>28,446</b>
<b>Operating Expenses</b>								
141 Livingston	(1,374)	(1,318)	(1,332)	(899)	(1,048)	(1,004)	(1,066)	(884)
250 Livingston	(1,001)	(975)	(955)	(847)	(991)	(917)	(967)	(852)
Flatbush Gardens	(7,162)	(5,793)	(6,571)	(6,002)	(6,090)	(6,075)	(6,122)	(5,943)
Tribeca	(4,570)	(4,892)	(4,723)	(4,168)	(4,177)	(4,262)	(4,452)	(3,872)
Aspen	(719)	(873)	(646)	(743)	(749)	(683)	(658)	(564)
10 West 65th Street	(442)	(422)	(392)	(388)	(360)	(347)	(436)	(340)
Clover House	(686)	(916)	(711)	(599)	(608)	(720)	(396)	-
<b>Total Operating Expenses</b>	<b>(15,954)</b>	<b>(15,189)</b>	<b>(15,330)</b>	<b>(13,646)</b>	<b>(14,023)</b>	<b>(14,008)</b>	<b>(14,097)</b>	<b>(12,454)</b>
<b>Net Operating Income GAAP ("NOI (GAAP)") (1)</b>								
141 Livingston	2,441	2,629	2,342	2,607	2,444	2,122	1,932	2,017
250 Livingston	3,220	3,236	2,440	1,889	1,748	1,801	1,916	2,098
Flatbush Gardens	3,525	4,974	4,234	4,847	4,801	4,796	4,697	4,783
Tribeca	3,348	2,688	3,428	5,383	5,534	5,564	5,299	5,763
Aspen	977	847	1,023	1,151	1,143	1,150	1,200	1,260
10 West 65th Street	378	367	259	382	503	523	317	70
Clover House	808	407	984	1,253	1,119	663	(18)	-
<b>Total NOI (GAAP)</b>	<b>14,697</b>	<b>15,148</b>	<b>14,710</b>	<b>17,512</b>	<b>17,292</b>	<b>16,619</b>	<b>15,343</b>	<b>15,992</b>
General and administrative expenses	(2,293)	(2,404)	(2,297)	(2,704)	(2,323)	(3,016)	(1,904)	(2,579)
Transaction pursuit costs	(60)	-	-	-	-	-	-	-
Depreciation and amortization	(6,227)	(6,266)	(5,934)	(5,872)	(5,558)	(5,581)	(4,929)	(4,590)
Gain on termination of lease	-	-	838	-	-	-	-	-
Interest expense, net	(10,217)	(10,254)	(10,207)	(9,979)	(9,788)	(10,011)	(8,692)	(8,210)
Loss on extinguishment/modification of debt	(3,034)	-	-	(4,228)	-	(661)	-	(1,771)
Gain on involuntary conversion	-	-	-	85	-	-	-	-
<b>Net loss</b>	<b>\$ (7,134)</b>	<b>\$ (3,776)</b>	<b>\$ (2,890)</b>	<b>\$ (5,186)</b>	<b>\$ (377)</b>	<b>\$ (2,650)</b>	<b>\$ (182)</b>	<b>\$ (1,158)</b>

(1) Equals revenue less operating expenses

CLIPPER REALTY INC.  
SUPPLEMENTAL DATA (UNAUDITED)  
March 2021  
(In thousands)

	Three months ended							
	Mar-21	Dec-20	Sep-20	Jun-20	Mar-20	Dec-19	Sep-19	Jun-19
<b>Funds from Operations ("FFO")</b>								
Net loss	\$ (7,134)	\$ (3,776)	\$ (2,890)	\$ (5,186)	\$ (377)	\$ (2,650)	\$ (182)	\$ (1,158)
Real estate depreciation and amortization	6,227	6,266	5,934	5,872	5,558	5,581	4,929	4,590
<b>FFO</b>	<b>\$ (907)</b>	<b>\$ 2,490</b>	<b>\$ 3,044</b>	<b>\$ 686</b>	<b>\$ 5,181</b>	<b>\$ 2,931</b>	<b>\$ 4,747</b>	<b>\$ 3,432</b>
<b>Adjusted Funds from Operations ("AFFO")</b>								
FFO	\$ (907)	\$ 2,490	\$ 3,044	\$ 686	\$ 5,181	\$ 2,931	\$ 4,747	\$ 3,432
Amortization of real estate tax intangible	120	121	120	121	119	121	122	120
Amortization of above- and below-market leases	(31)	(32)	(130)	(129)	(99)	(100)	(250)	(406)
Straight-line rent adjustments	(1)	(494)	(221)	(237)	(228)	211	184	182
Amortization of debt origination costs	308	302	302	304	304	424	334	424
Interest rate cap mark-to-market adjustments	-	-	-	-	-	0	0	-
Amortization of LTIP awards	486	556	556	536	158	325	325	704
Transaction pursuit costs	60	-	-	-	-	-	-	-
Loss on extinguishment of debt	3,034	-	-	4,228	-	661	-	1,771
Gain on involuntary conversion	-	-	-	(85)	-	-	-	-
Gain on termination of lease	-	-	(838)	-	-	-	-	-
Non-recurring litigation-related expenses	59	114	76	270	264	879	87	-
Recurring capital spending	(50)	(72)	(59)	(238)	(145)	(188)	(126)	(127)
<b>AFFO</b>	<b>\$ 3,078</b>	<b>\$ 2,985</b>	<b>\$ 2,850</b>	<b>\$ 5,456</b>	<b>\$ 5,554</b>	<b>\$ 5,264</b>	<b>\$ 5,423</b>	<b>\$ 6,100</b>
<b>Adjusted Earnings Before Interest, Taxes and Depreciation and Amortization ("Adjusted EBITDA")</b>								
Net loss	\$ (7,134)	\$ (3,776)	\$ (2,890)	\$ (5,186)	\$ (377)	\$ (2,650)	\$ (182)	\$ (1,158)
Real estate depreciation and amortization	6,227	6,266	5,934	5,872	5,558	5,581	4,929	4,590
Amortization of real estate tax intangible	120	121	120	121	119	121	122	120
Amortization of above- and below-market leases	(31)	(32)	(130)	(129)	(99)	(100)	(250)	(406)
Straight-line rent adjustments	(1)	(494)	(221)	(237)	(228)	211	184	182
Amortization of LTIP awards	486	556	556	536	158	325	325	704
Interest expense, net	10,217	10,254	10,207	9,979	9,788	10,011	8,692	8,210
Transaction pursuit costs	60	-	-	-	-	-	-	-
Loss on extinguishment of debt	3,034	-	-	4,228	-	661	-	1,771
Gain on involuntary conversion	-	-	-	(85)	-	-	-	-
Gain on termination of lease	-	-	(838)	-	-	-	-	-
Non-recurring litigation-related expenses	59	114	76	270	264	879	87	-
<b>Adjusted EBITDA</b>	<b>\$ 13,037</b>	<b>\$ 13,009</b>	<b>\$ 12,814</b>	<b>\$ 15,369</b>	<b>\$ 15,183</b>	<b>\$ 15,039</b>	<b>\$ 13,907</b>	<b>\$ 14,013</b>
<b>Net Operating Income ("NOI")</b>								
Income from operations	\$ 6,117	\$ 6,478	\$ 7,317	\$ 8,936	\$ 9,411	\$ 8,022	\$ 8,510	\$ 8,823
Real estate depreciation and amortization	6,227	6,266	5,934	5,872	5,558	5,581	4,929	4,590
General and administrative expenses	2,293	2,404	2,297	2,704	2,323	3,016	1,904	2,579
Transaction pursuit costs	60	-	-	-	-	-	-	-
Amortization of real estate tax intangible	120	121	120	121	119	121	122	120
Amortization of above- and below-market leases	(31)	(32)	(130)	(129)	(99)	(100)	(250)	(406)
Straight-line rent adjustments	(1)	(494)	(221)	(237)	(228)	211	184	182
Gain on termination of lease	-	-	(838)	-	-	-	-	-
<b>NOI</b>	<b>\$ 14,785</b>	<b>\$ 14,743</b>	<b>\$ 14,479</b>	<b>\$ 17,267</b>	<b>\$ 17,084</b>	<b>\$ 16,851</b>	<b>\$ 15,399</b>	<b>\$ 15,888</b>

**CLIPPER REALTY INC.**  
**SUPPLEMENTAL DATA (UNAUDITED)**  
**March 2021**  
**(In thousands)**

	Three months ended							
	Mar-21	Dec-20	Sep-20	Jun-20	Mar-20	Dec-19	Sep-19	Jun-19
<b>Dividends Paid</b>								
Stockholders	\$ 1,526	\$ 1,687	\$ 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	165	134	134	127	84	84	84	83
<b>Total Dividends Paid</b>	<b>\$ 4,191</b>	<b>\$ 4,321</b>	<b>\$ 4,327</b>	<b>\$ 4,319</b>	<b>\$ 4,276</b>	<b>\$ 4,276</b>	<b>\$ 4,276</b>	<b>\$ 4,276</b>
<b>Share Data</b>								
Common shares	16,063	16,063	17,769	17,815	17,815	17,815	17,815	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	44,086	44,132	44,132	44,132	44,132	44,132
LTIP units	1,736	1,410	1,410	1,410	881	881	881	881
	44,116	43,791	45,497	45,542	45,013	45,013	45,013	45,013
<b>Cash Flow Data</b>								
Operating activities	\$ 7,437	\$ 5,744	\$ 5,164	\$ (3,968)	\$ 9,050	\$ 5,382	\$ 7,947	\$ (1,507)
Investing activities	(7,745)	(6,926)	(11,263)	(6,410)	(7,115)	(38,391)	(15,129)	(11,175)
Financing activities	17,472	(14,759)	(5,228)	72,808	(4,997)	29,305	(4,986)	42,852
<b>Balance Sheet Data</b>								
Investment in real estate, net	\$ 1,089,869	\$ 1,090,498	\$ 1,089,232	\$ 1,083,751	\$ 1,081,119	\$ 1,080,533	\$ 1,049,211	\$ 1,040,985
Cash and cash equivalents	87,952	72,058	82,856	88,253	36,298	42,500	43,552	56,349
Restricted cash	18,244	16,974	22,117	28,047	17,572	14,432	17,084	16,455
Total assets	1,223,406	1,207,866	1,224,168	1,231,307	1,158,382	1,166,207	1,138,318	1,141,382
Notes payable	1,104,479	1,079,458	1,079,585	1,079,677	997,752	997,903	963,218	963,335
Total liabilities	1,130,131	1,103,752	1,102,782	1,102,989	1,021,094	1,024,424	989,934	988,866
Equity	93,275	104,114	121,386	128,318	137,288	141,783	148,384	152,516
<b>Notes Payable</b>								
Flatbush Gardens (3.50%; Due 3/1/28)	-	-	-	-	\$ 246,000	\$ 246,000	\$ 246,000	\$ 246,000
Flatbush Gardens (3.125%; Due 6/1/32)	\$ 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	75,429	75,817	76,201	76,582
141 Livingston (3.21%; Due 3/6/31)	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)	65,122	65,485	65,837	66,180	66,520	66,862	67,204	67,534
Clover House (Libor + 3.85%; Due 5/9/20)	-	-	-	-	-	-	64,731	64,731
Clover House (3.53%; Due 12/1/29)	82,000	82,000	82,000	82,000	82,000	82,000	-	-
10 West 65th Street (3.375%; Due 11/1/27)	33,447	33,619	33,790	33,960	34,128	34,295	34,350	34,350
1010 Pacific Street (Libor + 3.60%; Due 12/24/20)	20,624	20,375	20,128	19,880	19,633	19,457	-	-
Principal amount outstanding	1,115,192	1,089,720	1,090,396	1,091,057	1,008,710	1,009,431	973,486	974,197
Unamortized loan costs	(10,713)	(10,262)	(10,811)	(11,380)	(10,958)	(11,528)	(10,268)	(10,862)
<b>Notes Payable, net of unamortized loan costs</b>	<b>\$ 1,104,479</b>	<b>\$ 1,079,458</b>	<b>\$ 1,079,585</b>	<b>\$ 1,079,677</b>	<b>\$ 997,752</b>	<b>\$ 997,903</b>	<b>\$ 963,218</b>	<b>\$ 963,335</b>

CLIPPER REALTY INC.  
SUPPLEMENTAL DATA (UNAUDITED)  
March 2021  
(In thousands)

	Three months ended							
	Mar-21	Dec-20	Sep-20	Jun-20	Mar-20	Dec-19	Sep-19	Jun-19
<b>% Leased - Residential (end of period)</b>								
250 Livingston	97.2%	94.4%	88.9%	94.4%	97.2%	100.0%	100.0%	100.0%
Flatbush Gardens	93.7%	94.7%	96.3%	97.2%	97.2%	97.6%	99.5%	98.9%
Tribeca	96.5%	89.7%	80.1%	91.3%	99.6%	98.2%	98.2%	99.6%
Aspen	95.7%	94.4%	89.7%	95.3%	100.0%	98.7%	97.8%	97.8%
10 West 65th Street	96.3%	98.8%	89.0%	95.1%	92.7%	98.8%	100.0%	96.3%
Clover House	98.1%	98.7%	89.9%	97.5%	98.7%	94.3%	84.8%	-
<b>Rent PSF (end of period)</b>								
141 Livingston - Office	\$ 50.00	\$ 50.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00
250 Livingston - Residential	\$ 45.60	\$ 47.72	\$ 48.44	\$ 46.27	\$ 50.98	\$ 47.69	\$ 50.55	\$ 50.53
250 Livingston - Office	\$ 43.62	\$ 43.62	\$ 43.62	\$ 27.71	\$ 27.71	\$ 27.71	\$ 27.71	\$ 27.71
Flatbush Gardens - Residential	\$ 25.07	\$ 25.14	\$ 25.10	\$ 25.05	\$ 24.95	\$ 24.61	\$ 24.49	\$ 24.30
Tribeca - Residential	\$ 62.43	\$ 64.20	\$ 65.74	\$ 70.43	\$ 70.75	\$ 70.52	\$ 70.85	\$ 68.77
Tribeca - Retail	\$ 44.81	\$ 45.25	\$ 42.15	\$ 44.48	\$ 51.69	\$ 52.23	\$ 52.23	\$ 52.23
Aspen - Residential	\$ 35.17	\$ 34.64	\$ 35.94	\$ 37.73	\$ 37.55	\$ 36.60	\$ 37.05	\$ 35.95
Aspen - Retail	\$ 40.18	\$ 39.44	\$ 39.44	\$ 39.39	\$ 46.87	\$ 48.39	\$ 44.27	\$ 44.22
10 West 65th Street - Residential	\$ 43.98	\$ 44.80	\$ 42.37	\$ 41.74	\$ 46.74	\$ 45.97	\$ 45.50	\$ 41.57
Clover House - Residential	\$ 62.78	\$ 49.36	\$ 67.56	\$ 72.05	\$ 70.76	\$ 69.09	\$ 69.52	-
<b>Capital Spending</b>								
Major capital improvements	5,310	7,153	11,182	7,876	\$ 5,768	\$ 5,417	\$ 12,547	\$ 12,349
Maintenance capex	50	72	59	238	145	188	126	127
Resident turnover	61	127	88	136	158	48	295	313
Commercial tenant improvements	122	122	42	-	-	-	-	-
<b>Total Capital Spending</b>	<b>\$ 5,542</b>	<b>\$ 7,475</b>	<b>\$ 11,372</b>	<b>\$ 8,251</b>	<b>\$ 6,071</b>	<b>\$ 5,653</b>	<b>\$ 12,968</b>	<b>\$ 12,788</b>