Terreno Realty Corporation

Q2 2020 Update

August 5, 2020

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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, 2019, 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.

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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
- Superior market fundamentals, including lower vacancy and higher rent growth
  - Strong demand generators (high population densities, near high volume distribution points)
  - Physical and regulatory constraints to new supply
    - Shrinking supply in certain submarkets

Focus on Functional Assets in Infill Locations

- Broad product opportunity set (1)
  - Warehouse / distribution (81.9%)
  - Flex (including light industrial and R&D) (5.4%)
  - Transshipment (5.3%)
  - Improved land (7.4%) (2)
- Functional and flexible assets
  - Cater to sub-market tenant demands, including last-mile distribution
  - Generally suitable for multiple tenants
  - Adjacent to transportation infrastructure
- Multiple value creation opportunities
  - Emphasis on discount to replacement cost provides margin of safety
  - Opportunity for higher and better use over time

(1) Reflects Terreno portfolio composition based on annualized base rent as of June 30, 2020. Excludes two properties under redevelopment that upon completion will contain approximately 0.5 million square feet.

(2) Includes 22 improved land parcels totaling approximately 85.0 acres that are 98.5% leased at June 30, 2020. Such land is used for truck, trailer and container storage and/or car parking and may be redeveloped to higher and better use.

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Recent Highlights

Financial Highlights

- Net Income available to common stockholders of $0.45 per diluted share for the quarter ended June 30, 2020 compared to $0.19 per diluted share for the quarter ended March 31, 2020 and $0.16 for the quarter ended June 30, 2019.
- Funds From Operations (FFO)[(1)(2)] of $0.36 per diluted share for the quarter ended June 30, 2020 compared to $0.35 per diluted share for the quarter ended March 31, 2020 and $0.33 for the quarter ended June 30, 2019.
- Cash balance of $148.3 million as of June 30, 2020 and zero drawn on $250 million credit facility.
- Quarterly dividend increased 7.4% to $0.29 per share.

Operating Highlights

- Cash-basis Same Store NOI[(1)] for the three months ended June 30, 2020 increased approximately 4.2% as compared to the same period in 2019 due to increased revenue on new and renewed leases, slightly offset by a decrease in occupancy[(3)].
- Cash rents on new and renewed leases commencing during the three months ended June 30, 2020 increased approximately 38.2% on approximately 0.5 million square feet.
- Total portfolio, excluding two properties under redevelopment and 22 improved land parcels, was 96.0% leased as of June 30, 2020 as compared to 97.8% at March 31, 2020 and 97.9% at June 30, 2019.
- The same store portfolio of approximately 12.0 million square feet, representing approximately 91.9% of our total square feet, was 96.5% leased at June 30, 2020 as compared to 98.0% at March 31, 2020 and 97.7% at June 30, 2019.

(1) This is a non-GAAP financial measure, please see our Reporting Definitions for further explanation.
(2) FFO for the three months and six months ended June 30, 2020 included the impact of approximately $0.4 million and $0.9 million in reversed straight-line rent receivables due to the effects of COVID-19.
(3) Approximately $0.3 million (120bps) of the increase in cash-basis same store NOI for the three months ended June 30, 2020 was related to properties that were acquired vacant or with near term expirations.

Recent Highlights

Investment Highlights

Q2 2020 Acquisitions	$10.1 million
YTD Acquisitions (1)	$46.1 million
Acquisitions Under LOI (1)(2)	$22.7 million
Acquisitions Under Contract (1)(2)	$7.3 million

Capital Markets Activities

- Issued approximately 0.6 million shares of common stock under the ATM program during the three months ended June 30, 2020 with a weighted average offering price of $52.81, receiving gross proceeds of approximately $32.7 million.
- No remaining debt maturities in 2020, $11.5 million mortgage loan maturing in 2021, $148.3 million of cash at June 30, 2020, and no balance outstanding on a $250 million revolving credit facility.

COVID-19 Update(1)

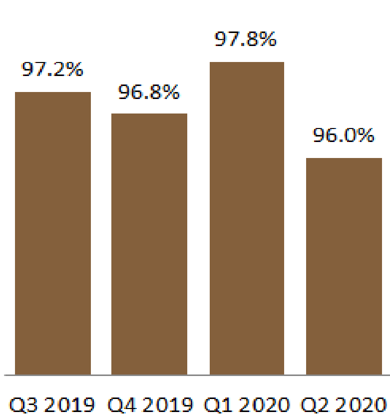
- 174 tenants representing approximately 36.0% of total tenants had requested rent deferral or abatement. Such requests aggregated 7.0% of our annualized base rent.
- Of the 174 requests, we granted rent deferrals to 61 tenants aggregating 2.7% of annualized base rent (35.1% of total requests by number and 38.7% by dollar amount) which represents 76.7% of the total dollar deferral requests (3.6% of annualized base rent) from those tenants. The Company did not grant any rent abatement.
- We denied 50 tenant requests aggregating 1.8% of annualized base rent (28.7% of total requests by number and 25.7% by dollar amount). 59 tenants aggregating 1.6% of annualized base rent requesting rent deferral or abatement rescinded their requests (33.3% of requests by number and 22.5% by dollar amount).
- We are still in discussions with four tenants who are requesting 0.05% of our annualized base rent in rent deferral or abatement (2.3% of requests by number and 0.7% by dollar amount).
- We received approximately 95% of July rent in cash and an additional 1% by applying security deposits.

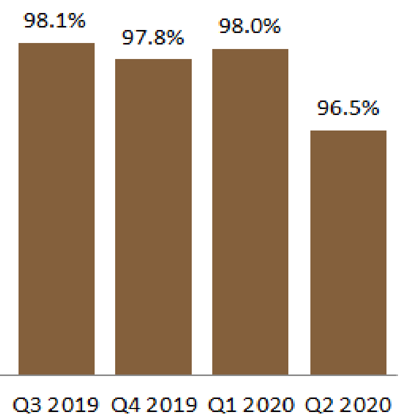
(1) As of August 4, 2020.
(2) There is no assurance that we will acquire or dispose of properties under contract or letter of intent because the proposed acquisitions and dispositions are subject to the completion of satisfactory due diligence and various closing conditions and, in the case of properties under letter of intent, purchase and sale agreements.

Current Portfolio Overview

Occupancy (1)

Portfolio | **Same Store**





Six Major Coastal U.S. Markets(2)

Key Metrics(3)

Square Feet	13.1 million	**Average Acquisition Size**	$13.4 million
Number of Buildings	218	**Weighted Average Occupancy at Acquisition**	82.9%
22 Improved Land Parcels	85.0 acres; 98.5% leased	**Square Feet Under Redevelopment**	454,000

(1) Portfolio and Same Store occupancy based on 13.1 million and 12.0 million square feet, respectively, as of June 30, 2020, and excludes 22 improved land parcels consisting of 85.0 acres and two properties under redevelopment that upon completion will contain approximately 0.5 million square feet.

(2) Based on annualized base rent by market including 13.1 million square feet and 22 improved land parcels consisting of 85.0 acres as of June 30, 2020. Excludes two properties under redevelopment that upon completion will contain approximately 0.5 million square feet.

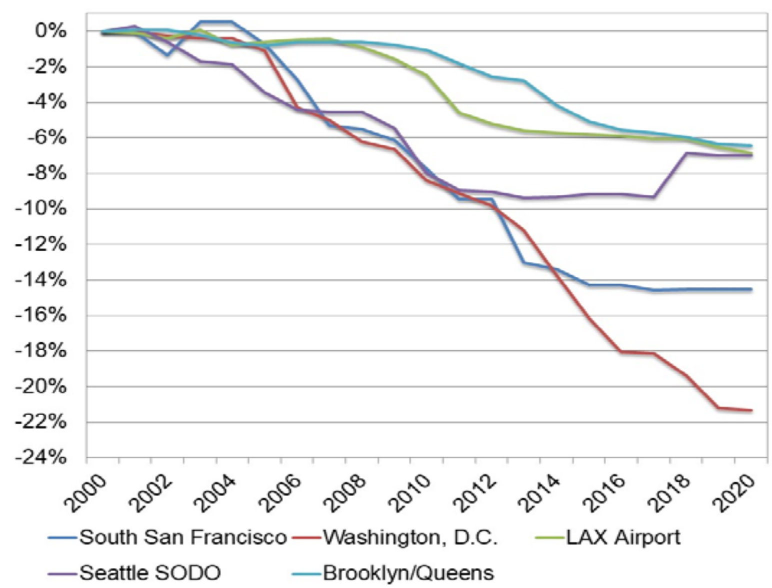
(3) Properties owned as of June 30, 2020. Excludes two properties under redevelopment that upon completion will contain approximately 0.5 million square feet. Average acquisition size and weighted average occupancy at acquisition exclude 22 properties sold with an aggregate 2.9 million square feet.

Terreno's Submarket Focus

Highly Focused Submarket Strategy

- 32% 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.
- 54% 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.
- 14% 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.	2.2	21.3%	1.1%
South San Francisco	2.7	14.5%	0.7%
Seattle SODO	1.7	7.0%	0.3%
Brooklyn/Queens	11.4	6.4%	0.3%
LAX Airport	1.3	6.9%	0.3%

(1) As of August 4, 2020. 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 20% nationally and 114% in the Inland Empire since 2000.

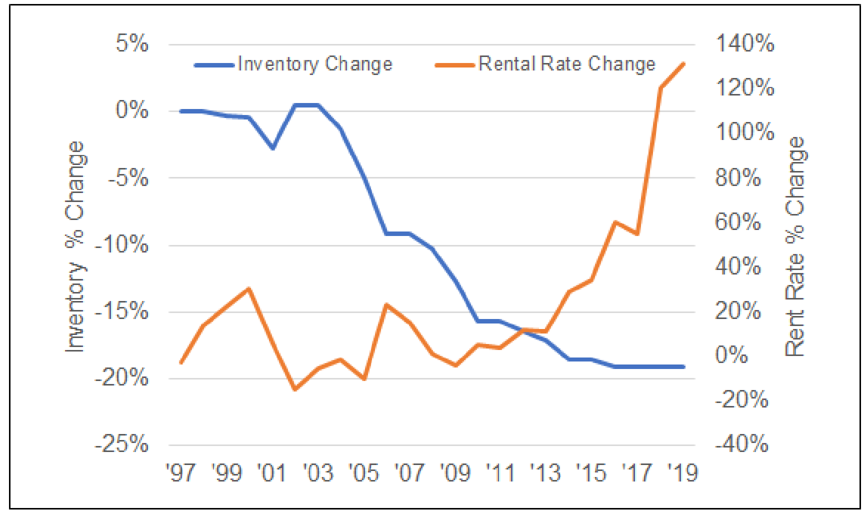
Shrinking Supply: South San Francisco

Approximately 20% Decrease in Supply Since 1997

Demolished Industrial Inventory   Approved for Redevelopment

Terreno Properties (6 buildings, 223,000 SF)

Percentage Inventory Decrease and Rental Rate Increase Since 1997



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.

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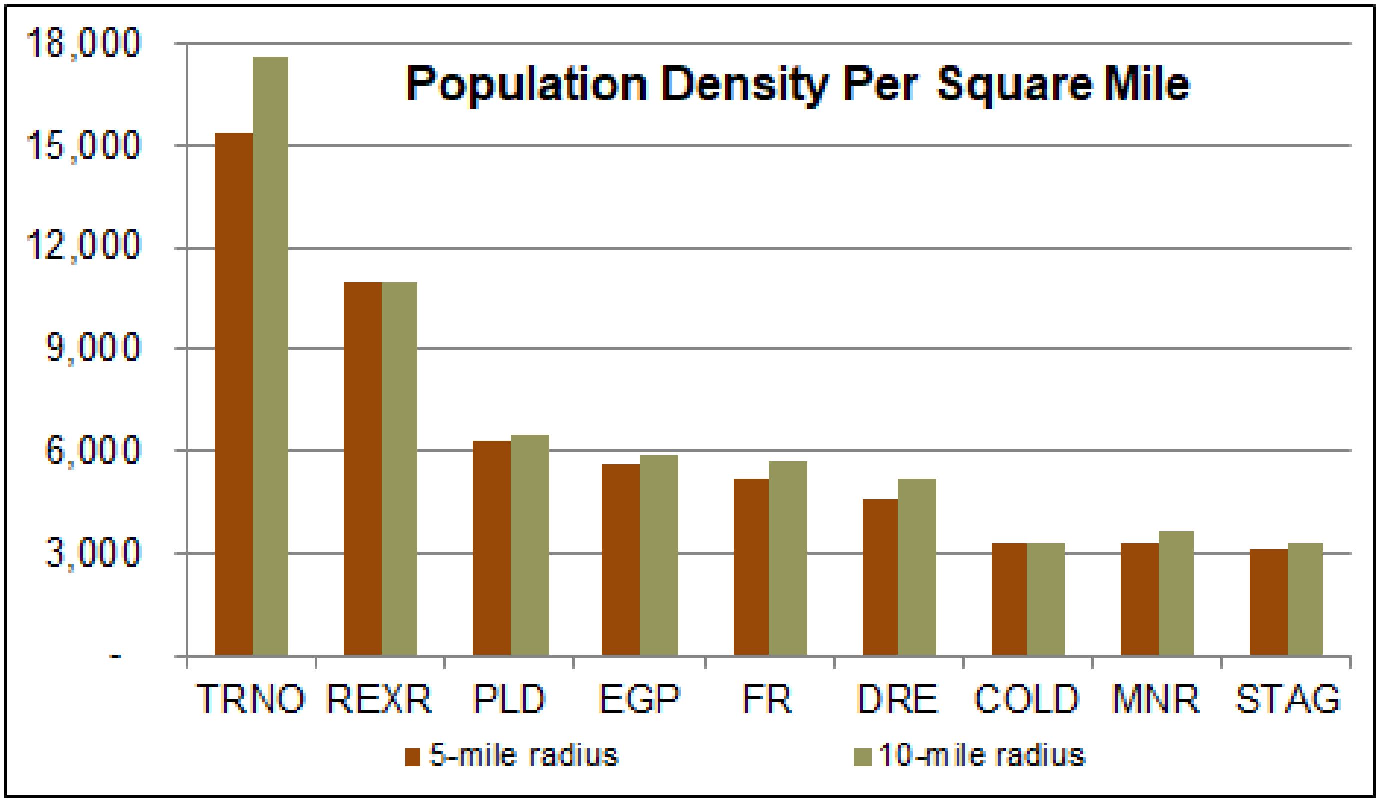
Submarket Focus: Infill

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



Represents average population density weighted by square feet and ranked by 5-mile radius.
Prologis (NYSE: PLD) average population density data as of 2018; PLD no longer discloses property level information.
Source: S&P Global Market Intelligence, Terreno Realty Corporation.

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Selected Recent Acquisitions

179 Starlite Street

South San Francisco, CA
July 10, 2020

- Purchase Price: $6.3 million
- Estimated Stabilized Cap Rate: 4.7%
- Size: One industrial building containing approximately 22,000 square feet on 0.7 acres
- Occupancy: 100% leased to one tenant
- Location: Adjacent to Highway 101 between San Francisco International Airport and the city of San Francisco

36 South Hudson Street

Seattle, WA
May 13, 2020

- Purchase Price: $5.6 million
- Estimated Stabilized Cap Rate: 4.0%
- Size: One industrial building containing approximately 13,000 square feet on 1.1 acres
- Occupancy: 100% leased to one tenant through December 2021
- Location: Within three blocks of Terreno Realty Corporation's SoDo Row redevelopment and three additional Terreno properties.

20045 84th Ave S.

Kent, WA
April 17, 2020

- Purchase Price: $4.5 million
- Estimated Stabilized Cap Rate: 5.7%
- Size: One improved land parcel of 2.8 acres
- Occupancy: 100% leased on a month-to-month basis at acquisition; subsequently leased to a leading e-commerce firm.
- Location: Northern Kent Valley adjacent to Terreno Realty Corporation's Kent 202nd property

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Selected Examples of Value Creation

- Since Terreno's 2010 IPO, approximately two-thirds of our acquisitions have been value-add investments. Terreno has successfully stabilized 81 value-add investments to date. Terreno has sold approximately 11% of its acquisitions for an unleveraged IRR of 11.8%.

Strategy	Examples
Leasing	▪ 2315 East Dominguez Street, Carson: Acquired with a short-term lease in November 2017. Completed entitlement process with city of Carson and make-ready work including full repaving, fencing, gate installation, ADA upgrades, and office refurbishment. Executed a 5-year lease that commenced in March 2020 with an estimated stabilized cap rate of 6.9%.
Redevelopment	▪ 6th Avenue South, Seattle: Acquired in October of 2018 for $12.6 million with a short-term lease. Redevelopment work included interior and exterior painting, full slab replacement, dock and loading reconfiguration, and LED lighting upgrades. Executed a 7-year lease with a leading manufacturer of electric vehicles resulting in an estimated stabilized cap rate of 5.1% and a total investment cost of $15.9 million.
Value Realized	▪ Corridor Sale: Terreno sold three properties in Maryland's Baltimore/Washington Corridor in June 2020 for approximately $51.3 million, recognizing a GAAP gain of approximately $17.8 million and generating an unleveraged internal rate of return of 10.9%. Terreno has sold nine properties in Maryland's Baltimore/Washington Corridor to date.

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Value Creation – Leasing

- **Property:** 2315 East Dominguez Street
- **Location:** Carson, CA
- **Size:** One improved land parcel on 5.4 acres
- **Acquisition Price:** $12.9 million in November 2017
- **Initial Occupancy:** 100% occupied on a short-term basis
- **Leasing:** Completed entitlement process and make-ready work including full repaving, fencing, gate installation, ADA upgrades, and office refurbishment. Executed a 5-year lease with a leading national ground delivery company that commenced in March 2020 with an estimated stabilized cap rate of 6.9%.

Value Creation – Executed 5-year lease with an estimated stabilized cap rate of 6.9%

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Value Creation – Redevelopment

Exterior: Before and After

Interior: Before and After

- **Property:** 2200 6th Avenue South
- **Location:** Seattle, WA
- **Size:** One building, 51,000 SF on 1.7 acres
- **Acquisition Price:** $12.6 million in October 2018
- **Initial Occupancy:** 100% occupied on a short-term basis
- **Redevelopment:** Redevelopment work included painting interior and exterior of the building, full slab replacement, dock and loading reconfiguration, and LED lighting upgrades.
- **Stabilization:** Executed a 7-year lease with a leading manufacturer of electric vehicles with an estimated stabilized cap rate of 5.1% and total investment of $15.9 million

Value Creation – Executed lease with leading manufacturer of electric vehicles for an estimated stabilized cap rate of 5.1% and total investment of $15.9 million

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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 2.2% of outstanding shares valued at $92.9 million)
  - $11 million invested by management in public offerings and open market purchases

Corporate Governance

- 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
- Ranked #1 among all REITs for Corporate Governance by Green Street Advisors, June 30, 2020

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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 higher and better use opportunities over time
- Strong balance sheet including an investment grade credit rating
- Demonstrated value creation with 23 properties sold for an aggregate sales price of approximately $364.7 million earning a 11.8% unleveraged IRR
- 11.9% dividend CAGR since initiating dividend in 2011
- 13.8% compounded annual total shareholder return since 2010 IPO
- Aligned management team and market leading corporate governance

Appendix

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Appendix: Statements Of Operations

CONSOLIDATED STATEMENTS OF OPERATIONS	For the Three Months Ended June 30, 2020	For the Three Months Ended June 30, 2019	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
REVENUES				
Rental revenues and tenant expense reimbursements	$ 45,742	$ 41,730	$ 90,858	$ 82,610
Total revenues	45,742	41,730	90,858	82,610
COSTS AND EXPENSES				
Property operating expenses	11,934	10,709	23,842	21,402
Depreciation and amortization	11,459	10,648	22,559	21,063
General and administrative (1)	5,665	6,757	11,423	12,720
Acquisition costs	11	1	63	1
Total costs and expenses	29,069	28,115	57,887	55,186
OTHER INCOME (EXPENSE)				
Interest and other income	190	817	754	2,339
Interest expense, including amortization	(3,909)	(4,053)	(7,915)	(8,317)
Loss on extinguishment of debt	-	-	-	-
Gain on sales of real estate investments	17,750	-	17,750	4,465
Total other income and expenses	14,031	(3,236)	10,589	(1,513)
Net income	30,704	10,379	43,560	25,911
Allocation to participating securities	(194)	(64)	(277)	(162)
Net income available to common stockholders	$ 30,510	$ 10,315	$ 43,283	$ 25,749
EARNINGS PER COMMON SHARE - BASIC AND DILUTED:				
Net income available to common stockholders - basic, net of redemption of preferred stock and preferred stock dividends	$ 0.45	$ 0.16	$ 0.64	$ 0.41
preferred stock and preferred stock dividends	$ 0.45	$ 0.16	$ 0.64	$ 0.41
BASIC WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	67,622,005	63,780,645	67,342,293	62,625,224
DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	68,029,144	64,075,215	67,749,432	62,919,794

(1) *Includes non-cash compensation associated with the Company's Performance Share awards. For Performance Share awards granted prior to January 1, 2019, the Company estimates the fair value of the Performance Share awards using a Monte Carlo simulation model on the date of grant and at each reporting period, which may vary substantially from period to period based upon our relative share price performance. The Performance Share awards are recognized as compensation expense over the requisite performance period based on the fair value of the Performance Share awards at the balance sheet date. For Performance Share awards granted after January 1, 2019, the Company estimates the fair value using a Monte Carlo simulation model on the date of grant and recognizes the expense over the performance period. Compensation expense related to all Performance Share awards outstanding is detailed below.*

	For the Three Months Ended June 30, 2020	For the Three Months Ended June 30, 2019	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
Performance share award expense	$ 986	$ 2,795	$ 2,459	$ 4,575

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Appendix: Net Income, FFO and Adjusted FFO

NET INCOME, FFO AND ADJUSTED FFO[1]	For the Three Months Ended June 30, 2020	For the Three Months Ended June 30, 2019	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
Total revenues	$ 45,742	$ 41,730	$ 90,858	$ 82,610
Property operating expenses	(11,934)	(10,709)	(23,842)	(21,402)
Depreciation and amortization	(11,459)	(10,648)	(22,559)	(21,063)
General and administrative [2]	(5,665)	(6,757)	(11,423)	(12,720)
Acquisition costs	(11)	(1)	(63)	(1)
Interest and other income	190	817	754	2,339
Interest expense, including amortization	(3,909)	(4,053)	(7,915)	(8,317)
Gain on sales of real estate investments	17,750	-	17,750	4,465
Net income	**$ 30,704**	**$ 10,379**	**$ 43,560**	**$ 25,911**
Allocation to participating securities	(194)	(64)	(277)	(162)
Net income available to common stockholders	**$ 30,510**	**$ 10,315**	**$ 43,283**	**$ 25,749**
Net income available to common stockholders per common share - basic	**$ 0.45**	**$ 0.16**	**$ 0.64**	**$ 0.41**
Net income available to common stockholders per common share - diluted	**$ 0.45**	**$ 0.16**	**$ 0.64**	**$ 0.41**
Adjustments to arrive at Funds from Operations:				
Gain on sales of real estate investments	(17,750)	-	(17,750)	(4,465)
Depreciation and amortization related to real estate	11,439	10,621	22,513	21,008
Allocation to participating securities	(152)	(128)	(305)	(263)
Funds from Operations [1]	**$ 24,241**	**$ 20,872**	**$ 48,018**	**$ 42,191**
Funds from operations per common share - basic	**$ 0.36**	**$ 0.33**	**$ 0.71**	**$ 0.67**
Funds from operations per common share - diluted	**$ 0.36**	**$ 0.33**	**$ 0.71**	**$ 0.67**
Adjustments to arrive at Adjusted Funds From Operations:				
Acquisition costs	11	1	63	1
Stock-based compensation	2,316	3,660	4,495	6,160
Straight-line rents	(902)	(948)	(1,218)	(1,685)
Amortization of lease intangibles	(1,359)	(1,018)	(2,748)	(1,888)
Total capital expenditures	(8,874)	(16,465)	(16,625)	(30,642)
Capital expenditures related to stabilization [3]	4,505	13,803	8,903	22,217
Adjusted Funds from Operations	**$ 19,938**	**$ 19,905**	**$ 40,888**	**$ 36,354**
Common stock dividends paid	**$ 18,307**	**$ 15,109**	**$ 36,465**	**$ 29,752**
Weighted average basic common shares	**67,622,005**	**63,780,645**	**67,342,293**	**62,625,224**
Weighted average diluted common shares	**68,029,144**	**64,075,215**	**67,749,432**	**62,919,794**

(1) See Reporting Definitions for further explanation.

(2) Includes non-cash compensation associated with the Company's Performance Share awards. For Performance Share awards granted prior to January 1, 2019, the Company estimates the fair value of the Performance Share awards using a Monte Carlo simulation model on the date of grant and at each reporting period, which may vary substantially from period to period based upon our relative share price performance. The Performance Share awards are recognized as compensation expense over the requisite performance period based on the fair value of the Performance Share awards at the balance sheet date. For Performance Share Awards granted after January 1, 2019, the Company estimates the fair value using a Monte Carlo simulation model on the date of grant and recognizes the expense over the performance period. Compensation expense related to all Performance Share awards outstanding was as follows:

	For the Three Months Ended June 30, 2020	For the Three Months Ended June 30, 2019	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
Performance share award expense	$ 986	$ 2,795	$ 2,459	$ 4,575

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

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Appendix: Supplemental Components of NAV

COMPONENTS OF NET OPERATING INCOME[1]		*For the Three Months Ended June 30, 2020*
Total revenues	$	45,742
Less straight-line rents		(902)
Less amortization of lease intangibles		(1,359)
Less property operating expenses		(11,934)
Net operating income	$	31,547
CONTRACTUAL RENT ABATEMENTS	$	1,302
LEASE TERMINATION INCOME	$	169
CASH NOI FROM DISPOSED PROPERTIES	$	619
CASH NOI FROM REDEVELOPMENTS	$	115
BALANCE SHEET ITEMS		
Other assets and liabilities		
Cash and cash equivalents	$	148,269
Restricted cash		515
Construction in progress [2]		89,813
Other assets, net		37,448
Less straight-line rents		(24,361)
Security deposits		(14,368)
Dividends payable		(18,485)
Performance share awards payable		(5,069)
Accounts payable and other liabilities		(23,307)
Total other assets and liabilities	$	190,455
DEBT AND PREFERRED STOCK		
Credit facility	$	-
Term loans payable [3]		(100,000)
Senior unsecured notes [3]		(350,000)
Mortgage loans payable [3]		(11,502)
Total debt	$	(461,502)
Total shares outstanding		68,322,213

Q2 2020 ACQUISITIONS

Property Name	Date	Purchase Price (in thousands)	Estimated Stabilized Cap Rate	Leased % at Acquisition
84th Kent	April 17, 2020	$ 4,500	5.7%	100%
Hudson	May 31, 2020	$ 5,611	4.0%	100%
Total/Weighted Average		$ 10,111	4.8%	100%

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

Market	Rentable Square Feet	Occupancy % as of June 30,	Annualized Base Rent (000's)	Annualized Base Rent Per Occupied Square Foot
Los Angeles	2,560,682	98.9%	$ 23,061	$ 9.10
Northern New Jersey/New York City	3,552,681	88.8%	35,564	11.27
San Francisco Bay Area	2,033,381	97.2%	25,903	13.10
Seattle	1,839,566	98.3%	16,986	9.39
Miami	1,563,326	100.0%	14,214	9.09
Washington, D.C.	1,534,625	99.1%	16,470	10.83
Total/Weighted Average	13,084,261	96.0%	$ 132,198	$ 10.53

SUMMARY MARKET INFORMATION (Improved Land)

Market	Number of Parcels	Acreage	Occupancy % as of June 30,	Annualized Base Rent (000's)
Los Angeles	6	11.9	100.0%	$ 2,590
Northern New Jersey/New York City	9	48.8	100.0%	5,536
San Francisco Bay Area	2	4.0	68.1%	647
Seattle	2	3.7	100.0%	552
Miami	2	3.2	100.0%	394
Washington, D.C.	1	13.4	100.0%	843
Total/Weighted Average	22	85.0	98.5%	$ 10,562

(1) See Reporting Definitions for further explanation.
(2) The Company had two properties under redevelopment as of June 30, 2020 that upon completion will contain approximately 0.5 million square feet with a total expected investment of approximately $97.0 million, including redevelopment costs of approximately $41.8 million.
(3) Excludes deferred financing costs and loan fees.

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Appendix: Same Store Results

SAME STORE GROWTH [1]	For the Three Months Ended June 30, 2020	2019	$ Change	% Change	For the Six Months Ended June 30, 2020	2019	$ Change	% Change
Net income	$ 30,704	$ 10,379	$ 20,325	195.8%	$ 43,560	$ 25,911	$ 17,649	68.1%
Depreciation and amortization	11,459	10,648	811	7.6%	22,559	21,063	1,496	7.1%
General and administrative	5,665	6,757	(1,092)	(16.2)%	11,423	12,720	(1,297)	(10.2)%
Acquisition costs	11	1	10	1000.0%	63	1	62	6200.0%
Total other income and expenses	(14,031)	3,236	(17,267)	n/a	(10,589)	1,513	(12,102)	n/a
Net operating income	33,808	31,021	2,787	9.0%	67,016	61,208	5,808	9.5%
Less non-same store NOI	(4,598)	(2,278)	(2,320)	101.8%	(9,079)	(4,076)	(5,003)	122.7%
Same store NOI	$ 29,210	$ 28,743	$ 467	1.6%	$ 57,937	$ 57,132	$ 805	1.4%
Less straight-line rents and amortization of lease intangibles	(1,103)	(1,766)	663	(37.5)%	(1,698)	(3,426)	1,728	(50.4)%
Cash-basis same store NOI	$ 28,107	$ 26,977	$ 1,130	4.2%	$ 56,239	$ 53,706	$ 2,533	4.7%

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	YTD 2020
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	12,017,461
Occupancy %	93.0%	96.8%	97.1%	94.4%	99.0%	97.5%	99.1%	98.4%	96.5%
Cash-basis same store NOI growth %	11.9%	18.1%	12.9%	3.1%	8.6%	16.5%	9.1%	9.2%	4.7%
Average cash-basis same store growth since IPO:			11.6%						

(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 June 30, 2020 and since January 1, 2019 and excludes properties that were held for sale, disposed of prior to or were under redevelopment as of June 30, 2020. 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 are held for sale to a third party.

(3) Included in cash-basis same store NOI was termination income of $0.1 million for both the three and six months ended June 30, 2020 and 2019, respectively.

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Appendix: Redevelopments and Dispositions

REDEVELOPMENTS

Property Name	Total Expected Investment (in thousands) [1]	Amount Spent to Date	Amount Remaining to Spend	Estimated Stabilized Return on Cost[2]	Estimated Post-Development Square Feet	Estimated Stabilization Quarter	% Pre-leased June 30, 2020
Sodo Row - North & South	$ 62,271	$ 58,003	$ 4,268	4.5%	234,308	Q3 2021	14%
Kent 192	34,763	31,810	2,953	5.4%	219,910	Q4 2020	-
Total/Weighted Average	$ 97,034	$ 89,813	$ 7,221	4.8%	454,218		7%

HISTORICAL DISPOSITIONS

Property	Market	Acquisition Date	Disposition Date	Acquisition Price	Disposition Price	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%
			Total	$ 238,287	$ 364,731	11.8%

(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) *We expect to use Sodo Row - North as a parking amenity for tenants at Sodo Row - South and may seek to opportunistically lease-up or redevelop the space separately in the future.*

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Appendix: Capitalization

Maturity	Credit Facility	Term Loans	Senior Unsecured	Mortgage Loans Payable	Total Debt
2020 (6 months)	$ -	$ -	$ -	$ 231	$ 231
2021	-	-	-	11,271	11,271
2022	-	100,000	50,000	-	150,000
2023	-	-	-	-	-
2024	-	-	100,000	-	100,000
Thereafter	-	-	200,000	-	200,000
Total Debt	-	100,000	350,000	11,502	461,502
Deferred financing costs, net	-	(313)	(2,131)	(14)	(2,458)
Total Debt, net	$ -	$ 99,687	$ 347,869	$ 11,488	$ 459,044
Weighted Average Interest Rate	n/a	1.7%	3.8%	5.5%	3.4%

	As of June 30, 2020	As of June 30, 2019
Total Debt, net	$ 459,044	$ 442,694
Common Stock		
Shares Outstanding	68,322,213	65,495,713
Market Price	$ 52.64	$ 49.04
Total Equity	3,596,481	3,211,910
Total Market Capitalization	$ 4,055,525	$ 3,654,604
Total Debt-to-Total Investments in Properties	21.1%	22.3%
Total Debt-to-Total Investments in Properties and Senior Secured Loan	21.1%	22.1%
Total Debt-to-Total Market Capitalization	11.3%	12.1%
Floating Rate Debt as a % of Total Debt (1)	21.7%	33.7%
Unhedged Floating Rate Debt as a % of Total Debt (2)	10.9%	11.3%
Mortgage Loans Payable as a % of Total Debt	2.5%	10.2%
Mortgage Loans Payable as a % of Total Investments in Properties	0.5%	2.3%
Adjusted EBITDA (3)	$ 60,842	$ 56,987
Interest Coverage	7.7 x	6.9 x
Fixed Charge Coverage	6.8 x	5.8 x
Total Debt-to-Adjusted EBITDA (3)	3.7 x	3.9 x
Weighted Average Maturity of Total Debt (years)	5.0	4.1

(1) Floating rate debt includes our existing $100.0 million of variable-rate term loan borrowings, $50 million of which are subject to a LIBOR interest rate cap of 4.0%.
(2) Excludes $50.0 million of variable-rate term loan borrowings with a LIBOR interest rate cap of 4.0%.
(3) See Reporting Definitions for further explanation.

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Appendix: Submarket Focus

Market	Shrinking Supply (1)	No Net New Supply (2)	New Supply (3)
Los Angeles	LAX West of 405 Hawthorne Downtown LA	South Bay Commerce/Vernon Mid-Counties San Fernando Valley Orange County	Inland Empire West Inland Empire East
New York City/Northern New Jersey	Brooklyn/Queens Secaucus Bayonne Jersey City Teterboro	Meadowlands Newark/Elizabeth Fairfield Exit 12 JFK Kearny	Exit 8A Exit 10 / I 287
San Francisco Bay Area	Silicon Valley South SF Dogpatch/Mission Bay	East Bay	Livermore Richmond Fremont
Miami	Central Dade	Airport/Doral Hialeah	Medley Airport North North Dade Miami Lakes
Seattle	South Seattle Tukwila Eastside	Kent SeaTac Renton	Auburn Sumner Fife Pullayup
Washington D.C.	D.C. Inside the D.C. Beltway	Corridor Close in PG County Close in NOVA	Dulles
Percentage of Terreno's Portfolio (4)	**32%**	**54%**	**14%**

(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 June 30, 2020. Reflects Terreno portfolio composition based on geography and purchase price, includes two properties under redevelopment and improved land parcels. Completed redevelopments are included at total investment.

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Appendix: Management and Board of Directors

Blake Baird *Chairman and CEO*	▪ 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)
Mike Coke *President*	▪ Co-founded Terreno Realty Corporation in 2007 ▪ Former Chief Financial Officer and Executive Vice President of AMB ▪ Director of Digital Realty Trust, Inc. (NYSE: DLR)
Andy Burke *EVP*	▪ Joined Terreno Realty Corporation in 2008 ▪ Former Vice President, Investment Officer of Perseus Realty Partners ▪ Former Transaction Officer at AMB
Jaime Cannon *EVP and CFO*	▪ Joined Terreno Realty Corporation in 2010 ▪ Former Vice President, Treasury at AMB ▪ Former Audit Manager at PriceWaterhouseCoopers LLP
John Meyer *EVP*	▪ Joined Terreno Realty Corporation in 2010 ▪ Former Senior Vice President, Director of Transactions, Southwest Region for AMB
Linda Asante *Director*	▪ Former Managing Partner at Jasper Ridge Partners ▪ Former Principal with The Townsend Group
Lee Carlson *Audit Chair*	▪ Principal of NNC Apartment Ventures, LLC ▪ Former Executive Vice President, Chief Operating Officer, Chief Financial Officer and Board Member of BRE Properties
David Lee *Director*	▪ 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
Gabriela Parcella *Nominating & Corporate Governance Chair*	▪ Managing Partner of Merlone Geier Partners and President of Merlone Geier Management, LLC ▪ Independent Trustee of Dodge & Cox Funds mutual fund Board of Trustees ▪ Former Chairman, President, and Chief Executive Officer of Mellon Capital
Doug Pasquale *Lead Director*	▪ Former President, Chief Executive Officer and Chairman of Nationwide Health Properties (formerly NYSE: NHP) ▪ Chairman of Sunstone Hotel Investors, Inc. (NYSE: SHO) ▪ Director of Alexander & Baldwin (NYSE: ALEX) and DineEquity, Inc. (NYSE: DIN)
Dennis Polk *Compensation Chair*	▪ President, Chief Executive Officer and Director of SYNNEX Corporation (NYSE: SNX) ▪ Former Senior Vice President and Chief Financial Officer of Savoir Technology Group

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 and six months ended June 30, 2020 and 2019 (dollars in thousands):

	For the Three Months Ended June 30,				For the Six Months Ended June 30,			
	2020	2019	$ Change	% Change	2020	2019	$ Change	% Change
Net income	$ 30,704	$ 10,379	$ 20,325	195.8%	$ 43,560	$ 25,911	$ 17,649	68.1%
Gain on sales of real estate investments	(17,750)	-	(17,750)	n/a	(17,750)	(4,465)	(13,285)	297.5%
Depreciation and amortization	11,459	10,648	811	7.6%	22,559	21,063	1,496	7.1%
Interest expense, including amortization	3,909	4,053	(144)	(3.6)%	7,915	8,317	(402)	(4.8)%
Loss on extinguishment of debt	-	-	-	n/a	-	-	-	n/a
Stock-based compensation	2,316	3,660	(1,344)	(36.7)%	4,495	6,160	(1,665)	(27.0)%
Acquisition costs	11	1	10	1000.0%	63	1	62	6200.0%
Adjusted EBITDA	$ 30,649	$ 28,741	$ 1,908	6.6%	$ 60,842	$ 56,987	$ 3,855	6.8%

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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.

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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 June 30, 2020 and since January 1, 2019 and excludes properties that were either held for sale, disposed of prior to, or in redevelopment as of June 30, 2020. As of June 30, 2020, the same store pool consisted of 198 buildings aggregating approximately 12.0 million square feet representing approximately 91.9% of our total square feet owned and 14 improved land parcels containing 54.2 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.