Terreno Realty Corporation

Q4 2022 Update

February 8, 2023

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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,” “strategy,” “goal,” 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. 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 own properties; (iv) our dependence on key personnel and our reliance on third-party property managers; (v) our inability to comply with the laws, rules and regulations applicable to companies, and in particular, public companies; (vi) our ability to manage our growth effectively; (vii) tenant bankruptcies and defaults on or non-renewal of leases by tenants; (viii) decreased rental rates or increased vacancy rates; (ix) increased interest rates and operating costs; (x) declining real estate valuations and impairment charges; (xi) our expected leverage, our failure to obtain necessary outside financing, and future debt obligations; (xii) our ability to make distributions to our stockholders; (xiii) our failure to successfully hedge against interest rate increases; (xiv) our failure to successfully operate acquired properties; (xv) risk relating to our real estate redevelopment, renovation and expansion strategies and activities (including rising inflation, supply chain disruptions and construction delays); (xvi) the impact of COVID-19 or any future pandemic, epidemic or outbreak of any other highly infectious disease on the U.S., regional and global economies and on our business, financial condition and results of operations and that of our tenants; (xvii) our failure to qualify or maintain our status as a real estate investment trust (“REIT”), and possible adverse changes to tax laws; (xviii) uninsured or underinsured losses relating to our properties; (xix) environmental uncertainties and risks related to natural disasters; (xx) financial market fluctuations; and (xxi) changes in real estate and zoning laws and increases in real property tax rates. 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, 2022, 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, except as required by law. 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 (76.5%)
  - Improved land (12.6%) [(2)]
  - Transshipment (6.8%)
  - Flex (including light industrial and R&D) (4.1%)
- 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

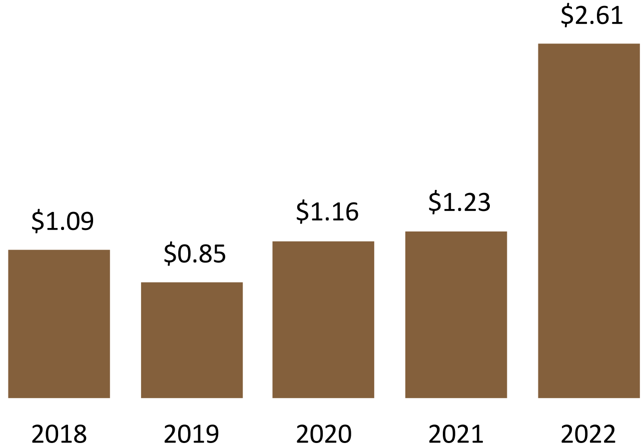
Goal: Superior same store NOI and per share NAV growth

(1) Reflects Terreno portfolio composition based on annualized base rent as of December 31, 2022. Excludes three properties under redevelopment that, upon completion, will consist of one building of approximately 34,000 square feet and two improved land parcels aggregating approximately 12.1 acres.

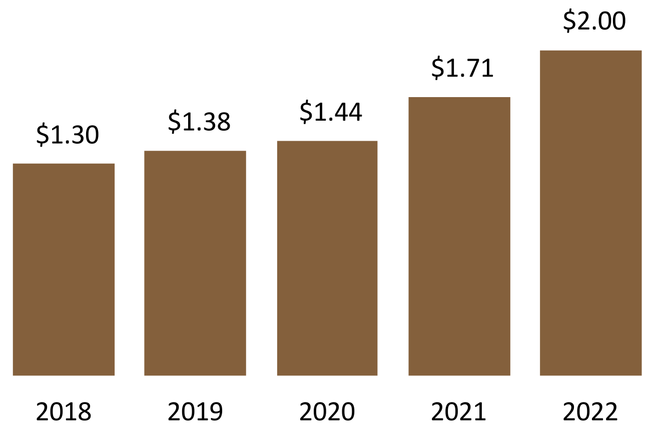
(2) Includes 46 improved land parcels totaling approximately 161.4 acres that were 92.5% leased as of December 31, 2022. Such land is used for industrial outdoor storage and may be redeveloped to higher and better use.

Financial Highlights

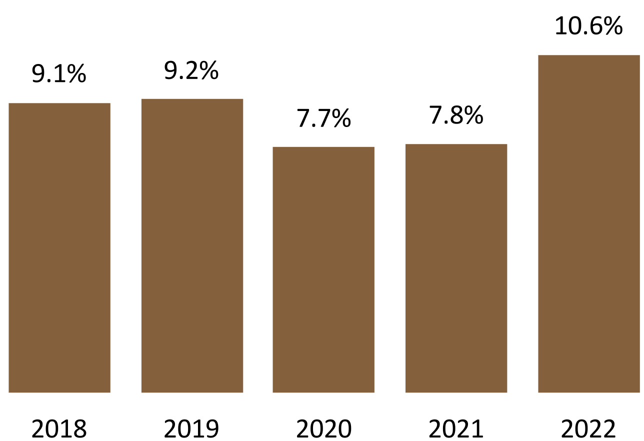
Net Income Per Share (1)



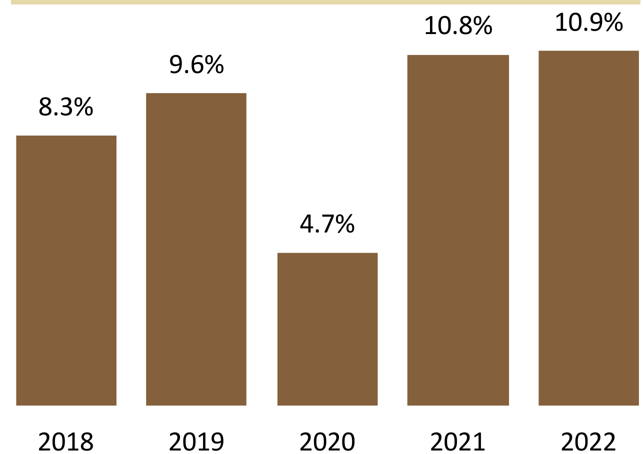
FFO Per Share (2)



Cash Same Store NOI Growth (2)(3)



Cash SSNOI Excluding Termination Fees (2)(3)



(1) *Net income for the year ended December 31, 2022 includes an aggregate gain of approximately $112.2 million resulting from the sale of four properties.*
(2) *This is a non-GAAP financial measure. Please see our Reporting Definitions for further explanation.*
(3) *Approximately $0.6 million (40bps) of the increase in cash-basis same store NOI for the year ended December 31, 2022 was related to properties that were acquired vacant or with near term expirations. Same store NOI for the year ended December 31, 2020 included approximately $3.3 million of termination fees at our Belleville property. Cash-basis same store NOI growth %'s are as reported in the Company's Form 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.*

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Recent Highlights

Investment Highlights

Q4 2022 Acquisitions	$59.4 million
2022 Acquisitions	$414.8 million
Acquisitions Under Contract(1)	$259.5 million
Acquisitions Under LOI	-
Q4 2022 Dispositions	$57.9 million
2022 Dispositions	$168.3 million

Capital Markets Activities

- During the three months ended December 31, 2022, Terreno Realty Corporation issued an aggregate of 814,526 shares of common stock under the ATM at a weighted average offering price of $58.82 per share, receiving gross proceeds of approximately $47.9 million. During the year ended December 31, 2022, Terreno Realty Corporation issued an aggregate of 1,286,125 shares of common stock under the ATM at a weighted average offering price of $61.31 per share, receiving gross proceeds of approximately $78.9 million.
- As of December 31, 2022, there were no borrowings outstanding under Terreno Realty Corporation's $400 million revolving credit facility, and the Company has no debt maturities in 2023.

Operating Highlights

- Cash rents on new and renewed leases commencing during the three months ended December 31, 2022 increased approximately 45.2% on approximately 0.3 million square feet and 2.6 acres of improved land; tenant retention during the three months ended December 31, 2022 was 80.6% for the operating portfolio and 0.0% for the improved land portfolio. Cash rents on new and renewed leases commencing during the year ended December 31, 2022 increased approximately 49.5% on approximately 2.2 million square feet and 19.1 acres of improved land; tenant retention during the year ended December 31, 2022 was 56.6% for the operating portfolio and 65.0% for the improved land portfolio.
- Total portfolio, excluding three properties under redevelopment and 46 improved land parcels, was 98.6% leased as of December 31, 2022 as compared to 98.4% at September 30, 2022 and 95.5% at December 31, 2021.
- The same store portfolio of approximately 12.1 million square feet, representing approximately 79.4% of our total square feet, was 99.5% leased as of December 31, 2022 as compared to 98.9% as of September 30, 2022 and 98.1% as of December 31, 2021.

(1) As of February 7, 2023. Excludes approximately $327 million of future investment to complete the potential Countyline acquisition. There is no assurance that we will acquire the properties under contract because the proposed acquisitions are subject to the completion of satisfactory due diligence and various closing conditions.

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Countyline Miami Acquisition Opportunity

- Contract to acquire, for a total purchase price of approximately $173.6 million, a 121-acre project entitled for 2.2 million square feet of industrial distribution buildings in Miami's Countyline Corporate Park ("Countyline"), immediately adjacent to the Company's seven fully-leased buildings within Countyline.
- The project, a landfill redevelopment adjacent to Florida's Turnpike and the southern terminus of I-75, is 29.8% pre-leased with one 191,000 square foot rear-load industrial distribution building and one 506,000 square foot cross-dock industrial distribution building under construction. The pre-leased buildings are expected to generate an estimated stabilized cap rate of 5.0% and the remaining eight entitled buildings an estimated stabilized cap rate of 6.0% upon completion.
- At expected completion in 2025, the project is expected to contain ten LEED-certified industrial distribution buildings totaling approximately 2.2 million square feet for a total expected investment of approximately $491.1 million.

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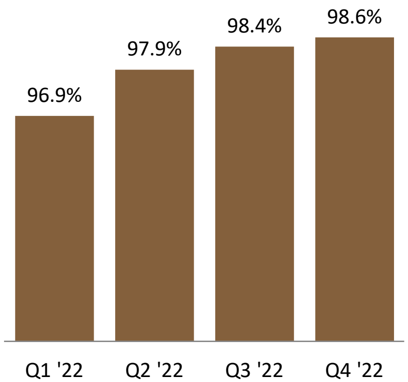
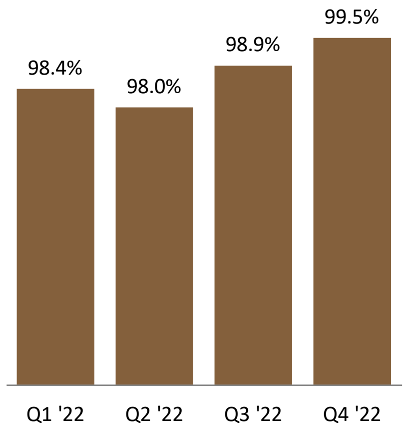
Current Portfolio Overview

Occupancy (1)

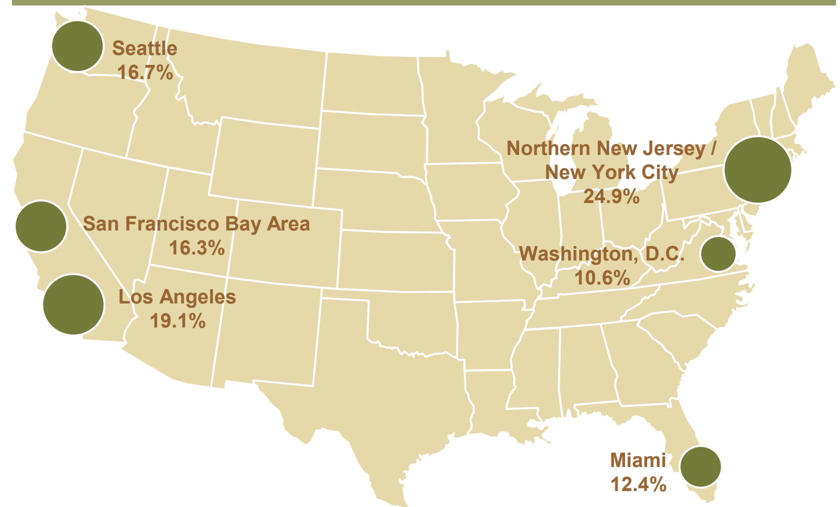
Portfolio



Same Store



Six Major Coastal U.S. Markets (2)



Key Metrics (3)

Square Feet	15.3 million	**Average Acquisition Size**	$15.0 million
Number of Buildings	252	**Weighted Average Occupancy at Acquisition**	85.1%
46 Improved Land Parcels	161.4 acres; 92.5% leased	**Square Feet Under Redevelopment**	34,000

(1) *Portfolio and Same Store occupancy based on 15.3 million and 12.1 million square feet, respectively, as of December 31, 2022, and excludes 46 improved land parcels consisting of 161.4 acres and three properties under redevelopment that, upon completion, will consist of one building of approximately 34,000 square feet and two improved land parcels aggregating approximately 12.1 acres.*

(2) *Based on annualized base rent by market including 15.3 million square feet and 46 improved land parcels consisting of 161.4 acres as of December 31, 2022. Excludes three properties under redevelopment that, upon completion, will consist of one building of approximately 34,000 square feet and two improved land parcels aggregating approximately 12.1 acres.*

(3) *Properties owned as of December 31, 2022. Excludes three properties under redevelopment that, upon completion, will consist of one building of approximately 34,000 square feet and two improved land parcels aggregating approximately 12.1 acres. Average acquisition size and weighted average occupancy at acquisition exclude 29 properties sold with an aggregate 4.1 million square feet.*

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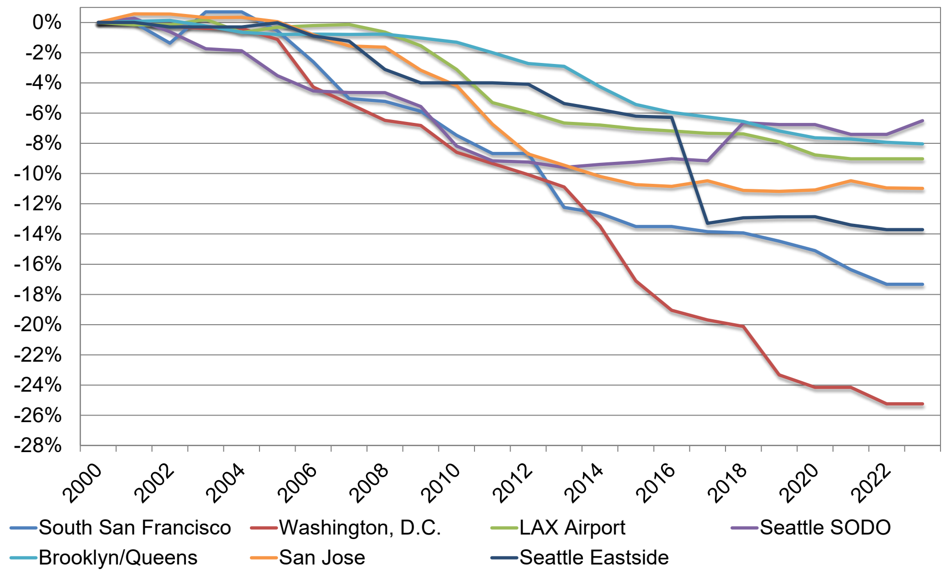
Terreno's Submarket Focus

Highly Focused Submarket Strategy

- 35% 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.
- 17% 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)	Total SF Decrease Since 2000	Annual SF Decrease
Washington, D.C.	2.5	25.2%	1.1%
South San Francisco	3.2	17.3%	0.8%
Seattle Eastside	1.6	13.7%	0.6%
San Jose	6.7	11.0%	0.5%
LAX Airport	1.7	9.0%	0.4%
Brooklyn/Queens	14.6	8.0%	0.3%
Seattle SODO	1.5	6.5%	0.3%

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(1) *As of February 7, 2023. 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 27% nationally and 130% in the Inland Empire since 2000.*

Shrinking Supply: Washington, D.C.

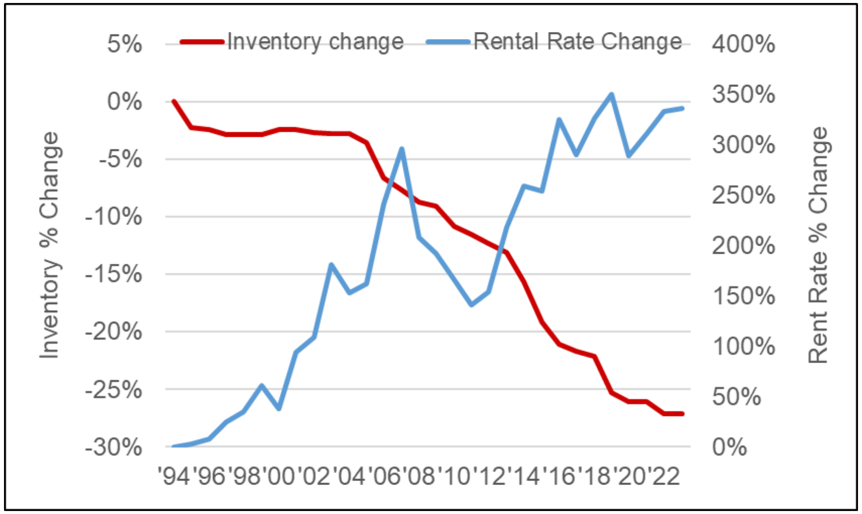
Approximately 27% Decrease in Supply and 12.1% Average Annual Increase in Rental Rate Since 1994

Capitol Riverfront, Washington D.C.:

Northeast Submarket, Washington D.C.:

Demolished or Repurposed Industrial Inventory

Terreno Properties (7 buildings, 843,000 SF)



Represents inventory and rental rates for all Washington, D.C. submarkets.
Source: CoStar

- Industrial supply has been in secular decline, replaced by retail, entertainment, and multifamily.
- Former industrial pockets including Capitol Riverfront and NoMa / Union Market have been transformed by conversion to higher and better uses.

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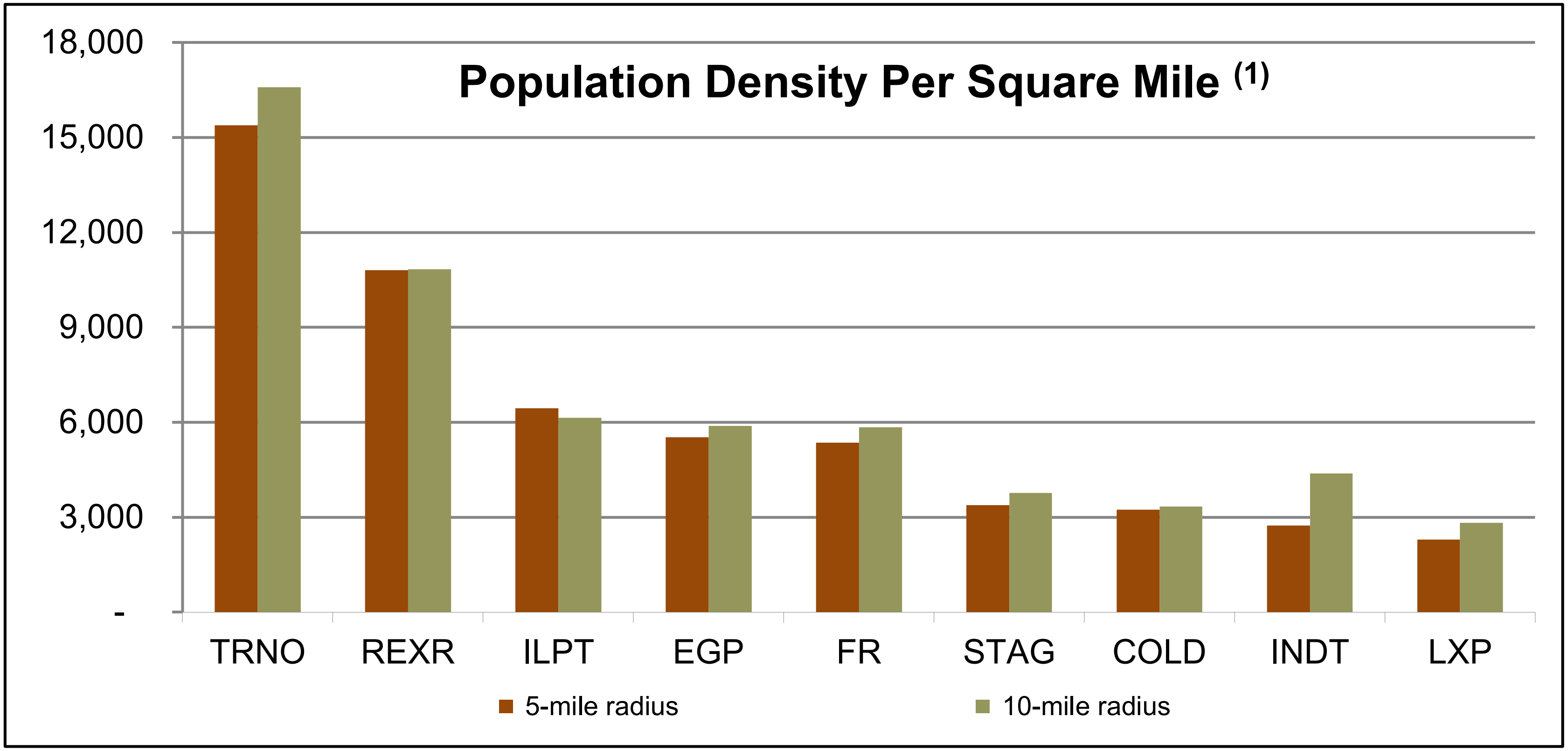
Submarket Focus: Infill

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.

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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, EGP, FR, ILPT, INDT, LXP, 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.*

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Submarket Focus: Ownership Density

Expanding presence in infill submarkets

Meadowlands, Northern New Jersey:

South Bay, Los Angeles:

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Superior Long-Term Results

11.0%

Average Cash SSNOI Growth Since IPO(1)

12.8%

Unleveraged IRR on 29 Sold Properties Since IPO(1)

12.5%

Dividend CAGR Since 2011 Initiation

11.1%

TSR CAGR Since 2010 IPO

(1) *See Appendix for details.*

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Selected Recent Acquisitions

5401 West 104th Street

Los Angeles, CA
November 1, 2022

- Purchase Price: $17.0 million
- Size: One industrial transshipment building containing approximately 26,000 square feet on 1.8 acres
- Estimated Stabilized Cap Rate: 2.5%
- Occupancy: 100% leased to one tenant through September 2024
- Location: West of I-405 and adjacent to Los Angeles International Airport

629 Henry Street

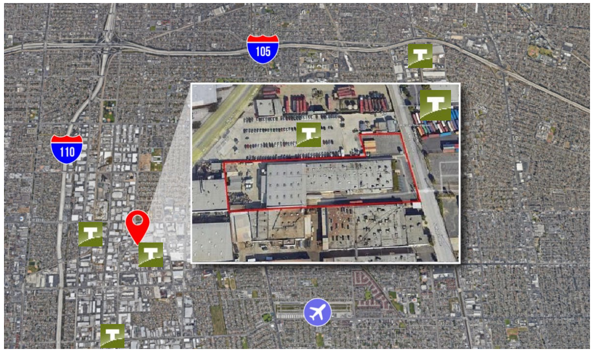
Elizabeth, NJ
November 29, 2022

- Purchase Price: $15.4 million
- Size: One industrial distribution building containing approximately 23,000 square feet on 1.8 acres
- Estimated Stabilized Cap Rate: 5.4%
- Occupancy: 100% leased on a short-term basis
- Location: Adjacent to Newark Liberty International Airport and Exit 13A of the New Jersey Turnpike

14805 S. Maple Avenue

Rancho Dominguez, CA
December 30, 2022

- Purchase Price: $22.4 million
- Size: One 51,000-square-foot building which is leased through June 2023, after which the building will be demolished and the property will be redeveloped into a 2.8-acre improved land parcel
- Estimated Stabilized Cap Rate of Redeveloped Property: 6.2%
- Location: Between Los Angeles International Airport and the Ports of Los Angeles and Long Beach and adjacent to Terreno Realty Corporation's improved land parcels at 14725 and 14732 S. Maple Avenue



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Selected Examples of Value Creation

Since Terreno's 2010 IPO, approximately 60% of our acquisitions have been value-add investments. Terreno has successfully stabilized 107 value-add investments to date. Terreno has sold approximately 10% of our properties for an unleveraged IRR of 12.8%.

Strategy	Examples
Leasing and Redevelopment	▪ 8660 Willows Road, Redmond, WA: One 3.5 acre improved land parcel acquired in June 2022 for approximately $19.9 million. During the first quarter of 2023, Terreno executed a lease with a North American provider of workplace transportation services. Make-ready work includes repaving, installation of automated gates, LED lighting and warehouse insulation. The lease will commence March 31, 2023 and expire June 2033, resulting in an estimated stabilized cap rate of 5.8%. ▪ 3000 NW 73rd Street, Miami, FL: Completed the redevelopment of two 32' clear height industrial distribution buildings containing 129,000 square feet which have achieved LEED certification. The buildings provide 36 dock-high loading positions and parking for 104 cars approximately three miles from Miami International Airport and six miles from both PortMiami and Downtown Miami. The redevelopment, originally scheduled to be completed in the fourth quarter of 2022, was stabilized in September 2022. As of December 31, 2022, the property is 100% leased to 12 tenants with leases expiring between 2025 and 2027, resulting in an estimated stabilized cap rate of 8.1% and a total expected investment of $20.2 million.
Value Realized	▪ Sold 29 properties since inception for a sales price totaling $576.0 million, realizing a 12.8% unleveraged IRR. During the fourth quarter of 2022, sold Schoolhouse Road in Somerset, NJ. Terreno acquired the property for approximately $9.1 million in September 2016. The property was sold for approximately $25.0 million, generating an unleveraged IRR of 20.7%.

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Value Creation – Leasing

- **Property:** 8660 Willows Road
- **Location:** Redmond, WA, between I-405 and SR 520 and less than one-half mile from Terreno Realty Corporation's properties at 9045 Willows Road and 14505-14515 NE 91st Street
- **Size:** 3.5-acre improved land parcel
- **Acquisition Price:** $19.9 million in June 2022
- **Occupancy at Acquisition:** 38% leased to one tenant

- **2023 Leasing:** Executed a lease with a North American provider of workplace transportation services. Make-ready work includes repaving, installation of automated gates, LED lighting and warehouse insulation. The lease will commence March 31, 2023 and expire June 2033.

Value Creation – Estimated stabilized cap rate after releasing of 5.8%

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Value Creation – Redevelopment

- **Property:** 3000 NW 73rd Street
- **Location:** Miami, FL, approximately three miles from Miami International Airport and six miles from both PortMiami and Downtown Miami
- **Size:** 5.8 acres
- **Acquisition Date:** April 2021
- **Redevelopment:** Construction of two newly developed LEED certified industrial distribution buildings with 32' clear height totaling 129,000 square feet. The buildings provide 36 dock-high loading positions and parking for 104 cars
- **Stabilization:** The redevelopment, originally scheduled to be completed in the fourth quarter of 2022, was stabilized in September 2022. As of December 31, 2022, the property is 100% leased to 12 tenants with leases expiring between 2025 and 2027

Value Creation – Estimated stabilized cap rate of 8.1%
and total expected investment of $20.2 million

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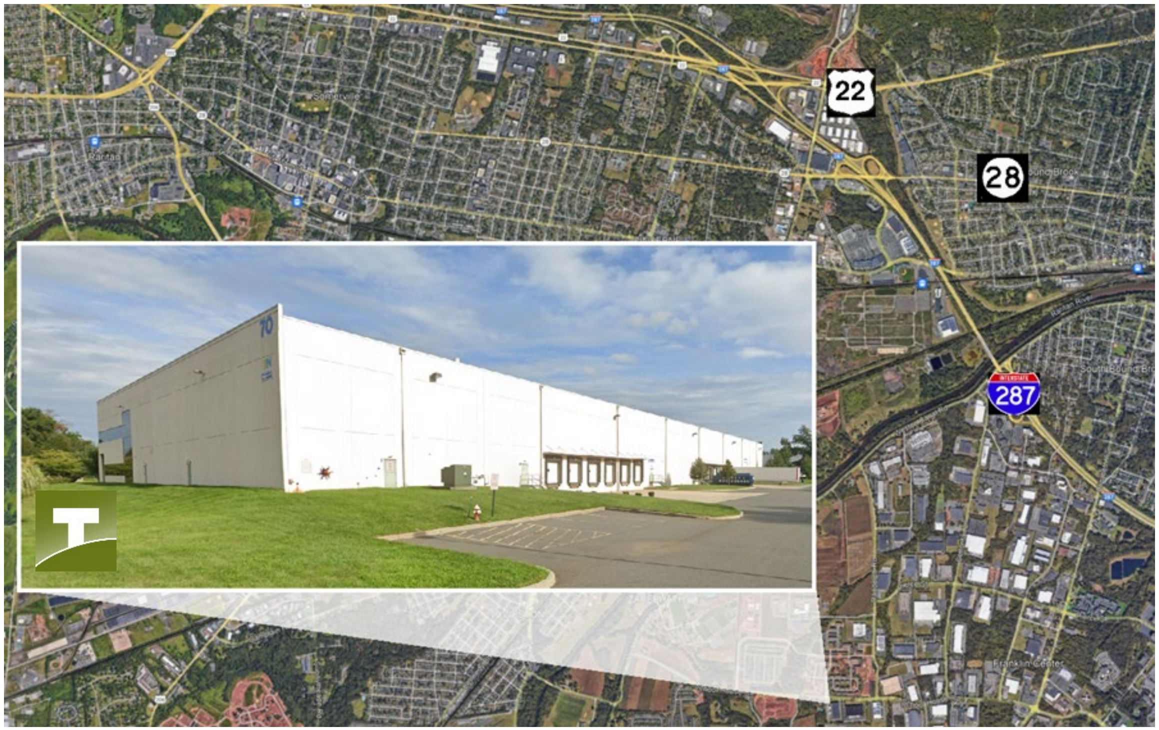
Value Realized



- **Property:** 70 Schoolhouse Road
- **Location:** Somerset, NJ
- **Size:** One industrial distribution building containing approximately 86,000 square feet on 6.9 acres
- **Acquisition Price:** $9.1 million in September 2016
- **Value Created:** Sold in November 2022 for approximately $25.0 million, generating an unleveraged IRR of 20.7%

Value Realized – Sold for $25.0 million (net book value of approximately $7.3 million) generating an unleveraged internal rate of return of 20.7%

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 remediate those sites that have environmental contaminants.

Recent Highlights

Rooftop Solar

- Entered agreements to host rooftop solar projects in our Washington, D.C., Los Angeles, and Northern New Jersey/New York markets. The Company expects a portion of these projects to become operational starting in 2024 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 3000 NW 73rd Street in Miami, Florida. To date, we have achieved LEED certification on 624,000 square feet of newly-developed buildings built on former landfill and industrial land sites and commenced LEED certification on an additional 843,000 square feet of newly-developed buildings built on former landfill and industrial land sites in Miami.

Energy Efficient Lighting

- More than 70% of our portfolio now contains energy efficient lighting and we 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 increased our GRESB Real Estate Assessment score from 35 in 2021 to 56 in 2022, our second year of participation in the Assessment.

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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 2.5% of outstanding shares valued at $124.7 million)

Corporate Governance

- Tied for #1 among all REITs for Corporate Governance by Green Street Advisors, July 14, 2022
- 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

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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 superior rent growth and higher and better use opportunities over time
- Strong balance sheet including an investment grade credit rating
- Demonstrated value creation with 29 properties sold for an aggregate sales price of approximately $576.0 million earning a 12.8% unleveraged IRR
- 12.5% dividend CAGR since initiating dividend in 2011
- 11.1% compounded annual total shareholder return since 2010 IPO
- Aligned management team and market leading corporate governance

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Appendix

Appendix: Statements Of Operations

CONSOLIDATED STATEMENTS OF OPERATIONS (in thousands except share and per share data)	For the Three Months Ended December 31, 2022	For the Three Months Ended December 31, 2021	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
REVENUES				
Rental revenues and tenant expense reimbursements	$ 76,007	$ 60,675	$ 276,212	$ 221,930
Total revenues	76,007	60,675	276,212	221,930
COSTS AND EXPENSES				
Property operating expenses	19,083	15,365	68,903	56,248
Depreciation and amortization	18,536	13,707	65,763	50,687
General and administrative	8,193	7,716	31,192	26,964
Acquisition costs	374	-	1,465	172
Total costs and expenses	46,186	36,788	167,323	134,071
OTHER INCOME (EXPENSE)				
Interest and other income	398	137	809	822
Interest expense, including amortization	(7,457)	(5,207)	(23,850)	(18,054)
Gain on sales of real estate investments	36,118	13,442	112,166	16,627
Total other income and expenses	29,059	8,372	89,125	(605)
Net income	58,880	32,259	198,014	87,254
Allocation to participating securities	(274)	(124)	(854)	(311)
Net income available to common stockholders	$ 58,606	$ 32,135	$ 197,160	$ 86,943
EARNINGS PER COMMON SHARE - BASIC AND DILUTED:				
Net income available to common stockholders - basic	$ 0.77	$ 0.44	$ 2.61	$ 1.23
Net income available to common stockholders - diluted	$ 0.77	$ 0.44	$ 2.61	$ 1.23
BASIC WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	76,048,579	73,380,519	75,498,107	70,534,202
DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	76,145,382	73,735,244	75,586,480	70,793,670

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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 December 31, 2022	For the Three Months Ended December 31, 2021	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Total revenues	$ 76,007	$ 60,675	$ 276,212	$ 221,930
Property operating expenses	(19,083)	(15,365)	(68,903)	(56,248)
Depreciation and amortization	(18,536)	(13,707)	(65,763)	(50,687)
General and administrative	(8,193)	(7,716)	(31,192)	(26,964)
Acquisition costs	(374)	-	(1,465)	(172)
Interest and other income	398	137	809	822
Interest expense, including amortization	(7,457)	(5,207)	(23,850)	(18,054)
Gain on sales of real estate investments	36,118	13,442	112,166	16,627
Net income	**58,880**	**32,259**	**198,014**	**87,254**
Allocation to participating securities	(274)	(124)	(854)	(311)
Net income available to common stockholders	**$ 58,606**	**$ 32,135**	**$ 197,160**	**$ 86,943**
Net income available to common stockholders per common share - basic	**$ 0.77**	**$ 0.44**	**$ 2.61**	**$ 1.23**
Net income available to common stockholders per common share - diluted	**$ 0.77**	**$ 0.44**	**$ 2.61**	**$ 1.23**
Adjustments to arrive at Funds from Operations:				
Gain on sales of real estate investments	(36,118)	(13,442)	(112,166)	(16,627)
Depreciation and amortization related to real estate	18,520	13,685	65,691	50,613
Allocation to participating securities	(192)	(126)	(656)	(428)
Funds from Operations [1]	**$ 41,090**	**$ 32,376**	**$ 150,883**	**$ 120,812**
Funds from operations per common share - basic	**$ 0.54**	**$ 0.44**	**$ 2.00**	**$ 1.71**
Funds from operations per common share - diluted	**$ 0.54**	**$ 0.44**	**$ 2.00**	**$ 1.71**
Adjustments to arrive at Adjusted Funds From Operations:				
Acquisition costs	374	-	1,465	172
Stock-based compensation	2,653	2,547	10,171	9,554
Straight-line rents	(2,027)	(2,838)	(9,353)	(8,683)
Amortization of lease intangibles	(5,464)	(2,569)	(16,271)	(7,686)
Total capital expenditures [2]	(11,505)	(17,701)	(93,077)	(67,830)
Capital expenditures related to stabilization [3]	6,213	10,978	61,119	38,991
Adjusted Funds from Operations	**$ 31,334**	**$ 22,793**	**$ 104,937**	**$ 85,330**
Common stock dividends paid	**$ 30,427**	**$ 24,239**	**$ 107,411**	**$ 84,628**
Weighted average basic common shares	**76,048,579**	**73,380,519**	**75,498,107**	**70,534,202**
Weighted average diluted common shares	**76,145,382**	**73,735,244**	**75,586,480**	**70,793,670**

(1) See Reporting Definitions for further explanation.
(2) Total capital expenditures includes approximately $0.0 million and $3.6 million for the three months and year ended December 31, 2022, respectively, related to roof replacements in advance of rooftop solar installations as part of our environmental, social and governance initiatives.
(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] (in thousands except share and per share data)		For the Three Months Ended December 31, 2022
Total revenues	$	76,007
Less straight-line rents		(2,027)
Less amortization of lease intangibles		(5,464)
Less property operating expenses		(19,083)
Cash net operating income	$	49,433
CONTRACTUAL RENT ABATEMENTS	$	1,907
LEASE TERMINATION INCOME	$	556
CASH NOI FROM DISPOSED PROPERTIES	$	298

BALANCE SHEET ITEMS (in thousands except share and per share data)		As of December 31, 2022
Other assets and liabilities		
Cash and cash equivalents	$	26,393
Restricted cash		1,690
Construction in progress [2]		51,896
Other assets, net		61,215
Less straight-line rents		(39,838)
Security deposits		(27,454)
Dividends payable		(30,753)
Accounts payable and other liabilities		(49,692)
Total other assets and liabilities	$	(6,543)
DEBT		
Credit facility	$	-
Term Loan [3]		(200,000)
Senior unsecured notes [3]		(575,000)
Total debt	$	(775,000)
Total shares outstanding		76,881,147

Q4 2022 Acquisitions

Property Name	Date	Purchase Price (in thousands)	Estimated Stabilized Cap Rate	Leased % at Acquisition
7045 NW 46th St	October 24, 2022	$ 4,703	5.2%	0%
5401 West 104th St	November 1, 2022	17,000	2.5%	100%
629 Henry	November 29, 2022	15,350	5.4%	100%
14805 S Maple Ave	December 30, 2022	22,358	6.2%	100%
Total/Weighted Average		$ 59,411	4.9%	92%

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

Market	Rentable Square Feet	Occupancy % as of December 31, 2022	Annualized Base Rent (in thousands)	Base Rent Per Occupied Square Foot
Los Angeles	2,779,708	99.3%	$ 33,419	$ 12.10
Northern New Jersey/New York City	2,706,893	98.7%	42,651	15.96
San Francisco Bay Area	2,436,280	97.0%	34,080	14.42
Seattle	2,783,070	97.3%	32,539	12.01
Miami	2,814,302	100.0%	26,476	9.41
Washington, D.C.	1,762,100	99.2%	21,049	12.05
Total/Weighted Average	15,282,353	98.6%	$ 190,214	$ 12.62

SUMMARY MARKET INFORMATION (Improved Land) [2]

Market	Number of Parcels	Acreage	Occupancy % as of December 31, 2022	Annualized Base Rent (in thousands)
Los Angeles	14	29.8	89.4%	$ 8,199
Northern New Jersey/New York City	13	68.0	100.0%	11,423
San Francisco Bay Area	3	7.1	100.0%	1,467
Seattle	10	25.9	92.4%	3,882
Miami	3	9.9	32.0%	428
Washington, D.C.	3	20.7	100.0%	1,953
Total/Weighted Average	46	161.4	92.5%	$ 27,352

(1) See Reporting Definitions for further explanation.
(2) The Company had three properties under redevelopment as of December 31, 2022 that, upon completion, will consist of one building of approximately 34,000 square feet and two improved land parcels aggregating approximately 12.1 acres, with a total expected investment of approximately $69.3 million.
(3) Excludes deferred financing costs and loan fees.

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Appendix: Same Store Results

SAME STORE GROWTH (1) (in thousands)	For the Three Months Ended December 31, 2022	2021	$ Change	% Change	For the Year Ended December 31, 2022	2021	$ Change	% Change
Net income	$ 58,880	$ 32,259	$ 26,621	82.5%	$ 198,014	$ 87,254	$ 110,760	126.9%
Depreciation and amortization	18,536	13,707	4,829	35.2%	65,763	50,687	15,076	29.7%
General and administrative	8,193	7,716	477	6.2%	31,192	26,964	4,228	15.7%
Acquisition costs	374	-	374	n/a	1,465	172	1,293	751.7%
Total other income and expenses	(29,059)	(8,372)	(20,687)	247.1%	(89,125)	605	(89,730)	n/a
Net operating income	56,924	45,310	11,614	25.6%	207,309	165,682	41,627	25.1%
Less non-same store NOI	(15,927)	(6,797)	(9,130)	134.3%	(48,152)	(17,479)	(30,673)	175.5%
Same store NOI	$ 40,997	$ 38,513	$ 2,484	6.4%	$ 159,157	$ 148,203	$ 10,954	7.4%
Less straight-line rents and amortization of lease intangibles	(1,381)	(2,652)	1,271	(47.9)%	(7,402)	(11,006)	3,604	(32.7)%
Cash-basis same store NOI	$ 39,616	$ 35,861	$ 3,755	10.5%	$ 151,755	$ 137,197	$ 14,558	10.6%
Less termination fee income	(77)	(148)	71	(48.0)%	(422)	(764)	342	(44.8)%
Cash-basis same store NOI excluding termination fees	$ 39,539	$ 35,713	$ 3,826	10.7%	$ 151,333	$ 136,433	$ 14,900	10.9%

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	Full Year 2022
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	12,137,276
Occupancy %	93.0%	96.8%	97.1%	94.4%	99.0%	97.5%	99.1%	98.4%	98.0%	98.2%	99.5%
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%	10.6%
Cash-basis same store NOI growth % excluding termination fees	11.2%	18.3%	13.1%	2.8%	8.9%	16.4%	8.3%	9.6%	4.7%	10.8%	10.9%

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 December 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 December 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 December 31, 2022
147th Street	$	18,060	$	6,917	$	11,143	6.1%	34,000	Q3 2024	- %
Berryessa		25,961		24,863		1,098	4.9%	N/A	Q3 2023	- %
Paterson Plank III		25,303		20,116		5,187	4.4%	N/A	Q4 2023	- %
Total/Weighted Average	$	69,324	$	51,896	$	17,428	5.0%	34,000		- %

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 Street	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%
Riverbend	Seattle	July 2014	October 2022		2,770		8,650	15.6%
Schoolhouse	New Jersey/New York	September 2016	November 2022		9,072		25,025	20.7%
Pulaski	New Jersey/New York	March 2014	December 2022		9,200		24,250	14.1%
			Total	$	312,229	$	576,006	12.8%

(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.

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Appendix: Capitalization

Maturity (in thousands except share and per share data)	Credit Facility	Term Loans	Senior Unsecured Notes	Total Debt
2023	$ -	$ -	$ -	$ -
2024	-	-	100,000	100,000
2025	-	-	-	-
2026	-	-	50,000	50,000
2027	-	100,000	50,000	150,000
Thereafter	-	100,000	375,000	475,000
Total Debt	-	200,000	575,000	775,000
Deferred financing costs, net	-	(1,007)	(3,175)	(4,182)
Total Debt, net	$ -	$ 198,993	$ 571,825	$ 770,818
Weighted Average Interest Rate	N/A	5.5%	3.1%	3.7%

	As of December 31, 2022	As of December 31, 2021
Total Debt, net	$ 770,818	$ 720,670
Common Stock		
Shares Outstanding	76,881,147	75,344,302
Market Price	$ 56.87	$ 85.29
Total Equity	4,372,231	6,426,116
Total Market Capitalization	$ 5,143,049	$ 7,146,786
Total Debt-to-Total Investments in Properties	22.7%	24.5%
Total Debt-to-Total Market Capitalization	15.0%	10.1%
Floating Rate Debt as a % of Total Debt	25.8%	13.8%
Unhedged Floating Rate Debt as a % of Total Debt	25.8%	13.8%
Adjusted EBITDA [(1)]	$ 187,097	$ 149,094
Interest Coverage	7.8 x	8.3 x
Fixed Charge Coverage	7.1 x	8.0 x
Total Debt-to-Adjusted EBITDA [(1)]	3.7 x	4.5 x
Weighted Average Maturity of Total Debt (years)	5.3	5.9

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(1) See Reporting Definitions for further explanation.

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/Bronx 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 San Jose South SF Dogpatch/Mission Bay	East Bay	Livermore Richmond Fremont
Miami	Central Dade	Airport/Doral Hialeah	Medley Airport North North Dade Hialeah North
Seattle	South Seattle Tukwila Eastside	Kent SeaTac Renton	Auburn Sumner Fife Puyallup
Washington D.C.	D.C. Inside the D.C. Beltway Alexandria	Corridor Close in PG County Close in NOVA	Dulles
% of Terreno's Portfolio [4]	**35%**	**48%**	**17%**

(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 February 7, 2023. Reflects Terreno portfolio composition based on geography and purchase price, includes three 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 Broadstone Net Lease, Inc. (NYSE: BNL)
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
Melinda Weston *CAO*	▪ Joined Terreno Realty Corporation in 2013 ▪ Former Assistant Controller at AMB
Linda Assante *Nominating & Corporate Governance Chair*	▪ Former Managing Partner at Jasper Ridge Partners and Former Principal with The Townsend Group ▪ Director of James Campbell Company LLC
Gary Boston *Director*	▪ Former Senior Portfolio Manager of APG Asset Management ▪ Former Director of Retail Value Inc. (NYSE: RVI)
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
Irene Oh *Director*	▪ Executive Vice President and Chief Financial Officer of East West Bancorp and East West Bank ▪ Director of United Way of Greater Los Angeles
Doug Pasquale *Lead Director*	▪ Former President, Chief Executive Officer and Chairman of Nationwide Health Properties (formerly NYSE: NHP) ▪ Chairman of the Board of Sunstone Hotel Investors, Inc. (NYSE: SHO) ▪ Director of Alexander & Baldwin (NYSE: ALEX) and Dine Brands Global (NYSE: DIN)
Dennis Polk *Compensation Chair*	▪ Executive Chair of the Board of Directors of TD SYNNEX (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 and year ended December 31, 2022 and 2021 (dollars in thousands):

	For the Three Months Ended December 31,				For the Year Ended December 31,			
	2022	2021	$ Change	% Change	2022	2021	$ Change	% Change
Net income	$ 58,880	$ 32,259	$ 26,621	82.5%	$ 198,014	$ 87,254	$ 110,760	126.9%
Gain on sales of real estate investments	(36,118)	(13,442)	(22,676)	168.7%	(112,166)	(16,627)	(95,539)	574.6%
Depreciation and amortization	18,536	13,707	4,829	35.2%	65,763	50,687	15,076	29.7%
Interest expense, including amortization	7,457	5,207	2,250	43.2%	23,850	18,054	5,796	32.1%
Stock-based compensation	2,653	2,547	106	4.2%	10,171	9,554	617	6.5%
Acquisition costs	374	-	374	n/a	1,465	172	1,293	751.7%
Adjusted EBITDA	$ 51,782	$ 40,278	$ 11,504	28.6%	$ 187,097	$ 149,094	$ 38,003	25.5%

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 December 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 December 31, 2022. As of December 31, 2022, the same store pool consisted of 197 buildings aggregating approximately 12.1 million square feet representing approximately 79.4% of our total square feet owned and 24 improved land parcels consisting of approximately 91.5 acres representing approximately 56.7% of our total acreage owned. 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.

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