



## POWER REIT REPORTS THIRD QUARTER 2019 RESULTS

Old Bethpage, NY November 05, 2019 (GLOBE NEWSWIRE) – Power REIT (NYSE American: PW) today reported its results for the quarter ended September 30, 2019.

### Financial Highlights

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
<b>Net Income Attributable to Common Shares</b>	\$ 203,635	\$ 132,801	\$ 474,222	\$ 414,824
Net Income per Common Share	\$ 0.11	\$ 0.07	\$ 0.25	\$ 0.23
<b>Core FFO Available to Common Shares</b>	\$ 334,055	\$ 266,561	\$ 846,888	\$ 770,341
Core FFO per Common Share	0.18	0.15	0.45	0.42

Power REIT’s portfolio of primarily “triple net leased” real estate provides stable operating income. In July of 2019, Power REIT announced an updated business plan with a new focus for acquisitions on Controlled Environment Agriculture. As part of this announcement, Power REIT announced the acquisition of two Controlled Environment Agriculture properties for the cultivation of medical cannabis. The acquisitions primarily account for the 25% growth in Core FFO for Q3 2019 over Q3 2018. This dynamic growth is a function of the high yield for the recent acquisitions as well as Power REIT’s relatively small market capitalization. Power REIT is currently working on a debt financing to fund additional acquisitions and believes it can continue to grow its Core FFO per Common Share as it embarks on its new growth plan.

### Recent Development – New Focus for Acquisitions

Power REIT believes agricultural production is ripe for technological transformation and that we are at the early stages of a boom in agricultural venture capital that, among other things, will shift food production for certain crops from traditional outdoor farms to Controlled Environment Agriculture “plant factories.” Since a significant portion of any given CEA enterprise is real estate, Power REIT sees an opportunity to participate in the trend towards indoor agriculture.

#### CEA for Food

CEA for food production is widely adopted in parts of Europe and is becoming an increasingly competitive alternative to traditional farming for a variety of reasons. CEA caters to consumer desires for sustainable and locally grown products. Locally grown indoor produce will have a longer shelf life as the plants are healthier and also travel shorter distances thereby reducing food waste. In addition, a controlled environment produces high-quality pesticide free products that eliminates seasonality and provides highly predictable output that can be used to simplify the supply chain to the grocer’s shelf.

#### CEA for Cannabis

Power REIT is focused on investing in the cultivation and production side of the cannabis industry through the ownership of real estate. As such it is not directly in the cannabis business and also not even indirectly involved with facilities that sell cannabis directly to consumers. By serving as a landlord, Power REIT believes it can generate attractive risk adjusted returns related to the fast growing cannabis industry and that this offers a safer approach than investing directly in cannabis operating businesses.

## **Recent Acquisitions**

On July 15, 2019, Power REIT announced that it had acquired two greenhouse properties located in southern Colorado. The two properties are leased to an operator that is licensed for the cultivation and processing of medical cannabis. The total combined purchase price was \$1,770,000. The annual straight-line triple net-rent is approximately \$331,000 which translates to a yield of approximately 19%. During Q3 2019, Power REIT recorded approximately \$72,000 of income related to these acquisitions compared to approximately \$83,000 that would be recorded for a full quarter. The acquisition of the greenhouses was closed on an all-cash basis with existing working capital. As such, they are accretive to Core Funds from Operation by approximately \$331,000 per annum which is more than a 30% increase from historical levels. Power REIT is currently in discussions regarding the expansion of one of the two greenhouse properties.

## **Dividend Declaration**

Preferred Stock: For the Company's 7.75% Series A Cumulative Redeemable Perpetual Preferred Stock, a cash dividend of \$0.484375 per depository share was declared. The preferred stock dividend, which equates to an annual dividend payment of \$1.9375 per depository share, is payable on December 15, 2019, to stockholders of record on November 15, 2019.

## **About Power REIT**

Power REIT is a real estate investment trust that owns real estate related to infrastructure assets including properties for Controlled Environment Agriculture, Renewable Energy and Transportation. Power REIT is actively seeking to expand its real estate portfolio related to Controlled Environment Agriculture and Renewable Energy.

## **Additional Information**

Further details regarding Power REIT's consolidated results of operations and financial condition as of and for the year ended December 31, 2018 are contained in the Company's annual report on Form 10-K filed with the Securities and Exchange Commission, which can be viewed at the Company's website at [www.pwreit.com](http://www.pwreit.com) under the Investor Relations section, and in EDGAR on the SEC's website, [www.sec.gov](http://www.sec.gov).

## **Forward-Looking Statements**

This document may contain forward-looking statements within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. Forward-looking statements are those that predict or describe future events or trends and that do not relate solely to historical matters. You can usually identify forward-looking statements as containing the words "believe," "expect," "will," "anticipate," "intend," "estimate," "would," "should," "project," "plan," "assume" or other similar expressions, or negatives of those expressions, although not all forward-looking statements contain these identifying words. All statements contained in this document regarding Power REIT's future strategy, future operations, projected financial position, estimated future revenues, projected costs, future prospects, the future of Power REIT's industries and results that might be obtained by pursuing management's current or future objectives are forward-looking statements. Over time, Power REIT's actual results, performance, financial condition or achievements may differ from the anticipated results, performance, financial condition or achievements that are expressed or implied in Power REIT's forward-looking statements, and such differences may be significant and materially adverse to Power REIT and its security holders.

All forward-looking statements reflect Power REIT's good-faith beliefs, assumptions and expectations, but they are not guarantees of future performance. Power REIT disclaims any obligation to publicly update or revise any forward-looking statements to reflect changes in underlying assumptions or factors, new information, data or methods, future events or other changes, except to the extent required by law. For a further discussion of factors that could cause Power REIT's future results or financial condition to differ materially from anything expressed or implied in its forward-looking statements, see the sections entitled "Risk Factors" in Power REIT's registration statements and quarterly and annual reports as filed by Power REIT from time to time with the Securities and Exchange Commission.

## **Non-GAAP Financial Measures**

This document contains supplemental financial measures that are not calculated pursuant to U.S. generally accepted accounting principles ("GAAP"), including the measure identified by us as Core Funds From Operations Available to Common Shares ("Core FFO"). Management believes that Core FFO is a useful supplemental

measure of the Company's operating performance. Management believes that alternative measures of performance, such as net income computed under GAAP, or Funds From Operations computed in accordance with the definition used by the National Association of Real Estate Investment Trusts ("NAREIT"), include certain financial items that are not indicative of the results provided by the Company's asset portfolio and inappropriately affect the comparability of the Company's period-over-period performance. These items include non-recurring expenses, such as those incurred in connection with litigation, one-time upfront acquisition expenses that are not capitalized under ASC-805 and certain non-cash expenses, including non-cash, stock-based compensation expense. Therefore, management uses Core FFO and defines it as net income excluding such items. Management believes that, for the foregoing reasons, these adjustments to net income are appropriate. The Company believes that Core FFO is a useful supplemental measure for the investing community to employ, including when comparing the Company to other REITs that disclose similarly adjusted FFO figures, and when analyzing changes in the Company's performance over time. Readers are cautioned that other REITs may use different adjustments to their GAAP financial measures than we do, and that as a result the Company's Core FFO may not be comparable to the FFO measures used by other REITs or to other non-GAAP or GAAP financial measures used by REITs or other companies.

**POWER REIT AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS**

	(Unaudited) September 30, 2019	December 31, 2018
<b>ASSETS</b>		
Land	\$ 6,928,644	\$ 6,788,067
Land Improvements, net of accumulated depreciation	1,633,277	-
Net investment in capital lease - railroad	9,150,000	9,150,000
<i><b>Total real estate assets</b></i>	<b>17,711,921</b>	<b>15,938,067</b>
Cash and cash equivalents	573,141	1,771,011
Prepaid expenses	53,799	16,795
Intangible assets, net of accumulated amortization	3,648,740	3,826,595
Other assets	342,044	342,668
<b>TOTAL ASSETS</b>	<b>\$ 22,329,645</b>	<b>\$ 21,895,136</b>
<b>LIABILITIES AND EQUITY</b>		
Deferred revenue	\$ 69,434	\$ 32,851
Security deposit	114,378	-
Accounts payable	44,511	24,828
Accounts payable - Related party	-	1,374
Accrued interest	83,635	87,846
Current portion of long-term debt, net of unamortized discount	413,830	389,996
Long-term debt, net of unamortized discount	8,780,522	9,167,336
<b>TOTAL LIABILITIES</b>	<b>9,506,310</b>	<b>9,704,231</b>
Series A 7.75% Cumulative Redeemable Perpetual Preferred Stock Par Value \$25.00 (175,000 shares authorized; 144,636 issued and outstanding as of September 30, 2019 and December 31, 2018)	3,492,149	3,492,149
Commitments and Contingencies	-	-
Equity:		
Common Shares, \$0.001 par value (100,000,000 shares authorized; 1,872,939 shares issued and outstanding at September 30, 2019 and 1,870,139 at December 31, 2018)	1,873	1,870
Additional paid-in capital	11,774,359	11,616,154
Accumulated deficit	(2,445,046)	(2,919,268)
<i><b>Total Equity</b></i>	<b>9,331,186</b>	<b>8,698,756</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 22,329,645</b>	<b>\$ 21,895,136</b>

**POWER REIT AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

	Three Months Ended September		Nine Months Ended September	
	30,		30,	
	2019	2018	2019	2018
<b>REVENUE</b>				
Lease income from capital lease				
– railroad, net	\$ 228,750	\$ 228,750	\$ 686,250	\$ 686,250
Rental income	334,532	262,527	859,587	787,582
Misc. income	589	2,803	8,238	6,493
<b>TOTAL REVENUE</b>	<b>563,871</b>	<b>494,080</b>	<b>1,554,075</b>	<b>1,480,325</b>
<b>EXPENSES</b>				
Amortization of intangible assets	59,285	59,286	177,855	177,856
General and administrative	94,144	104,043	312,192	301,871
Property tax	5,537	5,521	16,650	13,790
Interest expense	113,501	122,371	345,271	361,810
<b>TOTAL EXPENSES</b>	<b>290,178</b>	<b>291,221</b>	<b>869,679</b>	<b>855,327</b>
<b>NET INCOME</b>	<b>273,693</b>	<b>202,859</b>	<b>684,396</b>	<b>624,998</b>
<b>Preferred Stock Dividends</b>	<b>(70,058)</b>	<b>(70,058)</b>	<b>(210,174)</b>	<b>(210,174)</b>
<b>NET INCOME ATTRIBUTABLE TO COMMON SHARES</b>	<b>\$ 203,635</b>	<b>\$ 132,801</b>	<b>\$ 474,222</b>	<b>\$ 414,824</b>
<b>Income Per Common Share:</b>				
Basic and diluted	\$ 0.11	\$ 0.07	\$ 0.25	\$ 0.23
<b>Weighted Average Number of Shares Outstanding:</b>				
Basic	1,872,939	1,827,804	1,871,093	1,827,494
Diluted	1,885,488	1,827,804	1,871,093	1,827,494
<b>Cash dividend per Series A Preferred Share</b>				
	\$ 0.48	\$ 0.48	\$ 1.45	\$ 1.45

**POWER REIT AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

	<b>Nine Months Ended September 30,</b>	
	<b>2019</b>	<b>2018</b>
<b>Operating activities</b>		
Net Income	\$ 684,396	\$ 624,998
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Amortization of intangible assets	177,855	177,856
Amortization of debt costs	18,892	18,894
Stock-based compensation	158,208	158,767
Depreciation	17,711	
<b>Changes in operating assets and liabilities</b>		
(Decrease)/Increase in accounts payable related party	(1,374)	198
Decrease in other assets	624	45,028
(Increase) in prepaid expenses	(37,004)	(7,147)
(Decrease)/Increase in accounts payable	19,683	(19,314)
Increase in securtiy deposit	114,378	-
(Decrease) in accrued interest	(4,211)	(4,430)
Increase in deferred revenue	36,583	30,382
<b>Net cash provided by operating activities</b>	<b>1,185,741</b>	<b>1,025,232</b>
<b>Investing activities</b>		
Cash paid for land and land improvements	(1,791,565)	-
<b>Net cash used in investing activities</b>	<b>\$ (1,791,565)</b>	<b>-</b>
<b>Financing Activities</b>		
Principal payment on long-term debt	(381,872)	(354,370)
Cash dividends paid on preferred stock	(210,174)	(210,174)
<b>Net cash used in financing activities</b>	<b>(592,046)</b>	<b>(564,544)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,197,870)</b>	<b>460,688</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>1,771,011</b>	<b>1,146,730</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 573,141</b>	<b>\$ 1,607,418</b>
<b>Supplemental disclosure of cash flow information:</b>		
Interest paid	\$ 330,590	\$ 357,311

**CORE FUNDS FROM OPERATIONS (FFO)**

(Unaudited)

	Three Months Ended September		Nine Months Ended September	
	30,		30,	
	2019	2018	2019	2018
<b>Core FFO Available to Common Shares</b>	\$ 334,055	\$ 266,561	\$ 846,888	\$ 770,341
<b>Core FFO per common share</b>	<b>0.18</b>	<b>0.15</b>	<b>0.45</b>	<b>0.42</b>
Weighted Average shares outstanding (basic)	1,885,488	1,827,804	1,871,093	1,827,494

**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**

(Unaudited)

	Three Months Ended September		Nine Months Ended September	
	30,		30,	
	2019	2018	2019	2018
Net income Attributable to Common Shares	\$ 203,635	\$ 132,801	\$ 474,222	\$ 414,824
Stock-based compensation	47,127	68,175	158,208	158,767
Interest Expense - Amortization of Debt Costs	6,297	6,299	18,892	18,894
Amortization of Intangible Asset	59,285	59,286	177,855	177,856
Depreciation on Land Improvements	17,711	-	17,711	-
<b>Core FFO Available to Common Shares</b>	<b>\$ 334,055</b>	<b>\$ 266,561</b>	<b>\$ 846,888</b>	<b>\$ 770,341</b>

**Contact Information**

Telephone | 212.750.0371

Email | [ir@pwreit.com](mailto:ir@pwreit.com)Website | [www.pwreit.com](http://www.pwreit.com)