

BIXBY
LAND COMPANY

EST 1896

2020 Annual Report



Letter from Chief Executive Officer and Chairman of the Board

April 2021

Dear Fellow Shareholders,

2020 was a year filled with numerous challenges, however, the Company outperformed our pre-pandemic budget in almost all categories. We signed more than 1,000,000 square feet of new leases, renewed 100% of our expiring industrial tenants, increased rents on expiring industrial tenants by almost 30%, and averaged 97.5% portfolio occupancy. 2020 annual rental revenue was \$64.3 million and net operating income was \$50 million, an increase over 2019 by 9.7% and 11% respectively. The dividend increased for a seventh consecutive year to \$60 per share and the gross enterprise value (as determined by Stout Risius Ross, LCC) increased to \$601.4 million, a 6.7% increase over the prior year. We ended the year with \$1.3 billion of assets under management in 9 million square feet of property, across 12 different markets in 7 different states.

The increased industrial demand from e-commerce and third-party logistics providers has overshadowed much of the negative effects of the COVID-19 pandemic on industrial product. The overall U.S. industrial market performed extremely well in 2020 with over 268 million square feet of net absorption, an 11.4% increase over 2019, according to Cushman and Wakefield. The strongest absorption occurred in warehouse/distribution space, offset by negative absorption in manufacturing and high-tech space. At the end of 2020 new supply of industrial space did outpace demand, however only slightly keeping vacancy rates low across all markets. As an industry we have a history of overbuilding, so it is a trend we are watching closely, but at this point we are not projecting enough new construction to dramatically impact vacancy rates and are still projecting increased rental rates through the balance of 2021.

A few Company goals for 2021 that we would like to highlight include the sale or joint venture of non-strategic wholly owned assets. These sales/ventures would reduce cash flow volatility and give Bixby the opportunity to continue our geographic diversification through 1031 exchanges. Additionally, we continue to pursue our growth strategy of raising third-party capital for the aggregation of a portfolio of highly functional, low-finish, warehouse/distribution buildings located in select Tier I and Tier II markets across the United States. We began this process at the end of 2019 and although we anticipated an 18-to-24-month timeframe this has unfortunately been extended because of the pandemic and our inability to meet with potential investors. I am cautiously optimistic that in 2021 we will be able to actively market and meet with investors resulting in additional capital that allows us to leverage our existing platform and extensive industrial experience to grow our third-party

investment management operation, enhancing our operating margin and ultimately growing total shareholder returns.

We also continue to focus on improving our shareholder communication. Hopefully, you have had a chance to visit our new shareholder website (if you need help accessing the site please contact Suki Swaroop at SSwaroop@Bixbyland.com) and are now following us on Instagram, LinkedIn, and Facebook. We are also committed to increasing staff and board interaction with you in multiple formats to foster additional dialog at all levels of the organization. In addition, we are working on a project gathering and presenting expanded Bixby Land Company history that brings to light more information on the years leading up to the expansion to California as well as the legacy of the many women involved in the Company's success. We are also extremely pleased with the progress the Diversity, Equity and Inclusion Committee has made over the last year and are excited about what they have in process for 2021 and beyond.

We write this every year, and we are sincere every year, however this year we truly cannot adequately thank the entire Bixby Land Company staff, Board of Directors and the Family Council for their dedication, skill, and adaptability in one of the most unique and challenging years in our recent history. Most importantly, thank you for your continued trust and confidence in us.

Sincerely,



Aaron D. Hill
Chief Executive Officer and President



David C. Kibbee
Chairman of the Board

Letter from Chief Financial Officer

April 2021

Dear Shareholder,

The Covid-19 pandemic caused unprecedented disruption and distress in the U.S. economy and the real estate industry in 2020. Against this backdrop, I'm pleased to report that the Company fared extraordinarily well in 2020 as gross revenue increased to \$64.3 million and net operating income increased to \$50 million, an annual increase of 9.7% and 11% respectively. Over the course of 2020 we maintained a weighted average occupancy of 97.5% and the portfolio was 99% leased as of December 31, 2020. Even more impressive was our success in collecting rents from our tenants. Beginning in March 2020 when the pandemic first hit through the end of December our collections rate was approximately 99%. The Company only had to record \$48,000 as an allowance for doubtful receivables for the entire year and only entered into a handful of rent modification agreements with our tenants. These strong operating fundamentals were evident in the Company's stock price which increased 6.7% and provided us with the confidence to raise the annual dividend from \$58/share to \$60/share.

With the pandemic having a serious dampening effect on our transactional activity in 2020, we concentrated on increasing our liquidity and cash reserves. Our joint ventures performed well, and the Company benefited by receiving distributions in excess of \$2.2 million. In addition, aggregate revenue from oil royalty income and revenue from management and leasing services provided to our joint ventures increased to \$1.9 million in 2020 compared to \$1.1 million in 2019. These factors, combined with aggressive expense management, helped increase our cash balance from \$32 million at the end of 2019 to \$41 million at the end of 2020. The balance sheet remains strong with no scheduled debt maturities until 2023 and our weighted average interest rate on all outstanding debt fell from 4.37% at the end of 2019 to 4.26% at the end of 2020. This balance sheet strength is reflected in the Company's 2020 year-end enterprise leverage ratio which stood at a very conservative 34.7% (the ratio of our total liabilities to assets), which is down from 35.6% as the end of 2019.

Our strong occupancy and cash position and conservative balance sheet, combined with a real estate portfolio now comprising in excess of 9.2 million square feet and \$1.2 billion in value, will allow the Company to continue to meet all of its strategy objectives into 2021 and beyond.

Sincerely,



Executive Vice President and Chief Financial Officer

2020 Balance Sheet Acquisitions

Pooler (Savannah), GA

200 Nordic Drive is a 229,085 square foot industrial building acquired in January 2020 for \$16,602,000. The building is 100% leased to a single tenant with a lease expiring in 2025.



2020 AXA Programmatic Joint Venture Acquisitions

Atlanta, GA

3435 Jonesboro Road Southeast is a 201,989 square foot industrial building acquired in January 2020 for \$15,177,000. The building is 100% leased to a single tenant through July 2026.



2020 AXA Separate Account Joint Venture Acquisitions

Savannah, GA

95 Logistics at Pooler Parkway is a 564,489 square foot two-building industrial project acquired in September 2020 for \$46,260,000. The buildings are currently 82% leased.



DIVERSITY, EQUITY, AND INCLUSIVITY

As a company that values its employees, culture and legacy Bixby Land Company established the Diversity, Equity, and Inclusivity Committee in June of 2020. The goal of the DEI committee is to build on our culture creating a stronger sense of community both within the office environment and the surrounding communities.

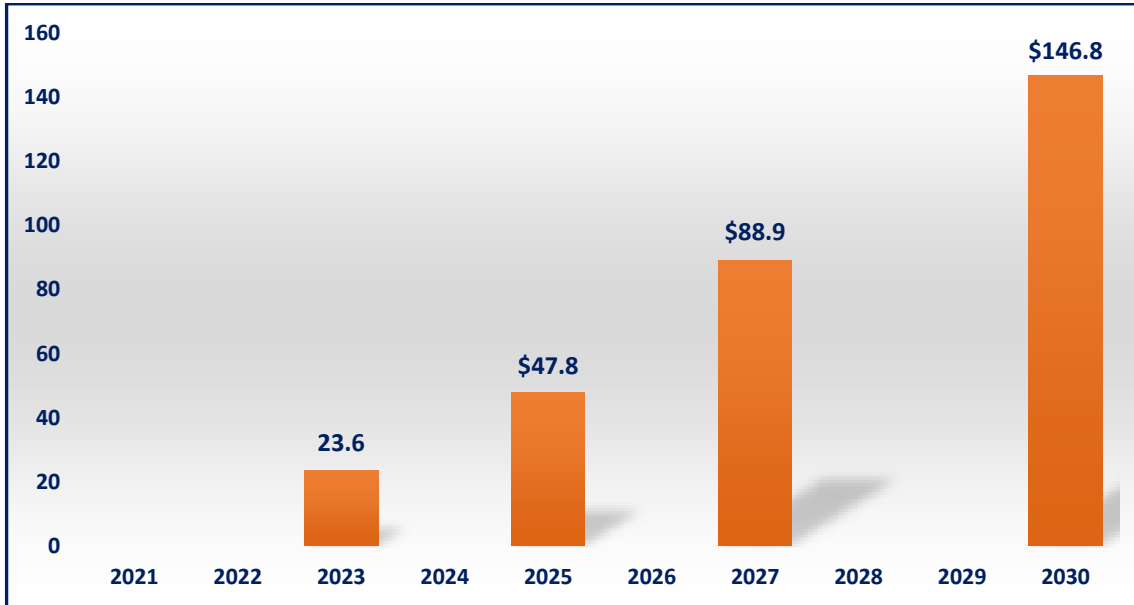
The priorities of the DEI committee are to provide a platform for employees to be heard and establish connections, to offer personal growth opportunities to all individuals and ensuring that Bixby Land Company continues to make a positive impact in our industry and community.

Since its inception the DEI committee began utilizing AllVoices which is a platform where employees can share their concerns, opinions, and ideas in a safe, confidential space. The company also began offering monthly group mediation classes as well as a future presentation and communication skills course. Additionally, Bixby Land Company has, over the past year, provided support to the following organizations: Boys & Girls Club of North Orange County, Salvation Army (Women & Children's Shelter) of Santa Fe Springs and most recently Alma Backyard Farms of Los Angeles.

Going forward the Diversity, Equity, and Inclusivity Committee, will continue to organize quarterly employee connection and development events to foster inclusion and support employee growth in addition to facilitating quarterly charitable outreach and community volunteer efforts.



Balance Sheet Debt Maturities (\$ in Millions)

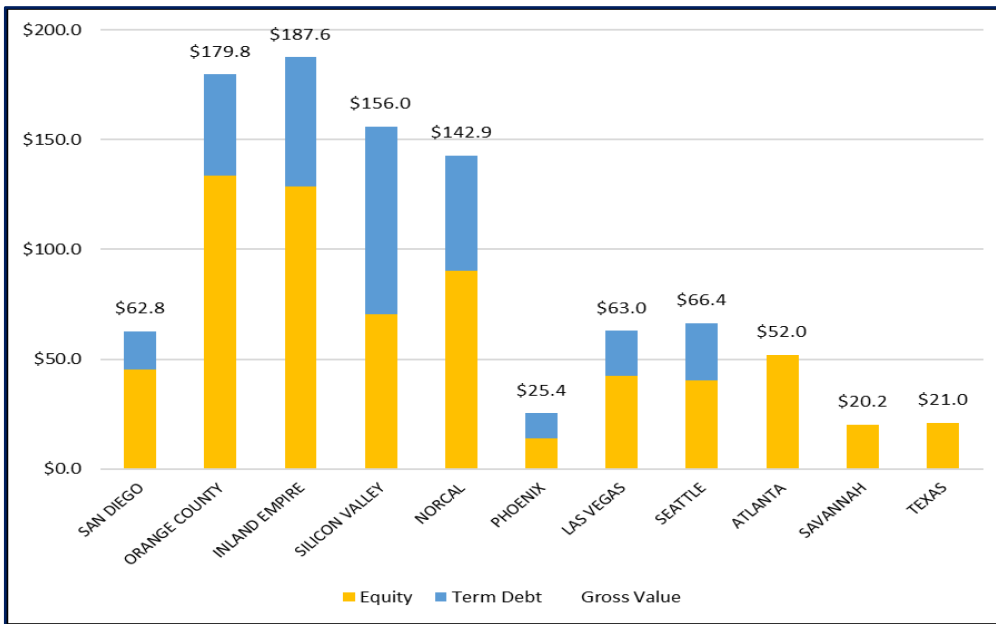


Balance Sheet Cash Balance (\$ in Millions)

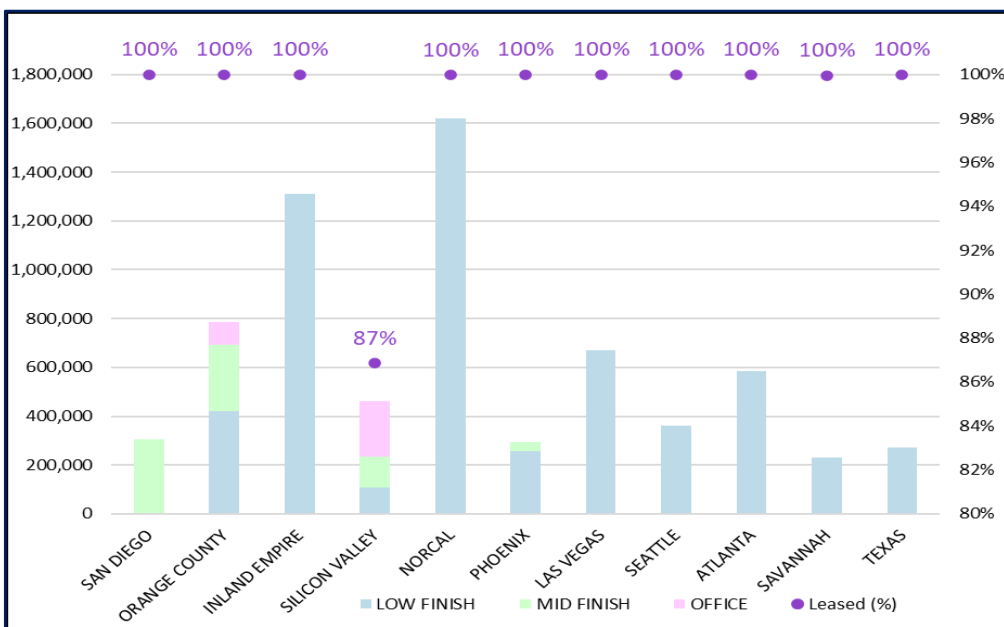


Balance Sheet Portfolio by Region As of 12/31/20

Gross Value (\$ in million)



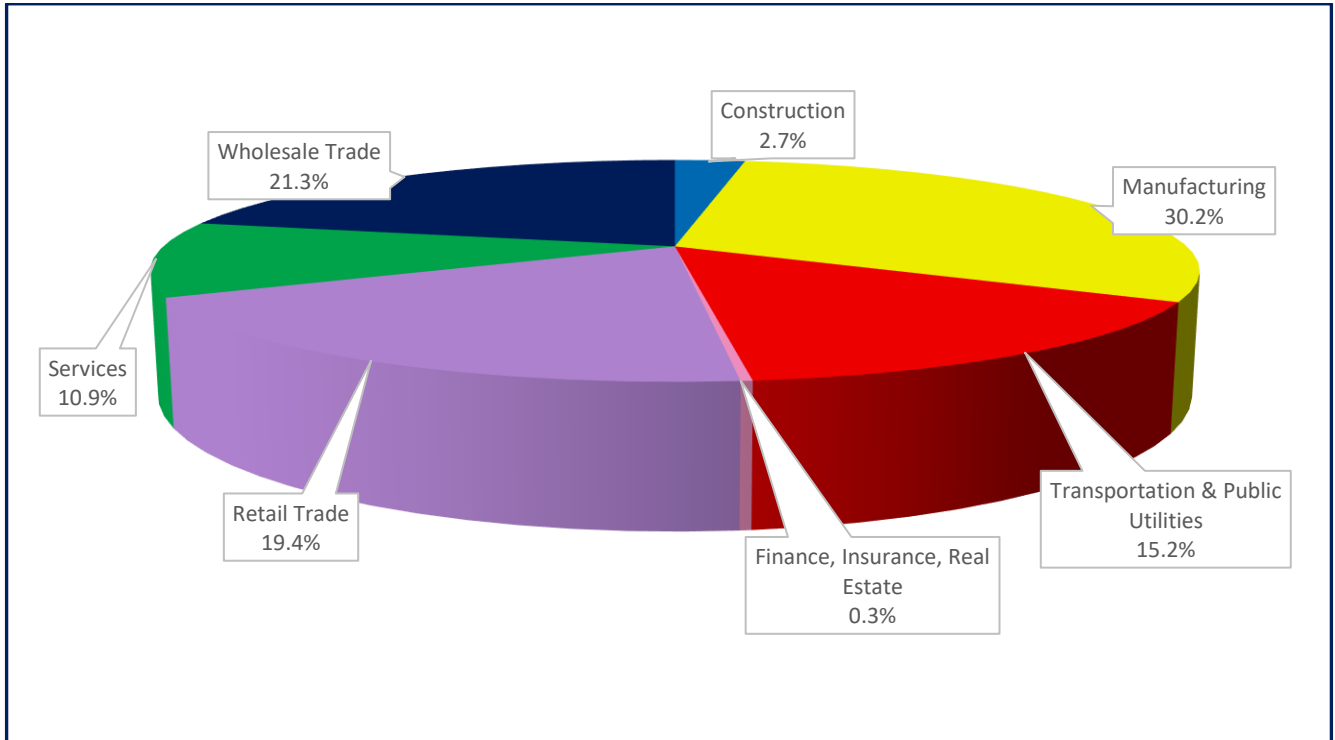
Rentable Square Footage & % Leased



SCHEDULE OF BALANCE SHEET PROPERTIES
As of December 31, 2020

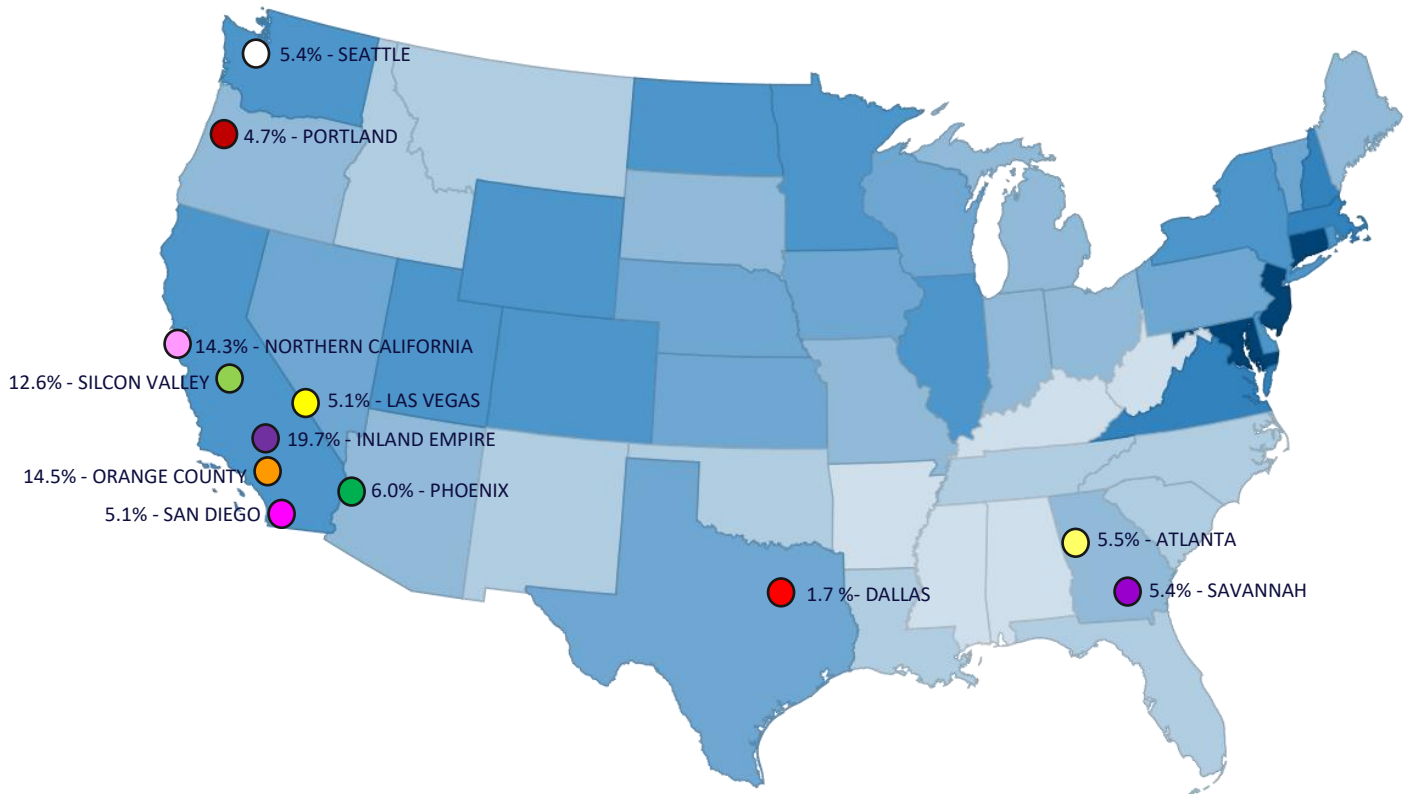
PROPERTY	LOCATION	SQUARE FEET	% LEASED	YEAR BUILT
INDUSTRIAL				
15365 Barranca Parkway	Irvine, CA	53,600	100%	1989
1111 Bell Avenue	Tustin, CA	114,500	100%	2005
1201 Bell Avenue	Tustin, CA	126,957	100%	1973
12350-60 Edison Way	Garden Grove, CA	56,000	100%	1973
26776 Simpatica Circle	Lake Forest, CA	61,622	100%	1991
5665 Corporate Avenue	Cypress, CA	159,943	100%	1990
1400 Allec Street	Anaheim, CA	121,341	100%	1970
2840 Loker Avenue East	Carlsbad, CA	104,298	100%	1998
237 Via Vera Cruz	San Marcos, CA	80,257	100%	1987
13500 Danielson Street	Poway, CA	72,600	100%	1997
15890 Bernardo Center Drive	San Diego, CA	48,000	100%	1991
2690 East Cedar Street	Ontario, CA	136,347	100%	1999
2095 South Archibald Avenue	Ontario, CA	133,445	100%	2006
1050 and 1150 South Dupont Avenue	Ontario, CA	151,000	100%	1987
Empire Business Center	Eastvale, CA	393,096	100%	1999
10404 6th and 10401 7th Streets	Rancho Cucamonga, C	316,145	100%	1984
1601 Fairway Drive	Colton, CA	179,233	100%	2017
710 Dado Street	San Jose, CA	106,057	100%	1997
4211 Starboard Drive	Fremont, CA	129,808	100%	1997
2650 North MacArthur Drive	Tracy, CA	517,458	100%	1990
1110 Performance Drive	Stockton, CA	452,000	100%	1996
4114 South Airport Way	Stockton, CA	264,579	100%	2000
3030 Mulvany Place	Sacramento, CA	249,048	100%	2014
2359 Thomas Place	Sacramento, CA	138,455	100%	2016
4875 East Cheyenne Avenue	Las Vegas, NV	130,000	100%	2007
4335 Arcata Way	Las Vegas, NV	219,068	100%	1992
4750 North Lamb Boulevard	Las Vegas, NV	180,000	100%	2005
7600 Eastgate Road	Henderson, NV	141,815	100%	2003
640 South 51st Street	Phoenix, AZ	108,287	100%	1994
10232 South 51st Street	Phoenix, AZ	39,280	100%	1985
4703 West Brill Street	Phoenix, AZ	146,723	100%	1998
1417 West Valley Highway North	Auburn, WA	34,432	100%	2015
14513 32nd Street	Sumner, WA	63,768	100%	2015
1565 Fryar Avenue	Sumner, WA	206,463	100%	2015
1800 Fryar Avenue	Sumner, WA	55,660	100%	2017
3625 Royal South Parkway	Union City, GA	304,320	100%	2019
7375 Graham Drive	Fairburn, GA	281,090	100%	2019
200 Nordic Drive	Pooler, GA	229,085	100%	2019
2911 South Great Southwest Parkw	Grand Prairie, TX	271,794	100%	2019
OFFICE				
Bixby University Station	Santa Clara, CA	226,507	73%	1999
18231 McDermott West	Irvine, CA	46,182	100%	1985
1501 Quail Street	Newport Beach, CA	46,052	100%	1973
TOTAL PORTFOLIO		6,896,315	99%	

Balance Sheet Portfolio Tenants by Trade



Real Estate Assets Under Management As of 12/31/20

Percentage by Market



	Balance Sheet Asset Value	Joint Venture Asset Value	Total Real Estate Assets Under Management
Total	\$977,088,000	\$261,441,000	\$1,238,529,000

Bixby Land Company Executive Team



Aaron Hill | Chief Executive Officer and President
Joined Bixby Land Company in 2006



Marty O'Hea | Executive Vice President and Chief Financial Officer
Joined Bixby Land Company in 2010



Mike Severson | Chief Investment Officer
Joined Bixby Land Company in 2006



Regina Schafnitz | Vice President, Corporate Controller
Joined Bixby Land Company in 2009



Bill DeLaney | Portfolio Manager
Joined Bixby Land Company in 2014



Matt Ela | Vice President, Acquisitions
Joined Bixby Land Company in 2017



Suki Swaroop | Director of Administration & Transactions
Joined Bixby Land Company in 2015



Lexi Geiger | Director of Acquisitions
Joined Bixby Land Company in 2018



Lindsey Olson | Director of Operations
Joined Bixby Land Company in 2018

Board of Directors



David C. Kibbee
Chairman
Bixby Land Company
Board Member Since 1990



Robert S. Brunswick
Chairman
Buchanan Street Partners
Board Member Since 2006



Thomas H. Purcell
Chairman and CEO
Curci Companies
Board Member Since 2007



Raymond G. Kennedy, Jr.
Principal and Portfolio Manager
Hotchkis and Wiley Capital Management
Board Member Since 2014



T. Anthony Premer
Senior Managing Director Real Estate Investments
Pacific Life Insurance Company
Board Member Since 2014



Jim Sullivan
Board Member Since 2016

For more information on the Company, please visit our website at www.bixbyland.com. For access to additional financial information on the Company, please visit the Company shareholder site at www.shareholder.bixbyland.com