

February 6, 2020



Cedar Realty Trust Reports Fourth Quarter 2019 Results

PORT WASHINGTON, N.Y., Feb. 6, 2020 /PRNewswire/ -- Cedar Realty Trust, Inc. (NYSE:CDR – the "Company") today reported results for the fourth quarter and full year 2019. Net loss attributable to common shareholders was \$(0.15) per diluted share for the fourth quarter and net loss attributable to common shareholders was \$(0.12) per diluted share for the full year 2019. Other highlights include:

Highlights

- Operating Funds from operations (FFO) of \$0.11 per diluted share for the quarter and \$0.45 for the year
- NAREIT-defined FFO of \$0.12 per diluted share for the quarter and \$0.46 for the year
- Same-property net operating income (NOI) increased 0.1% for the quarter and 0.3% for the year
- Signed 41 new and renewal leases for 297,100 square feet in the quarter and 162 new and renewal leases for 1,742,100 square feet for the year
- Comparable cash-basis lease spreads of 1.7% for the quarter and 2.1% for the year
- Both total portfolio and same-property portfolio 93.2% leased at year-end

Financial Results

Net loss attributable to common shareholders for the fourth quarter of 2019 was \$(12.7) million or \$(0.15) per diluted share, compared to net income of \$1.9 million or \$0.02 per diluted share for the same period in 2018. The principal differences in the comparative three-month results were an impairment charge on a property held for sale, and the acceleration of depreciation relating to the demolition of certain existing buildings at redevelopment properties in 2019. Net loss attributable to common shareholders for the full year 2019 was \$(9.7) million or \$(0.12) per diluted share, compared to net loss of \$(10.5) million or \$(0.13) per diluted share for the full year 2018. The principal differences in the comparative full year results were an impairment charge on a property held for sale, and the acceleration of depreciation relating to the demolition of certain existing buildings at redevelopment properties in 2019, and impairment charges related to properties held for sale, lease termination income, early extinguishment of debt costs and preferred stock redemption costs in 2018.

NAREIT-defined FFO for the fourth quarter of 2019 was \$11.0 million or \$0.12 per diluted share, compared to \$11.7 million or \$0.13 per diluted share for the same period in 2018. Operating FFO for the fourth quarter of 2019 was \$9.7 million or \$0.11 per diluted share, compared to \$11.7 million or \$0.13 per diluted share for the same period in 2018. The difference between Operating FFO and NAREIT-defined FFO in 2019 were management transition and redevelopment costs. The principal differences between the comparative

three-months Operating FFO results were an increase in in general and administrative expenses as a result of the adoption of the new lease accounting standard and property dispositions in 2019.

NAREIT-defined FFO for the full year 2019 was \$42.1 million or \$0.46 per diluted share, compared to \$45.2 million or \$0.49 per diluted share for the same period in 2018. Operating FFO for the full year 2019 was \$40.8 million or \$0.45 per diluted share, compared to \$53.6 million or \$0.58 per diluted share for the full year 2018. The differences between Operating FFO and NAREIT-defined FFO were management transition and redevelopment costs in 2019, and preferred stock redemption costs and early extinguishment of debt costs in 2018. The principal difference between the full year Operating FFO results was an increase in general and administrative expenses as a result of the adoption of the new lease accounting standard and property dispositions in 2019, and lease termination income in 2018.

Portfolio Update

During the fourth quarter of 2019, the Company signed 41 leases for 297,100 square feet. On a comparable space basis, the Company leased 286,200 square feet at a positive lease spread of 1.7% on a cash basis (new leases decreased 12.0% and renewals increased 5.9%). During the full year 2019, the Company signed 162 leases for 1,742,100 square feet. On a comparable space basis, the Company leased 1,716,300 square feet at a positive lease spread of 2.1% on a cash basis (new leases increased 10.1% and renewals increased 0.5%).

Same-property NOI increased 0.1% for the fourth quarter of 2019, and increased 0.3% for the full year 2019, both excluding redevelopments, as compared to the same periods in 2018.

The Company's total portfolio, excluding properties held for sale, was 93.2% leased at December 31, 2019, compared to 92.3% at September 30, 2019 and 91.0% at December 31, 2018. The Company's same-property portfolio was 93.2% leased at December 31, 2019, compared to 93.1% at September 30, 2019 and 92.0% at December 31, 2018.

As of December 31, 2019, The Commons, located in Dubois, Pennsylvania, Carll's Corner, located in Bridgeton, New Jersey and Suffolk Plaza, located in Suffolk, Virginia, have been classified as "real estate held for sale".

Balance Sheet

Debt

As of December 31, 2019, the Company had \$95.6 million available under its revolving credit facility and reported net debt to earnings before interest, taxes, depreciations, and amortization for real estate (EBITDAre) of 8.7 times. Further, the Company has no debt maturities until early 2021.

Equity

On December 18, 2018, the Company's Board of Directors approved a stock repurchase program, which authorized the purchase of up to \$30.0 million of the Company's common stock in the open market or through private transactions, subject to market conditions, from

time to time, through December 18, 2019. During the three months ended March 31, 2019, the Company repurchased 2,050,000 shares at a weighted average price per share of \$3.34. There have been no repurchases subsequent to March 31, 2019. Since approval of the plan on December 18, 2018, the Company has repurchased a total of 2,823,000 shares at a weighted average price per share of \$3.25.

2020 Guidance

The Company's initial 2020 guidance is as follows:

	<u>Guidance</u>
Net loss attributable to common shareholders per diluted share	(\$0.12) – (\$0.10)
NAREIT-defined FFO per diluted share	\$0.48 – \$0.50
Operating FFO per diluted share	\$0.49 – \$0.51

The guidance is based, in part, on the following:

- Same-property NOI growth excluding redevelopment properties relatively flat
 - Reflecting less than a full year of contractual rent from our two A.C. Moore locations given the uncertainty surrounding this tenant (approximately 1% of same-property NOI)
- Same-property NOI growth including redevelopment properties down 1% to 2% driven by:
 - Vacating tenants to facilitate our three urban mixed-use redevelopments
 - Proactively recapturing the K-Mart space at Valley Plaza in early 2020 to facilitate a future value-add renovation
- Lease termination income from Shoppers Food Warehouse for the early termination of its lease at Metro Square, net of foregone rental payments, of approximately \$0.07 per diluted share
- Decrease in amortization income from intangible lease liabilities of approximately \$0.02 per diluted share
- Dispositions of approximately \$15 million to \$25 million primarily in the second half of 2020
- No acquisitions included in guidance; guidance range will be updated quarterly for any closed acquisitions

The principal difference between NAREIT-defined FFO and Operating FFO in the above for 2020 is related to redevelopments.

The following table reconciles the Company's initial 2020 guidance from net loss attributable to common shareholders per diluted share to NAREIT-defined FFO per diluted share and Operating FFO per diluted share:

	<u>Guidance</u> <u>per diluted share</u>	
	<u>Low</u>	<u>High</u>
Net loss attributable to common shareholders	(\$0.12)	(\$0.10)
Real estate depreciation and amortization	\$0.53	\$0.53
Gain on sales / Impairments, net	\$0.07	\$0.07
NAREIT-defined FFO	\$0.48	\$0.50

Redevelopment costs expensed pursuant to GAAP	\$0.01	\$0.01
Operating FFO	<u>\$0.49</u>	<u>\$0.51</u>

Non-GAAP Financial Measures

NAREIT-defined FFO is a widely recognized supplemental non-GAAP measure utilized to evaluate the financial performance of a REIT. The Company considers NAREIT-defined FFO to be an appropriate measure of its financial performance because it captures features particular to real estate performance by recognizing that real estate generally appreciates over time or maintains residual value to a much greater extent than other depreciable assets. The Company also considers Operating FFO to be an additional meaningful financial measure of financial performance because it excludes items the Company does not believe are indicative of its core operating performance, such as acquisition pursuit costs, amounts relating to early extinguishment of debt and preferred stock redemption costs, management transition costs and certain redevelopment costs. The Company believes Operating FFO further assists in comparing the Company's performance across reporting periods on a consistent basis by excluding such items. NAREIT-defined FFO and Operating FFO should be reviewed with GAAP net income attributable to common shareholders, the most directly comparable GAAP financial measure, when trying to understand the Company's operating performance. A reconciliation of net income (loss) attributable to common shareholders to NAREIT-defined FFO and Operating FFO for the three months and full year ended December 31, 2019 and 2018 is detailed in the attached schedule.

EBITDAre is a recognized supplemental non-GAAP financial measure. The Company presents EBITDAre in accordance with the definition adopted by NAREIT, which generally defines EBITDAre as net income plus interest expense, income tax expense, depreciation, amortization, and impairment write-downs of depreciated property, plus or minus losses and gains on the disposition of depreciated property, and adjustments to reflect the Company's share of EBITDAre of unconsolidated affiliates. The Company believes EBITDAre provides additional information with respect to the Company's performance and ability to meet its future debt service requirements. The Company also considers Adjusted EBITDAre to be an additional meaningful financial measure of financial performance because it excludes items the Company does not believe are indicative of its core operating performance, such as management transition, acquisition pursuit and redevelopment costs. The Company believes Adjusted EBITDAre further assists in comparing the Company's performance across reporting periods on a consistent basis by excluding such items. EBITDAre and Adjusted EBITDAre should be reviewed with GAAP net income, the most directly comparable GAAP financial measure, when trying to understand the Company's operating performance. EBITDAre and Adjusted EBITDAre do not represent cash generated from operating activities and should not be considered as an alternative to income from continuing operations or to cash flow from operating activities. The Company's computation of Adjusted EBITDAre may differ from the computations utilized by other companies and, accordingly, may not be comparable to such companies.

Same-property NOI is a widely recognized supplemental non-GAAP financial measure for REITs. Properties are included in same-property NOI if they are owned and operated for the entirety of both periods being compared, except for properties undergoing significant redevelopment and expansion until such properties have stabilized, and properties classified as held for sale. Consistent with the capital treatment of such costs under GAAP, tenant

improvements, leasing commissions and other direct leasing costs are excluded from same-property NOI. The Company considers same-property NOI useful to investors as it provides an indication of the recurring cash generated by the Company's properties by excluding certain non-cash revenues and expenses, as well as other infrequent items such as lease termination income which tends to fluctuate more than rents from year to year. Same property NOI should be reviewed with consolidated operating income, the most directly comparable GAAP financial measure.

Supplemental Financial Information Package

The Company has issued "Supplemental Financial Information" for the period ended December 31, 2019. Such information has been filed today as an exhibit to Form 8-K and will also be available on the Company's website at www.cedarrealtytrust.com.

Investor Conference Call

The Company will host a conference call today, February 6, 2020, at 5:00 PM (ET) to discuss the quarterly results. The conference call can be accessed by dialing (877) 705-6003 or (1) (201) 493-6725 for international participants. A live webcast of the conference call will be available online on the Company's website at www.cedarrealtytrust.com.

A replay of the call will be available from 8:00 PM (ET) on February 6, 2020, until midnight (ET) on February 20, 2020. The replay dial-in numbers are (844) 512-2921 or (1) (412) 317-6671 for international callers. Please use passcode 13697868 for the telephonic replay. A replay of the Company's webcast will be available on the Company's website for a limited time.

About Cedar Realty Trust

Cedar Realty Trust, Inc. is a fully-integrated real estate investment trust which focuses on the ownership, operation and redevelopment of grocery-anchored shopping centers in high-density urban markets from Washington, D.C. to Boston. The Company's portfolio (excluding properties treated as "held for sale") comprises 56 properties, with approximately 8.3 million square feet of gross leasable area.

For additional financial and descriptive information on the Company, its operations and its portfolio, please refer to the Company's website at www.cedarrealtytrust.com.

Forward-Looking Statements

Statements made in this press release that are not strictly historical are "forward-looking" statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance and outcomes to differ materially from those expressed or implied in forward-looking statements. Factors which could cause actual results to differ materially from current expectations include, among others: adverse general economic conditions in the United States and uncertainty in the credit and retail markets; financing risks, such as the inability to obtain new financing or refinancing on favorable terms as the result of market volatility or instability; risks related to the market for retail space generally, including reductions in consumer spending, variability in retailer demand for leased space, tenant bankruptcies, adverse impact of internet sales

demand, ongoing consolidation in the retail sector and changes in economic conditions and consumer confidence; risks endemic to real estate and the real estate industry generally; the impact of the Company's level of indebtedness on operating performance; inability of tenants to meet their rent and other lease obligations; adverse impact of new technology and e-commerce developments on the Company's tenants; competitive risk; risks related to the geographic concentration of the Company's properties in the Washington D.C. to Boston corridor; the effects of natural and other disasters; and the inability of the Company to realize anticipated returns from its redevelopment activities. Please refer to the documents filed by Cedar Realty Trust, Inc. with the SEC, specifically the Company's Annual Report on Form 10-K for the year ended December 31, 2018, as it may be updated or supplemented in the Company's Quarterly Reports on Form 10-Q and the Company's other filings with the SEC, which identify additional risk factors that could cause actual results to differ from those contained in forward-looking statements.

CEDAR REALTY TRUST, INC.
Condensed Consolidated Balance Sheets
(unaudited)

	December 31,	
	2019	2018
ASSETS		
Real estate, at cost	\$ 1,515,206,000	\$ 1,508,682,000
Less accumulated depreciation	(389,861,000)	(361,969,000)
Real estate, net	1,125,345,000	1,146,713,000
Real estate held for sale	13,230,000	11,592,000
Cash and cash equivalents	2,747,000	1,977,000
Receivables	22,164,000	21,977,000
Other assets and deferred charges, net	42,139,000	40,642,000
TOTAL ASSETS	\$ 1,205,625,000	\$ 1,222,901,000
LIABILITIES AND EQUITY		
Liabilities:		
Mortgage loan payable	\$ 46,370,000	\$ 47,315,000
Finance lease obligation	5,364,000	5,387,000
Unsecured revolving credit facility	106,000,000	100,000,000
Unsecured term loans	472,841,000	472,132,000
Accounts payable and accrued liabilities	50,502,000	26,142,000
Unamortized intangible lease liabilities	10,473,000	13,209,000
Total liabilities	691,550,000	664,185,000
Equity:		
Preferred stock	159,541,000	159,541,000
Common stock and other shareholders' equity	351,020,000	395,884,000
Noncontrolling interests	3,514,000	3,291,000
Total equity	514,075,000	558,716,000
TOTAL LIABILITIES AND EQUITY	\$ 1,205,625,000	\$ 1,222,901,000

CEDAR REALTY TRUST, INC.
Condensed Consolidated Statements of Operations
(unaudited)

	Three months ended December 31,		
	2019	2018	
PROPERTY REVENUES			
Rental revenues	\$ 35,328,000	\$ 36,704,000	
Other	300,000	228,000	
Total property revenues	35,628,000	36,932,000	
PROPERTY OPERATING EXPENSES			
Operating, maintenance and management	7,143,000	7,589,000	
Real estate and other property-related taxes	5,279,000	4,951,000	
Total property operating expenses	12,422,000	12,540,000	
PROPERTY OPERATING INCOME	23,206,000	24,392,000	
OTHER EXPENSES AND INCOME			
General and administrative	3,702,000	4,170,000	
Depreciation and amortization	14,839,000	9,808,000	
Gain on sales	-	-	
Impairment charges	8,938,000	-	
Total other expenses and income	27,479,000	13,978,000	
OPERATING (LOSS) INCOME	(4,273,000)	10,414,000	
NON-OPERATING INCOME AND EXPENSES			
Interest expense	(5,641,000)	(5,678,000)	
Early extinguishment of debt costs	-	-	
Total non-operating income and expense	(5,641,000)	(5,678,000)	
NET (LOSS) INCOME	(9,914,000)	4,736,000	
Attributable to noncontrolling interests	(55,000)	(116,000)	
NET (LOSS) INCOME ATTRIBUTABLE TO CEDAR REALTY TRUST, INC.	(9,969,000)	4,620,000	
Preferred stock dividends	(2,688,000)	(2,688,000)	
Preferred stock redemption costs	-	-	
NET (LOSS) INCOME ATTRIBUTABLE TO COMMON SHAREHOLDERS	\$ (12,657,000)	\$ 1,932,000	
NET (LOSS) INCOME PER COMMON SHARE ATTRIBUTABLE TO COMMON SHAREHOLDERS (BASIC AND DILUTED):	\$ (0.15)	\$ 0.02	
Weighted average number of common shares - basic and diluted	86,261,000	88,998,000	

CEDAR REALTY TRUST, INC.

Reconciliation of Net (Loss) Income Attributable to Common Shareholder
Funds From Operations and Operating Funds From Operations
(unaudited)

	Three months ended December	
	2019	
Net (loss) income attributable to common shareholders	\$ (12,657,000)	\$
Real estate depreciation and amortization	14,793,000	
Limited partners' interest	(77,000)	
Gain on sales	-	
Impairment charges	8,938,000	
Consolidated minority interests:		
Share of income	132,000	
Share of FFO	(98,000)	
Funds From Operations ("FFO") applicable to diluted common shares	11,031,000	\$
Adjustments for items affecting comparability:		
Reversal of management transition costs	(1,500,000)	
Redevelopment costs	196,000	
Financing costs	-	
Preferred stock redemption costs	-	
Operating Funds From Operations ("Operating FFO") applicable to diluted common shares	\$ 9,727,000	\$
FFO per diluted common share:	\$ 0.12	\$
Operating FFO per diluted common share:	\$ 0.11	\$
Weighted average number of diluted common shares:		
Common shares and equivalents	90,519,000	
OP Units	537,000	
	91,056,000	\$

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