

October 29, 2020



# Cedar Realty Trust Reports Third Quarter 2020 Results And COVID-19 Update

PORT WASHINGTON, N.Y., Oct. 29, 2020 /PRNewswire/ -- Cedar Realty Trust, Inc. (NYSE: CDR – the "Company") today reported results for the third quarter 2020. Net loss attributable to common shareholders was \$(0.02) per diluted share compared to net loss of \$(0.00) per diluted share for the comparable 2019 period. Other highlights include:

## Third Quarter 2020 Highlights

- NAREIT-defined FFO and Operating FFO of \$0.09 per diluted share compared to \$0.06 for the prior quarter
- Same-property net operating income (NOI) decreased 9.1% compared to a 14.6% decrease in the prior quarter
- Collected 91% of base rents and monthly charges compared to 77% in the prior quarter
- Recorded \$2.2 million of uncollectible revenue/bad debt expense compared to \$4.6 million in the prior quarter
- Wrote-off \$0.3 million of straight line rent receivables compared to \$1.2 million in the prior quarter
- Signed 33 new and renewal leases for 249,200 square feet in the quarter
- Same-property portfolio 91.7% leased at quarter-end
- On July 9, 2020, sold Metro Square for \$4.3 million and on September 17, 2020, sold an outparcel building at Oakland Mills for \$1.1 million
- On July 23, 2020, entered into lease with the Government of the District of Columbia for approximately 240,000 square feet of office space in a new building to be constructed at Senator Square

## Subsequent Events

- On October 8, 2020, sold Glen Allen for \$8.5 million
- On October 27, 2020, the Board of Directors approved a plan for a 6.6 for 1 reverse common stock split, which will be completed prior to December 31, 2020
- On October 27, 2020, utilized our revolving credit facility to repay the \$75.0 million term loan which was set to mature in February 2021, as we advance the long-term refinancing of the loan which we anticipate closing in early 2021. The revolving credit facility matures in September 2021, and may be extended, at the Company's option, for an additional one-year period, subject to customary conditions

## COVID-19 Update

The Company took various actions as a result of COVID-19, which were fully detailed in the Company's First Quarter 2020 Earnings Press Release on May 14, 2020. Deferred and

waived base rents and monthly charges are as follows (dollars in millions):

	Nine months ended September 30, 2020	Total	Deferred / Waived Months	Range Payback Months	Payback Period
Deferred Rent	\$ 2.7	\$ 3.0	1 to 10 (Wtd Avg 4.1)	1 to 24 (Wtd Avg 10.3)	July 2020 to March 2021 (Wtd Avg Dec 2020)
Waived Rent	\$ 0.9	\$ 1.0	1 to 11 (Wtd Avg 4.2)	N/A	N/A

For the quarter ended September 30, 2020, base rent and monthly charges were reduced by \$0.4 million related to tenant bankruptcies.

## Financial Results

Net loss attributable to common shareholders for the third quarter of 2020 was \$(1.4) million or \$(0.02) per diluted share, compared to net income of \$0.1 million or \$(0.00) per diluted share for the same period in 2019. The principal difference in the comparative three-month results were the effects of COVID-19 in 2020, and a gain on a property sold in 2020. Net loss attributable to common shareholders for the nine-month period ending September 30, 2020 was \$(15.1) million or \$(0.18) per dilutive share, compared to net income of \$3.0 million or \$0.03 per dilutive share for the same period of 2019. The principal differences in the comparative nine-month results were lease termination income, an impairment charge on a property held for sale, the acceleration of depreciation relating to the demolition of certain existing buildings at redevelopment properties, and the effects of COVID-19 in 2020, and a gain on properties sold in 2020 and 2019.

NAREIT-defined FFO and Operating FFO for the third quarter of 2020 was \$8.0 million or \$0.09 per diluted share, compared to \$10.6 million or \$0.12 per diluted share for the same period in 2019. NAREIT-defined FFO for the nine-month period ended September 30, 2020 was \$30.0 million or \$0.33 per dilutive share, compared to \$31.0 million or \$0.34 per diluted share for the same period of 2019. Operating FFO for the nine-month period ended September 30, 2020 was \$30.5 million or \$0.33 per diluted share, compared to \$31.0 million or \$0.34 per diluted share for the same period in 2019. The difference between Operating FFO and NAREIT-defined FFO in 2020 was redevelopment costs. The principal difference between the comparative three-month Operating FFO results was the effect of COVID-19. The principal differences between the comparative nine-month Operating FFO results were the effects of COVID-19 and lease termination income in 2020.

## Portfolio Update

During the third quarter of 2020, the Company signed 33 leases for 249,200 square feet. On a comparable space basis, the Company leased 240,100 square feet at a positive lease spread of 1.9% on a cash basis (new leases increased 21.5% and renewals decreased 3.1%). During the nine-month period ended September 30, 2020, the Company signed 84 leases for 741,000 square feet. On a comparable space basis, the Company leased 730,300 square feet at a negative lease spread of (0.5)% on a cash basis (new leases decreased 3.6% and renewals increased 0.2%).

Same-property NOI decreased 9.1% excluding redevelopment properties and decreased 11.0% including redevelopment properties compared to the same period in 2019. Same-property NOI was negatively impacted by COVID-19.

The Company's same-property portfolio was 91.7% leased at September 30, 2020, compared to 93.0% at December 31, 2019 and 92.9% at September 30, 2019. The Company's total portfolio, excluding properties held for sale, was 89.8% leased at September 30, 2020, compared to 93.2% at December 31, 2019 and 92.3% at September 30, 2019. The sequential decrease in total leased portfolio percentage was driven by 24 Hour Fitness at Carman's Plaza and A.C. Moore at The Point and New London vacating in the second quarter of 2020.

## **Balance Sheet**

On August 5, 2020 the Company amended its unsecured revolving credit facility and term loans. The primary changes resulting from the amendments are the financial ratios and borrowing base are now computed using the trailing four quarters as opposed to the current quarter annualized and interest rate swaps that are a hedge of existing debt are now excluded from the definition of debt.

On October 27, 2020, the Company utilized its revolving credit facility to repay the \$75.0 million term loan which was set to mature in February 2021. The revolving credit facility matures in September 2021, and may be extended, at the Company's option, for an additional one-year period, subject to customary conditions.

As of September 30, 2020, Carll's Corner, located in Bridgeton, New Jersey, Glen Allen Shopping Center, located in Glen Allen, Virginia, Suffolk Plaza, located in Suffolk, Virginia, and The Commons, located in Dubois Pennsylvania, have been classified as "real estate held for sale" on the accompanying consolidated balance sheet. On October 8, 2020, the Company sold Glen Allen Shopping Center for \$8.5 million.

## **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 and nine months ended September 30, 2020 and 2019 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 September 30, 2020. 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](http://www.cedarrealtytrust.com).

### **Investor Conference Call**

The Company will host a conference call today, October 29, 2020, at 5:00 PM (ET) to discuss the quarterly results. The conference call can be accessed by dialing (855) 327-6837 or (1) (631) 891-4304 for international participants. A live webcast of the conference call will be available online on the Company's website at [www.cedarrealtytrust.com](http://www.cedarrealtytrust.com).

A replay of the call will be available from 8:00 PM (ET) on October 29, 2020, until midnight (ET) on November 11, 2020. The replay dial-in numbers are (844) 512-2921 or (1) (412) 317-6671 for international callers. Please use passcode 10011515 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 54 properties, with approximately 8.2 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](http://www.cedarrealtytrust.com).

## **Forward-Looking Statements**

Certain statements made in this this press release that are not strictly historical are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and, as such, may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Cedar Realty Trust, Inc. (the "Company") to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements, which are based on certain assumptions and describe the Company's future plans, strategies and expectations, are generally identifiable by use of the words "may", "will", "should", "estimates", "projects", "anticipates", "believes", "expects", "intends", "future", and words of similar import, or the negative thereof. Factors that could cause actual results, performance or achievements to differ materially from current expectations include, but are not limited to: (i) the economic, political and social impact of, and uncertainty relating to, the COVID-19 pandemic, including: (a) the effectiveness or lack of effectiveness of governmental relief in providing assistance to large and small businesses, particularly including our retail tenants and other retailers, that have suffered significant declines in revenues as a result of mandatory business shut-downs, "shelter-in-place" or "stay-at-home" orders and social distancing practices, as well as individuals adversely impacted by the COVID-19 pandemic, (b) the duration of any such orders or other formal recommendations for social distancing and the speed and extent to which revenues of our retail tenants recover following the lifting of any such orders or recommendations, (c) the potential impact of any such events on the obligations of the Company's tenants to make rent and other payments or honor other commitments under existing leases, (d) the potential adverse impact on returns from redevelopment projects, (e) to the extent we were seeking to sell properties in the near term, significantly greater uncertainty regarding our ability to do so at attractive prices, and (f) the broader impact of the severe economic contraction and increase in unemployment that has occurred in the short term and negative consequences that will occur if these trends are not quickly reversed; (ii) the ability and willingness of the Company's tenants and other third parties to satisfy their obligations under their respective contractual arrangements with the Company; (iii) the loss or bankruptcy of the Company's tenants, particularly in light of the adverse impact to the financial health of many retailers that has occurred and continues to occur as a result of the COVID-19 pandemic; (iv) the ability and willingness of the Company's tenants to renew their leases with the Company upon expiration, the Company's ability to re-lease its properties on the same or better terms

in the event of nonrenewal or in the event the Company exercises its right to replace an existing tenant, and obligations the Company may incur in connection with the replacement of an existing tenant, particularly, in light of the adverse impact to the financial health of many retailers that has occurred and continues to occur as a result of the COVID-19 pandemic, and the significant uncertainty as to when and the conditions under which potential tenants will be able to operate physical retail locations in future; (v) macroeconomic conditions, such as a disruption of or lack of access to capital markets and the adverse impact of the recent significant decline in the Company's share price from prices prior to the spread of the COVID-19 pandemic; (vi) financing risks, such as the Company's inability to obtain new financing or refinancing on favorable terms as the result of market volatility or instability; (vii) increases in the Company's borrowing costs as a result of changes in interest rates and other factors, including the potential phasing out of LIBOR after 2021; (viii) the impact of the Company's leverage on operating performance; (ix) risks related to the market for retail space generally, including reductions in consumer spending, variability in retailer demand for leased space, adverse impact of e-commerce, ongoing consolidation in the retail sector and changes in economic conditions and consumer confidence; (x) risks endemic to real estate and the real estate industry generally; (xi) competitive risks; (xii) risks related to the geographic concentration of the Company's properties in the Washington, D.C. to Boston corridor; (xiii) damage to the Company's properties from catastrophic weather and other natural events, and the physical effects of climate change; ; (xiv) the inability of the Company to realize anticipated returns from its redevelopment activities; (xv) uninsured losses; (xvi) the Company's ability and willingness to maintain its qualification as a REIT in light of economic, market, legal, tax and other considerations; and (xvii) information technology security breaches. For further discussion of factors that could materially affect the outcome of forward-looking statements, see "Risk Factors" in Part I, Item 1A, of the Company's Annual Report on Form 10-K for the year ended December 31, 2019 and other documents that the Company files with the Securities and Exchange Commission from time to time.

Except for ongoing obligations to disclose material information as required by the federal securities laws, the Company undertakes no obligation to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. All of the above factors are difficult to predict, contain uncertainties that may materially affect the Company's actual results and may be beyond the Company's control. New factors emerge from time to time, and it is not possible for the Company's management to predict all such factors or to assess the effects of each factor on the Company's business. Accordingly, there can be no assurance that the Company's current expectations will be realized.

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

	September 30, 2020	December 31, 2019
<b>ASSETS</b>		
Real estate, at cost	\$ 1,520,828,000	\$ 1,515,206,000
Less accumulated depreciation	(419,363,000)	(389,861,000)

Real estate, net	1,101,465,000	1,125,345,000
Real estate held for sale	20,137,000	13,230,000
Cash and cash equivalents	3,568,000	2,747,000
Receivables	23,052,000	22,164,000
Other assets and deferred charges, net	50,118,000	42,139,000
<b>TOTAL ASSETS</b>	<b>\$ 1,198,340,000</b>	<b>\$ 1,205,625,000</b>
<b>LIABILITIES AND EQUITY</b>		
Liabilities:		
Mortgage loan payable	\$ 45,635,000	\$ 46,370,000
Finance lease obligation	5,346,000	5,364,000
Unsecured revolving credit facility	120,900,000	106,000,000
Unsecured term loans	473,372,000	472,841,000
Accounts payable and accrued liabilities	62,207,000	50,502,000
Unamortized intangible lease liabilities	9,270,000	10,473,000
Total liabilities	716,730,000	691,550,000
Equity:		
Preferred stock	159,541,000	159,541,000
Common stock and other shareholders' equity	318,301,000	351,020,000
Noncontrolling interests	3,768,000	3,514,000
Total equity	481,610,000	514,075,000
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 1,198,340,000</b>	<b>\$ 1,205,625,000</b>

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

	<b>Three months ended September 30,</b>	
	<b>2020</b>	<b>2019</b>
<b>PROPERTY REVENUES</b>		
Rental revenues	\$ 30,890,000	\$ 35,490,000
Other	285,000	422,000
Total property revenues	31,175,000	35,912,000
<b>PROPERTY OPERATING EXPENSES</b>		
Operating, maintenance and management	5,579,000	6,321,000
Real estate and other property-related taxes	5,253,000	5,178,000
Total property operating expenses	10,832,000	11,499,000
<b>PROPERTY OPERATING INCOME</b>	<b>20,343,000</b>	<b>24,413,000</b>
<b>OTHER EXPENSES AND INCOME</b>		
General and administrative	3,925,000	4,886,000
Depreciation and amortization	10,035,000	10,547,000

Gain on sales	(679,000)	
Impairment charges	-	
Total other expenses and income	13,281,000	15,433,00
<b>OPERATING INCOME</b>	7,062,000	8,980,00
<b>NON-OPERATING INCOME AND EXPENSES</b>		
Interest expense	(5,658,000)	(6,033,00
Total non-operating income and expense	(5,658,000)	(6,033,00
<b>NET INCOME (LOSS)</b>	1,404,000	2,947,00
Attributable to noncontrolling interests	(137,000)	(167,00
<b>NET INCOME (LOSS) ATTRIBUTABLE TO CEDAR REALTY TRUST, INC.</b>	1,267,000	2,780,00
Preferred stock dividends	(2,688,000)	(2,688,00
<b>NET (LOSS) INCOME ATTRIBUTABLE TO COMMON SHAREHOLDERS</b>	\$ (1,421,000)	\$ 92,00
<b>NET (LOSS) INCOME PER COMMON SHARE ATTRIBUTABLE TO COMMON SHAREHOLDERS (BASIC AND DILUTED):</b>	\$ (0.02)	\$ (0.0
Weighted average number of common shares - basic and diluted	86,526,000	86,262,00

**CEDAR REALTY TRUST, INC.**  
**Reconciliation of Net (Loss) Income Attributable to Common Shareholders to Fund and Operating Funds From Operations**  
(unaudited)

	<b>Three months ended September 30,</b>	
	<b>2020</b>	<b>2019</b>
<b>Net (loss) income attributable to common shareholders</b>	<b>\$ (1,421,000)</b>	<b>\$ 92,0</b>
Real estate depreciation and amortization	10,010,000	10,501,0
Limited partners' interest	(7,000)	1,0
Gain on sales	(679,000)	
Impairment charges	-	
Consolidated minority interests:		
Share of income	144,000	166,0
Share of FFO	(15,000)	(130,0
<b>Funds From Operations ("FFO") applicable to diluted common shares</b>	<b>8,032,000</b>	<b>10,630,0</b>
Adjustments for items affecting comparability:		
Redevelopment costs	-	
<b>Operating Funds From Operations ("Operating FFO") applicable to diluted common shares</b>	<b>\$ 8,032,000</b>	<b>\$ 10,630,0</b>
<b>FFO per diluted common share:</b>	<b>\$ 0.09</b>	<b>\$ 0</b>



<b>Operating FFO per diluted common share:</b>	<b>\$ 0.09</b>	<b>\$ 0</b>
<b>Weighted average number of diluted common shares:</b>		
Common shares and equivalents	90,819,000	90,521,0
OP Units	537,000	544,0
	<u>91,356,000</u>	<u>91,065,0</u>

View original content:<http://www.prnewswire.com/news-releases/cedar-realty-trust-reports-third-quarter-2020-results-and-covid-19-update-301163229.html>

SOURCE Cedar Realty Trust, Inc.