

February 4, 2021



# Cedar Realty Trust Reports Fourth Quarter 2020 Results

PORT WASHINGTON, N.Y., Feb. 4, 2021 /PRNewswire/ -- Cedar Realty Trust, Inc. (NYSE:CDR – the "Company") today reported results for the fourth quarter and full year 2020. Net income attributable to common shareholders was \$0.25 per diluted share for the fourth quarter and net loss attributable to common shareholders was \$(0.92) per diluted share for the full year 2020. Other highlights include:

## Highlights

- Operating Funds from operations (FFO) of \$0.71 per diluted share for the quarter and \$2.91 for the year
- NAREIT-defined FFO of \$0.71 per diluted share for the quarter and \$2.88 for the year
- Same-property net operating income (NOI) decreased 4.1% for the quarter and 6.8% for the year
- Signed 37 new and renewal leases for 222,000 square feet in the quarter and 121 new and renewal leases for 963,000 square feet for the year
- Comparable cash-basis lease spreads of 1.5% for the quarter and 0.1% for the year
- 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
- Same property portfolio was 91.2% leased
- On October 8, 2020, sold Glen Allen Shopping Center for \$8.5 million, on November 2, 2020, sold Pine Grove outparcel building for \$1.1 million, and on December 10, 2020, sold Suffolk Plaza for \$7.0 million
- On November 27, 2020, the Company completed a 1-for-6.6 reverse stock split of the issued and outstanding common stock

## 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):

Year ended December 31, 2020	Range		
	Deferred / Waived Months	Payback Months	Payback Period
Deferred Rent	\$3.2	1 to 10 (Wtd Avg 4.1)	1 to 24 (Wtd Avg 10.4) July 2020 to March 2021 (Wtd Avg Dec 2020)

Waived Rent

\$1.5

1 to 11  
(Wtd Avg 4.2)

N/A

N/A

## Financial Results

Net income attributable to common shareholders for the fourth quarter of 2020 was \$3.3 million or \$0.25 per diluted share, compared to net loss of \$12.7 million or \$0.98 per diluted share for the same period in 2019. The principal differences in the comparative three-month results were gain on sales of properties in 2020, and 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 2020 was \$(11.8) million or \$(0.92) per diluted share, compared to net loss of \$(9.7) million or \$(0.78) per diluted share for the full year 2019. The principal differences in the comparative full year results were lease termination income, the acceleration of depreciation relating to the demolition of certain existing buildings at redevelopment properties, and the effects of COVID-19 in 2020, and gain on properties sold and impairment charges in 2020 and 2019.

NAREIT-defined FFO for the fourth quarter of 2020 was \$9.8 million or \$0.71 per diluted share, compared to \$11.0 million or \$0.80 per diluted share for the same period in 2019. Operating FFO for the fourth quarter of 2020 was \$9.8 million or \$0.71 per diluted share, compared to \$9.7 million or \$0.71 per diluted share for the same period in 2019. The difference between Operating FFO and NAREIT-defined FFO in 2019 were management transition and redevelopment costs.

NAREIT-defined FFO for the full year 2020 was \$39.8 million or \$2.88 per diluted share, compared to \$42.1 million or \$3.05 per diluted share for the same period in 2019. Operating FFO for the full year 2020 was \$40.3 million or \$2.91 per diluted share, compared to \$40.8 million or \$2.95 per diluted share for the full year 2019. The differences between Operating FFO and NAREIT-defined FFO were redevelopment costs in 2020 and management transition and redevelopment costs in 2019. The principal difference between the comparative full year Operating FFO results were the effects of COVID-19 and lease termination income in 2020.

## Portfolio Update

During the fourth quarter of 2020, the Company signed 37 leases, all on a comparable space basis, for 222,000 square feet at a positive lease spread of 1.5% on a cash basis (new leases decreased 15.6% and renewals increased 2.5%). During the full year 2020, the Company signed 121 leases for 963,000 square feet. On a comparable space basis, the Company leased 952,300 square feet at a positive lease spread of 0.1% on a cash basis (new leases decreased 4.9% and renewals increased 0.9%).

Same-property NOI decreased 4.1% for the fourth quarter of 2020, and decreased 6.8% for the full year 2020, both excluding redevelopments, as compared to the same periods in 2019.

The Company's total portfolio, excluding properties held for sale, was 89.1% leased at

December 31, 2020, compared to 89.8% at September 30, 2020 and 93.2% at December 31, 2019. The Company's same-property portfolio was 91.2% leased at December 31, 2020, compared to 91.7% at September 30, 2020 and 93.0% at December 31, 2019.

As of December 31, 2020, The Commons, located in Dubois, Pennsylvania and Carll's Corner, located in Bridgeton, New Jersey, have been classified as "real estate held for sale".

## **Balance Sheet Update**

### **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 December 31, 2020, the Company had \$56.7 million available under its revolving credit facility and reported net debt to earnings before interest, taxes, depreciations, and amortization for real estate (EBITDAre) of 8.9 times.

### **Equity**

On November 27, 2020, the Company effected a 1-for-6.6 reverse stock split of the issued outstanding common stock. Each 6.6 shares of the Company's issued and outstanding common stock were combined into one share of the Company's common stock. The number of authorized shares and the par value of the common stock were not changed. In addition, the Company amended the Limited Partnership Agreement of our Operating Partnership to effect a corresponding reverse split of the partnership interests of the Operating Partnership.

## **2021 Guidance**

At this time, the Company is not providing per share net income or FFO guidance. However, our current 2021 expectations for the key drivers of our earnings are as follows:

- Decrease in lease termination income of approximately \$7.5 million. This is substantially driven by the \$7.1 million of lease termination income recorded in Q1 2020 related to the Company agreeing to a cash payment in consideration for permitting a dark anchor tenant to terminate its lease prior to the contractual expiration at Metro Square.
- Same-property NOI decreasing approximately 1% to 3% excluding redevelopment properties and 2% to 4% when redevelopment properties are included.
- Property NOI decreasing by approximately \$2.5 million related to property dispositions closed in 2020. The Company is exploring additional dispositions that, if closed, would further reduce 2021 property NOI.
- Interest expense decreasing by approximately \$1.7 million compared to 2020 prior to any proactive debt refinancing transactions completed in 2021. Taking into account the one-year extension option the Company has at its election for its revolving credit facility, the Company has no 2021 debt maturities. However, the Company is currently advancing the long-term refinancing of a substantial portion of its 2022 debt maturities. Any proactive refinancing will increase interest expense as the proceeds will likely first

be used to repay the Company's revolving credit facility, which currently has a variable interest rate of 1.8%.

### **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 twelve months ended December 31, 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 December 31, 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, February 4, 2021, 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](http://www.cedarrealtytrust.com).

A replay of the call will be available from 8:00 PM (ET) on February 4, 2021, until midnight (ET) on February 18, 2021. The replay dial-in numbers are (844) 512-2921 or (1) (412) 317-6671 for international callers. Please use passcode 13714567 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 8.1 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 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 years ended December 31, 2019 and December 31, 2020, when available, 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)

	December 31,	
	2020	2019
<b>ASSETS</b>		
Real estate, at cost	\$ 1,527,478,000	\$ 1,515,206,000
Less accumulated depreciation	(428,569,000)	(389,861,000)
Real estate, net	1,098,909,000	1,125,345,000
Real estate held for sale	9,498,000	13,230,000
Cash and cash equivalents	1,637,000	2,747,000
Receivables	21,952,000	22,164,000
Other assets and deferred charges, net	45,255,000	42,139,000
<b>TOTAL ASSETS</b>	<b>\$ 1,177,251,000</b>	<b>\$ 1,205,625,000</b>
<b>LIABILITIES AND EQUITY</b>		
Liabilities:		
Mortgage loan payable, net	\$ 45,385,000	\$ 46,370,000
Finance lease obligation	5,340,000	5,364,000
Unsecured revolving credit facility	175,000,000	106,000,000
Unsecured term loans, net	398,549,000	472,841,000
Accounts payable and accrued liabilities	56,580,000	50,502,000
Unamortized intangible lease liabilities	8,939,000	10,473,000
Total liabilities	689,793,000	691,550,000
Equity:		
Preferred stock	159,541,000	159,541,000
Common stock and other shareholders' equity	323,957,000	351,020,000
Noncontrolling interests	3,960,000	3,514,000
Total equity	487,458,000	514,075,000

**TOTAL LIABILITIES AND EQUITY**

\$ 1,177,251,000

\$ 1,205,625,000

**CEDAR REALTY TRUST, INC.  
Condensed Consolidated Statements of Operations  
(unaudited)****Three months ended December 31,****PROPERTY REVENUES**

Rental revenues

\$ 32,705,000

\$ 35

Other

553,000

Total property revenues

33,258,000

35

**PROPERTY OPERATING EXPENSES**

Operating, maintenance and management

6,737,000

7

Real estate and other property-related taxes

4,698,000

5

Total property operating expenses

11,435,000

12

**PROPERTY OPERATING INCOME**

21,823,000

23

**OTHER EXPENSES AND INCOME**

General and administrative

4,032,000

3

Depreciation and amortization

10,204,000

14

Gain on sales

(3,717,000)

Impairment charges

-

8

Total other expenses and income

10,519,000

27

**OPERATING INCOME**

11,304,000

(4)

**NON-OPERATING INCOME AND EXPENSES**

Interest expense

(5,121,000)

(5)

Total non-operating income and expense

(5,121,000)

(5)

**NET INCOME (LOSS)**

6,183,000

(9)

Attributable to noncontrolling interests

(179,000)

**NET INCOME (LOSS) ATTRIBUTABLE TO CEDAR REALTY TRUST, INC.**

6,004,000

(9)

Preferred stock dividends

(2,688,000)

(2)

**NET INCOME (LOSS) ATTRIBUTABLE TO COMMON SHAREHOLDERS**

\$ 3,316,000

\$ (12)

**NET INCOME (LOSS) PER COMMON SHARE ATTRIBUTABLE TO COMMON  
SHAREHOLDERS (BASIC AND DILUTED):**

\$ 0.25

\$



Weighted average number of common shares - basic and diluted

13,112,000	13
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**CEDAR REALTY TRUST, INC.**  
**Reconciliation of Net Income (Loss) Attributable to Common Shareholders to Funds From Operations and Operating Funds From Operations**  
**(unaudited)**

	Three months ended December 31,	
	2020	2019
<b>Net income (loss) attributable to common shareholders</b>	<b>\$ 3,316,000</b>	<b>\$ (12,657,000)</b>
Real estate depreciation and amortization	10,182,000	14,793,000
Limited partners' interest	21,000	(77,000)
Gain on sales	(3,717,000)	
Impairment charges	-	8,938,000
Consolidated minority interests:		
Share of income	158,000	132,000
Share of FFO	(112,000)	(98,000)
<b>Funds From Operations ("FFO") applicable to diluted common shares</b>	<b>9,848,000</b>	<b>11,031,000</b>
Adjustments for items affecting comparability:		
Reversal of management transition costs	-	(1,500,000)
Redevelopment costs	-	196,000
<b>Operating Funds From Operations ("Operating FFO") applicable to diluted common shares</b>	<b>\$ 9,848,000</b>	<b>\$ 9,727,000</b>
<b>FFO per diluted common share:</b>	<b>\$ 0.71</b>	<b>\$ 0.71</b>
<b>Operating FFO per diluted common share:</b>	<b>\$ 0.71</b>	<b>\$ 0.71</b>
<b>Weighted average number of diluted common shares:</b>		
Common shares and equivalents	13,759,000	13,715,000
OP Units	81,000	81,000
	<b>13,840,000</b>	<b>13,796,000</b>

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