

May 5, 2022



CEDAR REALTY TRUST REPORTS FIRST QUARTER 2022 RESULTS

MASSAPEQUA, N.Y., May 5, 2022 /PRNewswire/ -- Cedar Realty Trust, Inc. (NYSE:CDR – the "Company") today reported results for the first quarter 2022. Net loss attributable to common shareholders was \$0.28 per diluted share. Other highlights include:

Operating Highlights

- NAREIT-defined Funds From Operations (FFO) of \$0.38 per diluted share for the quarter
- Operating FFO of \$0.65 per diluted share for the quarter
- Collected 97.0% of base rents and monthly charges for the quarter
- Same-property net operating income (NOI) increased 1.7% for the quarter
- Signed 36 new and renewal leases for 221,200 square feet in the quarter
- Comparable cash-basis lease spreads of 23.1% for the quarter

Balance Sheet Highlights

- On February 8, 2022, the Company signed a contract to sell Riverview Plaza for \$34 million
- On March 2, 2022, the Company signed a contract to sell its 33-property grocery-anchored portfolio for \$840 million
- On March 2, 2022, the Company signed a contract to sell the Company and its remaining assets for \$291.3 million

Transaction Agreements

On March 2, 2022, the Company announced that following its previously announced review of strategic alternatives, it had entered into definitive agreements for the sale of the Company and its assets in a series of related all-cash transactions. Specifically, on March 2, 2022, the Company and certain of its subsidiaries, DRA Fund X-B LLC and KPR Centers LLC entered into an asset purchase and sale agreement to purchase a portfolio of 33 grocery-anchored shopping centers from the Company for a cash purchase price of \$840.0 million. This agreement provides that to the extent specified redevelopment assets of the Company are not sold by the Company to third parties prior to the closing, these assets will be acquired for an additional cash purchase price of up to \$80.5 million. In addition, on March 2, 2022, the Company entered into an agreement and plan of merger with Wheeler Real Estate Investment Trust, Inc. ("Wheeler") and certain of its affiliates pursuant to which Wheeler will acquire the balance of the Company's shopping center assets by way of an all-cash merger transaction that values the remaining portfolio at \$291.3 million. Following completion of the transactions contemplated by the merger agreement, the Company will

survive as a wholly-owned subsidiary of Wheeler. The Company's currently outstanding 7.25% Series B Preferred Stock and 6.50% Series C Preferred Stock will remain outstanding as shares of preferred stock in the surviving company following the transactions and are expected to remain listed on the New York Stock Exchange.

The two transactions discussed above were unanimously approved by the Company's Board of Directors and are estimated to generate total net proceeds, after all transaction expenses, of more than \$29.00 per share in cash, which will be distributed to shareholders upon completion. The Transactions are expected to close by the end of the second quarter of 2022, subject to satisfaction of customary closing conditions, including approval by the Company's common stockholders at a special meeting of stockholders to be held on May 27, 2022.

Common Stock Dividends

In connection with the two transactions discussed above, the Company and its Board announced a suspension of its previously announced 2022 common stock dividend policy and that the Company will not pay a dividend on the common stock for the second quarter ending June 30, 2022. The Board will assess future quarterly common dividend declarations going forward.

Financial Results

Net loss attributable to common shareholders for the first quarter of 2022 was \$3.7 million or \$0.28 per diluted share, compared to net loss of \$1.6 million or \$0.12 per diluted share for the same period in 2021. The principal differences in the comparative three-month results were gain on sales of properties in 2021, impairment charges on properties held for sale in 2022, transaction costs in 2022, and the acceleration of depreciation relating to the demolition of certain existing buildings at redevelopment properties in 2021.

NAREIT-defined FFO for the first quarter of 2022 was \$5.2 million or \$0.38 per diluted share, compared to \$8.6 million or \$0.62 per diluted share for the same period in 2021. Operating FFO for the first quarter of 2022 was \$8.9 million or \$0.65 per diluted share, compared to \$8.6 million or \$0.62 per diluted share for the same period in 2021.

Portfolio Update

During the first quarter of 2022, the Company signed 36 leases, for 221,200 square feet. On a comparable space basis, the Company signed 34 leases for 217,800 square feet at a positive lease spread of 23.1% on a cash basis (new leases increased 55.3% and renewals increased 5.9%).

Same-property NOI increased 1.7% for the first quarter of 2022, excluding redevelopments, as compared to the same period in 2021.

The Company's total portfolio, excluding properties held for sale, was 91.6% leased at March 31, 2022, compared to 91.0% at December 31, 2021 and 87.8% at March 31, 2021. The Company's same-property portfolio was 92.7% leased at March 31, 2022, compared to 91.8% at December 31, 2021 and 90.1% at March 31, 2021.

As of March 31, 2022, Carll's Corner, located in Bridgeton, New Jersey, Riverview Plaza, located in Philadelphia, Pennsylvania, and East River Park and Senator Square, both located in Washington, D.C., have been classified as "real estate held for sale" on the accompanying consolidated balance sheet.

Balance Sheet

On August 30, 2021, the Company amended its existing \$300 million unsecured credit facility and \$50 million term loan. After the amendment, the new unsecured revolving credit facility is \$185 million with an expiration in August 2024. The new unsecured revolving credit facility may be extended, at the Company's option for two additional one-year periods, subject to customary conditions. Interest on the borrowings under the new unsecured revolving credit facility component can range from LIBOR plus 135 bps to 195 bps (150 bps at March 31, 2022), based on the Company's leverage ratio. Interest on borrowings under the unsecured credit facility is based on the Company's leverage ratio. The Company extended its \$50 million term note four years with an expiration in August 2026. As of March 31, 2022, the Company had \$70.0 million outstanding and \$110.1 million available for additional borrowings under its revolving credit facility and was in compliance with all financial covenants.

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 ended March 31, 2021 and 2020 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 EBITDA further assists in comparing the Company's performance across reporting periods on a consistent basis by excluding such items. EBITDA and Adjusted EBITDA should be reviewed with GAAP net income, the most directly comparable GAAP financial measure, when trying to understand the Company's operating performance. EBITDA and Adjusted EBITDA 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 EBITDA 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 March 31, 2022. 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.

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 50 properties, with approximately 7.4 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

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 proposed Transactions (as described herein) may not be completed in a timely manner or at all, including the risk that any required approvals, including the approval of the Company's stockholders, are not obtained, are delayed or are subject to unanticipated conditions that could adversely affect the Company or the expected benefits of the proposed Transactions; (ii) the possibility that any or all of the various conditions to the consummation of the Transactions may not be satisfied or waived; (iii) the occurrence of any event, change or other circumstance that could give rise to the termination of one or more of the definitive Transaction agreements, including in circumstances which would require the Company to pay a termination fee or other expenses; (iv) the risk that the pending shareholder litigation in connection with the Transactions, or additional lawsuits that may be filed in the future in connection with the Transactions, may result in significant costs of defense, indemnification and liability; (v) 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; (vi) 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; (vii) 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; (viii) 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; (ix) 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; (x) 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; (xi) 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; (xii) the impact of the Company's leverage on operating performance; (xiii) 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; (xiv) risks endemic to real estate and the real estate industry generally; (xv) competitive risks; (xvi) risks related to the geographic concentration of the Company's properties in the Washington, D.C. to Boston corridor; (xvii) damage to the Company's properties from catastrophic weather and other natural events, and the physical effects of climate change; (xviii) the inability of the Company to realize anticipated returns from its redevelopment activities; (xix) uninsured losses; (xx) the Company's ability and willingness to maintain its qualification as a REIT in light of economic, market, legal, tax and other considerations; and (xxi) 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, 2021 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

	March 31,	December 31,
	2022	2021
ASSETS		
Real estate, at cost	\$ 1,298,676,000	\$ 1,288,524,000
Less accumulated depreciation	(417,298,000)	(409,742,000)
Real estate, net	881,378,000	878,782,000
Real estate held for sale	73,702,000	73,251,000
Investment in unconsolidated joint venture	4,809,000	4,654,000
Cash and cash equivalents	2,093,000	3,039,000
Restricted cash	230,000	230,000
Receivables	22,467,000	21,868,000
Other assets and deferred charges, net	37,412,000	35,070,000
TOTAL ASSETS	\$ 1,022,091,000	\$ 1,016,894,000

LIABILITIES AND EQUITY

Liabilities:

Mortgage loan payable, net	\$	156,599,000	\$	156,821,000
Finance lease obligation		5,307,000		5,314,000
Unsecured revolving credit facility		70,000,000		66,000,000
Unsecured term loans, net		298,998,000		298,903,000
Accounts payable and accrued liabilities		40,072,000		42,099,000
Unamortized intangible lease liabilities		7,518,000		7,789,000
Total liabilities		<u>578,494,000</u>		<u>576,926,000</u>

Equity:

Preferred stock		159,541,000		159,541,000
Common stock and other shareholders' equity		281,442,000		277,841,000
Noncontrolling interests		2,614,000		2,586,000
Total equity		<u>443,597,000</u>		<u>439,968,000</u>

TOTAL LIABILITIES AND EQUITY	\$	<u>1,022,091,000</u>	\$	<u>1,016,894,000</u>
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CEDAR REALTY TRUST, INC.

Condensed Consolidated Statements of Operations

	Three months ended	
	March 31,	
	2022	2021
PROPERTY REVENUES		
Rental revenues	\$ 30,207,000	\$ 33,336,000
Other	257,000	215,000
Total property revenues	<u>30,464,000</u>	<u>33,551,000</u>
PROPERTY OPERATING EXPENSES		
Operating, maintenance and management	7,129,000	7,780,000
Real estate and other property-related taxes	4,498,000	5,120,000
Total property operating expenses	<u>11,627,000</u>	<u>12,900,000</u>
PROPERTY OPERATING INCOME	<u>18,837,000</u>	<u>20,651,000</u>
OTHER EXPENSES AND INCOME		
General and administrative	2,972,000	4,528,000
Depreciation and amortization	8,263,000	11,211,000
Gain on sales	-	(1,047,000)
Transaction costs	3,735,000	-
Impairment charges	707,000	-
Total other expenses and income	<u>15,677,000</u>	<u>14,692,000</u>
OPERATING INCOME	<u>3,160,000</u>	<u>5,959,000</u>
NON-OPERATING INCOME AND EXPENSES		
Interest expense	(4,237,000)	(4,706,000)
Total non-operating income and expense	<u>(4,237,000)</u>	<u>(4,706,000)</u>

NET (LOSS) INCOME	(1,077,000)	1,253,000
Attributable to noncontrolling interests	20,000	(141,000)
NET (LOSS) INCOME ATTRIBUTABLE TO CEDAR REALTY TRUST, INC.	(1,057,000)	1,112,000
Preferred stock dividends	(2,688,000)	(2,688,000)
NET LOSS ATTRIBUTABLE TO COMMON SHAREHOLDERS	<u>\$ (3,745,000)</u>	<u>\$ (1,576,000)</u>
NET LOSS PER COMMON SHARE ATTRIBUTABLE TO COMMON SHAREHOLDERS (BASIC AND DILUTED):	<u>\$ (0.28)</u>	<u>\$ (0.12)</u>
Weighted average number of common shares - basic and diluted	<u>13,285,000</u>	<u>13,144,000</u>

CEDAR REALTY TRUST, INC.

Funds From Operations and Additional Disclosures

	Three months ended March 31,	
	2022	2021
Net loss attributable to common shareholders	\$ (3,745,000)	\$ (1,576,000)
Real estate depreciation and amortization	8,257,000	11,193,000
Limited partners' interest	(20,000)	(9,000)
Gain on sales	-	(1,047,000)
Impairment charges	707,000	-
Consolidated minority interests:		
Share of income	-	150,000
Share of FFO	-	(113,000)
Funds From Operations ("FFO") applicable to diluted common shares	5,199,000	8,598,000
Adjustments for items affecting comparability:		
Transaction costs (a)	3,735,000	-
Operating Funds From Operations ("Operating FFO") applicable to diluted common shares	\$ 8,934,000	\$ 8,598,000
FFO per diluted common share:	\$ 0.38	\$ 0.62
Operating FFO per diluted common share:	\$ 0.65	\$ 0.62
Weighted average number of diluted common shares:		
Common shares and equivalents	13,752,000	13,834,000
OP Units	81,000	81,000
	<u>13,833,000</u>	<u>13,915,000</u>

[reports-first-quarter-2022-results-301541270.html](https://www.cedarrealtytrust.com/sec-filings/sec-edgar/company-reports/first-quarter-2022-results-301541270.html)

SOURCE Cedar Realty Trust, Inc.