

August 4, 2022



CEDAR REALTY TRUST REPORTS SECOND QUARTER 2022 RESULTS

MASSAPEQUA, N.Y., Aug. 4, 2022 /PRNewswire/ -- Cedar Realty Trust, Inc. (NYSE:CDR – the "Company") today reported results for the second quarter 2022. Net loss attributable to common shareholders was \$(3.41) per diluted share. Other highlights include:

Operating Highlights

- NAREIT-defined Funds From Operations (FFO) of a negative \$(1.64) per diluted share for the quarter
- Operating FFO of \$0.58 per diluted share for the quarter
- Same-property net operating income (NOI) decreased 3.5% for the quarter
- Signed 32 new and renewal leases for 178,600 square feet in the quarter
- Comparable cash-basis lease spreads of 0.9% for the quarter

Balance Sheet Highlights

- On May 16, 2022, the Company sold Riverview Plaza for \$34 million
- On May 27, 2022, the Company's common stockholders at a special meeting of stockholders approved the previously announced transactions
- On June 28, 2022, the Company acquired the minority ownership in the Crossroads joint venture for \$1.0 million

Subsequent Events

- On July 7, 2022, the Company completed the 33 Grocery-Anchored Portfolio Sale and the sale of East River and Senator Square for \$879 million
- On July 11, 2022, the Company paid-off its unsecured term notes and unsecured credit facility
- On July 11, 2022, in connection with the pay-off of the unsecured term notes, the Company terminated all its interest rate swap agreements for a net benefit of \$3.4 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 (together with their respective designees, the "Grocery-Anchored Purchasers") 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 (the

"Grocery-Anchored Portfolio Sale"). 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 (the "Merger"). 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 were approved by the Company's common stockholders at a special meeting of stockholders held on May 27, 2022, and are estimated to generate total net proceeds, after all transaction expenses, of approximately \$29.00 per share in cash, which will be distributed to shareholders upon completion of the Merger. The Merger is expected to close in August 2022, subject to satisfaction of customary closing conditions.

On July 7, 2022, the Company and certain of its subsidiaries completed the Grocery-Anchored Portfolio Sale and East River Park and Senator Square sales for total gross proceeds of approximately \$879 million, including the assumed debt. There were no material relationships among the Company, the Grocery-Anchored Purchasers, or any of their respective affiliates.

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 second quarter of 2022 was \$(45.3) million or \$(3.41) per diluted share, compared to net income of \$48.4 million or \$3.52 per diluted share for the same period in 2021. Net loss attributable to common shareholders for the six-month period ending June 30, 2022 was \$(49.0) million or \$(3.69) per diluted share, compared to net income of \$46.8 million or \$3.41 per diluted share for the same period in 2021. The principal differences in the comparative three and six-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 second quarter of 2022 was a negative \$(22.5) million or \$(1.64) per diluted share, compared to \$8.2 million or \$0.59 per diluted share for the same period in 2021. The decrease is attributable to transaction costs incurred in 2022 relating to

the two transactions discussed above. Operating FFO for the second quarter of 2022 was \$7.9 million or \$0.58 per diluted share, compared to \$8.5 million or \$0.61 per diluted share for the same period in 2021.

NAREIT-defined FFO for the six months ended June 30, 2022 was a negative \$(17.3) million or \$(1.25) per diluted share, compared to \$16.8 million or \$1.21 per diluted share for the same period in 2021. The decrease is attributable to transaction costs incurred in 2022 relating to the two transactions discussed above. Operating FFO for the six months ended June 30, 2022 was \$16.9 million or \$1.22 per diluted share, compared to \$17.1 million or \$1.23 per diluted share for the same period in 2021.

Portfolio Update

During the second quarter of 2022, the Company signed 32 leases, for 178,600 square feet. On a comparable space basis, the Company signed 29 leases for 128,700 square feet at a positive lease spread of 0.9% on a cash basis (new leases increased 2.8% and renewals increased 0.6%). During the six-month period ended June 30, 2022, the Company signed 68 leases, for 339,800 square feet. On a comparable space basis, the Company signed 63 leases for 346,500 square feet at a positive lease spread of 14.2% on a cash basis (new leases increased 46.2% and renewals increased 3.4%).

Same-property NOI decreased 3.5% for the second quarter of 2022 and increased 0.1% for the six months ended June 30, 2022, as compared to the same periods in 2021.

The Company's total portfolio, excluding properties held for sale, was 86.3% leased at June 30, 2022. The Company's same-property portfolio was 86.3% leased at June 30, 2022, compared to 86.9% at June 30, 2021.

As of June 30, 2022, Carll's Corner, located in Bridgeton, New Jersey, the 33 grocery-anchored shopping centers and two redevelopment properties 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 June 30, 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 June 30, 2022, the Company had \$41.0 million outstanding under its revolving credit facility. On July 11, 2022, in connection with the transactions noted above paid-off its unsecured credit facility and its unsecured term notes.

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 six months ended June 30, 2022 and 2021 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 June 30, 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 17 properties, with approximately 2.6 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 possibility that any or all of the various conditions to the consummation of the Merger (as defined herein) may not be satisfied or waived; (ii) the ability of the parties to the Merger to obtain required financing in connection with the proposed Merger; (iii) the possibility that competing offers or acquisition proposals for the Company and/or its assets will be made; (iv) the occurrence of any event, change or other circumstance that could give rise to the termination of the Merger Agreement (as defined herein), including in circumstances which would require the Company to pay a termination fee or other expenses; (v) the risk that shareholder litigation in connection with the Transactions (as defined herein) may result in significant costs of defense, indemnification and liability; (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; (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) damage to the Company's properties from catastrophic weather and other natural events, and the physical effects of climate change; (xii) uninsured losses; (xiii) the Company's ability and willingness to maintain its qualification as a REIT in light of economic, market, legal, tax and other considerations; and (xiv) 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

	June 30, 2022	December 31, 2021
ASSETS		
Real estate, at cost	\$ 370,128,000	\$ 369,827,000
Less accumulated depreciation	(159,992,000)	(155,250,000)
Real estate, net	210,136,000	214,577,000
Real estate held for sale	719,312,000	757,037,000
Investment in unconsolidated joint venture	4,809,000	4,654,000
Cash and cash equivalents	1,042,000	3,039,000
Restricted cash	230,000	230,000
Receivables	13,098,000	13,580,000
Other assets and deferred charges, net	21,522,000	23,777,000
TOTAL ASSETS	\$ 970,149,000	\$ 1,016,894,000
LIABILITIES AND EQUITY		
Liabilities:		
Mortgage loan payable, net - held for sale	\$ 156,356,000	\$ 156,821,000
Finance lease obligation - held for sale	5,300,000	5,314,000
Unsecured revolving credit facility	41,000,000	66,000,000
Unsecured term loans, net	299,092,000	298,903,000
Accounts payable and accrued liabilities	61,301,000	42,099,000
Unamortized intangible lease liabilities	5,040,000	5,367,000
Unamortized intangible lease liabilities - held for sale	2,238,000	2,422,000
Total liabilities	570,327,000	576,926,000
Equity:		
Preferred stock	159,541,000	159,541,000
Common stock and other shareholders' equity	238,787,000	277,841,000
Noncontrolling interests	1,494,000	2,586,000

Total equity	399,822,000	439,968,000
TOTAL LIABILITIES AND EQUITY	\$ 970,149,000	\$ 1,016,894,000

CEDAR REALTY TRUST, INC.

Condensed Consolidated Statements of Operations

	Three months ended June 30,	
	2022	2021
PROPERTY REVENUES		
Rental revenues	\$ 8,367,000	\$ 10,603,000
Other	136,000	241,000
Total property revenues	8,503,000	10,844,000
PROPERTY OPERATING EXPENSES		
Operating, maintenance and management	2,019,000	1,842,000
Real estate and other property-related taxes	1,526,000	1,822,000
Total property operating expenses	3,545,000	3,664,000
PROPERTY OPERATING INCOME	4,958,000	7,180,000
OTHER EXPENSES AND INCOME		
General and administrative	2,861,000	5,096,000
Depreciation and amortization	2,850,000	2,976,000
Gain on sales	-	(48,857,000)
Transaction costs	30,457,000	-
Impairment charges (reversal)	2,000	(1,849,000)
Total other expenses and income	36,170,000	(42,634,000)
OPERATING INCOME	(31,212,000)	49,814,000
NON-OPERATING INCOME AND EXPENSES		
Interest expense	(3,130,000)	(3,803,000)
Total non-operating income and expense	(3,130,000)	(3,803,000)
NET (LOSS) INCOME FROM CONTINUING OPERATIONS	(34,342,000)	46,011,000
DISCONTINUED OPERATIONS		
Income from operations	7,698,000	5,453,000
Impairment charges	(16,119,000)	-
Gain on sales	-	-
Total (loss) income from discontinued operations	(8,421,000)	5,453,000
NET (LOSS) INCOME	(42,763,000)	51,464,000
Attributable to noncontrolling interests	176,000	(409,000)
NET (LOSS) INCOME ATTRIBUTABLE TO CEDAR REALTY TRUST, INC.	(42,587,000)	51,055,000
Preferred stock dividends	(2,688,000)	(2,688,000)
NET (LOSS) INCOME ATTRIBUTABLE TO COMMON SHAREHOLDERS	\$ (45,275,000)	\$ 48,367,000
NET (LOSS) INCOME PER COMMON SHARE ATTRIBUTABLE TO COMMON SHAREHOLDERS (BASIC AND DILUTED):		
Continuing operations	\$ (2.78)	\$ 3.11
Discontinued operations	(0.63)	0.41
	\$ (3.41)	\$ 3.52

Weighted average number of common shares - basic and diluted

13,288,000

13,197,000

CEDAR REALTY TRUST, INC.

Funds From Operations and Additional Disclosures

	Three months ended Ju 2022	
Net (loss) income attributable to common shareholders	\$ (45,275,000)	\$
Real estate depreciation and amortization	6,809,000	
Limited partners' interest	(176,000)	
Gain on sales	-	
Impairment charges	16,121,000	
Consolidated minority interests:		
Share of income	-	
Share of FFO	-	
Funds From Operations ("FFO") applicable to diluted common shares	(22,521,000)	
Adjustments for items affecting comparability:		
Transaction costs (a)	30,457,000	
Redevelopment costs (b)	-	
Financing costs (c)	-	
Operating Funds From Operations ("Operating FFO") applicable to diluted common shares	\$ 7,936,000	\$
FFO per diluted common share:	\$ (1.64)	\$
Operating FFO per diluted common share:	\$ 0.58	\$
Weighted average number of diluted common shares:		
Common shares and equivalents	13,703,000	
OP Units	65,000	
	13,768,000	

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