

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): November 8, 2022

ARMADA HOFFLER PROPERTIES, INC.
(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of incorporation)

001-35908
(Commission File Number)

46-1214914
(IRS Employer Identification No.)

222 Central Park Avenue , Suite 2100
Virginia Beach , Virginia
(Address of principal executive offices)

23462
(Zip Code)

Registrant's telephone number, including area code: **(757) 366-4000**

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

| Title of each class | Securities registered pursuant to Section 12(b) of the Act: Trading Symbol(s) | Name of each exchange on which registered |
|--|--|---|
| Common Stock, \$0.01 par value per share | AHH | New York Stock Exchange |
| 6.75% Series A Cumulative Redeemable Perpetual Preferred Stock, \$0.01 par value per share | AHHPrA | New York Stock Exchange |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On November 8, 2022, Armada Hoffer Properties, Inc. (the "Company") issued a press release announcing its financial position as of September 30, 2022, results of operations for the three months ended September 30, 2022, and other related information. Also on November 8, 2022, the Company made available on its website at www.ArmadaHoffer.com certain supplemental information concerning the Company's financial results and operations for the three months ended September 30, 2022. Copies of such press release and supplemental information are furnished as Exhibits 99.1 and 99.2, respectively, to this Current Report on Form 8-K and are incorporated herein by reference.

In accordance with General Instructions B.2 and B.6 of Form 8-K, the information included in this Current Report on Form 8-K, including Exhibits 99.1 and 99.2 hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing made by the Company under the Exchange Act or the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 7.01. Regulation FD Disclosure.

The disclosure contained in Item 2.02 is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

| Exhibit No. | Description |
|----------------------|--|
| 99.1 | Press Release, dated November 8 2022, issued by Armada Hoffer Properties, Inc., providing its financial position as of September 30, 2022 and results of operations for the three months ended September 30, 2022. |
| 99.2 | Armada Hoffer Properties, Inc. Third Quarter 2022 Supplemental Information. |
| 104 | Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document. |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ARMADA HOFFLER PROPERTIES, INC.

Date: November 8, 2022

By: /s/ Matthew T. Barnes-Smith
Matthew T. Barnes-Smith
Chief Financial Officer, Treasurer and Corporate Secretary



ARMADA HOFFLER PROPERTIES REPORTS THIRD QUARTER 2022 RESULTS

Net Income of \$0.38 Per Diluted Share

Normalized FFO of \$0.29 Per Diluted Share

Raised 2022 Full-Year Normalized FFO Guidance Range to \$1.18 to \$1.20 Per Diluted Share

Executed 78,000 SF of New Office Leases at Harbor Point and Town Center

Retail Occupancy Reached an All-Time High of 98%

Rental Rates on New Apartment Leases Increased Nearly 9%

VIRGINIA BEACH, VA, November 8, 2022 – Armada Hoffler Properties, Inc. (NYSE: AHH) today announced its results for the quarter ended September 30, 2022 and provided an update on current events.

Third Quarter and Recent Highlights:

- Net income attributable to common stockholders and OP Unit holders of \$33.9 million, or \$0.38 per diluted share, compared to \$4.9 million, or \$0.06 per diluted share, for the three months ended September 30, 2021.
- Funds from operations attributable to common stockholders and OP Unit holders ("FFO") of \$22.7 million, or \$0.26 per diluted share, compared to \$21.9 million, or \$0.27 per diluted share, for the three months ended September 30, 2021. See "Non-GAAP Financial Measures."
- Normalized funds from operations attributable to common stockholders and OP Unit holders ("Normalized FFO") of \$25.8 million, or \$0.29 per diluted share, compared to \$21.6 million, or \$0.26 per diluted share, for the three months ended September 30, 2021.
- Raised 2022 full-year Normalized FFO guidance to \$1.18 to \$1.20 per diluted share from the Company's previous guidance range of \$1.16 to \$1.20 per diluted share. This represents a 11% increase over 2021 results.
- Portfolio wide occupancy exceeded 97% for the third consecutive quarter. Retail occupancy reached an all-time high of 98%.
- Executed a new 60,000 square foot lease with Franklin Templeton at Wills Wharf, bringing the building to 91% leased.
- Executed a new 18,000 square foot office lease with Old Dominion University at the Town Center of Virginia Beach for ODU's Institute of Data Science and Coastal Virginia Center for Cyber Innovation.
- Subsequent to the end of the third quarter, executed a new 46,000 square foot lease with Morgan Stanley at Thames Street Wharf that expands the tenant's space to over 240,000 square feet and extends their lease term to 2035.
- Same Store net operating income ("NOI") increased 3.0% on a GAAP basis and 2.7% on a cash basis compared to the quarter ended September 30, 2021.
 - Commercial same store NOI increased 2.0% on a GAAP basis and 1.4% on a cash basis.

- Multifamily same store NOI increased 6.5% on a GAAP and 7.0% on a cash basis.
- Positive GAAP releasing spreads during the third quarter of 10.7% for retail lease renewals and 3.3% for office lease renewals.
- Multifamily lease rates increased 7.6% during the third quarter of 2022. Rental rates on new lease trade outs increased 8.8% and rental rates on lease renewals increased 6.3%.
- Amended and restated the existing \$355 million unsecured credit facility, increased the borrowing capacity of the Company's unsecured credit facility to \$550 million, with an option to expand to \$1.0 billion, and extended to the terms of the revolving line of credit and term loan components to 2027 and 2028, respectively.
- Closed on the \$150 million sale of The Residences at Annapolis Junction at a 4.15% cap rate.

"After raising our guidance for a 3rd consecutive quarter, our new mid-point of \$1.19 per share represents an 11% increase over full year 2021 earnings, which is complemented by the 18% increase in the dividend this year," said Louis Haddad, President & CEO. "This is wholly consistent with the data included in our initial guidance presentation from earlier this year, where we projected that NOI would, over the next few years, increase by 45% over 2021 levels as our development projects stabilize. With two multifamily development deliveries this year, a large mixed-use development enter service next year, and the 2024 deliveries of the T. Rowe Price global headquarters and 300 more luxury apartment units, we are right on track with that forecast."

Financial Results

Net income attributable to common stockholders and OP Unit holders for the third quarter increased to \$33.9 million compared to \$4.9 million for the third quarter of 2021. The period-over-period change was primarily due to gains recognized on dispositions, increased property operating income due to acquisitions, developments, and improved same-store performance, increased general contracting gross profit, and changes in the fair value of interest rate derivatives. The increase was partially offset by an increase in interest expense, an increase in loss on extinguishment of debt, and a decrease in unrealized credit loss release.

FFO attributable to common stockholders and OP Unit holders for the third quarter increased to \$22.7 million compared to \$21.9 million for the third quarter of 2021. Normalized FFO attributable to common stockholders and OP Unit holders for the third quarter increased to \$25.8 million compared to \$21.6 million for the third quarter of 2021. The period-over-period changes in FFO and Normalized FFO were due to higher property operating income resulting primarily from leasing activity and property acquisitions and an increase in general contracting gross profit. These increases were partially offset by an increase in interest expense.

Operating Performance

At the end of the third quarter, the Company's office, retail and multifamily stabilized operating property portfolios were 96.8%, 98.0% and 96.4% occupied, respectively.

Total construction contract backlog was \$525.9 million at the end of the third quarter.

Balance Sheet and Financing Activity

As of September 30, 2022, the Company had \$1.0 billion of total debt outstanding, including \$36.0 million outstanding under its revolving credit facility. Total debt outstanding excludes GAAP adjustments. Approximately 47% of the Company's debt had fixed interest rates or was subject to interest rate swaps as of September 30, 2022. The Company's debt was 100% fixed or hedged as of September 30, 2022 after considering interest rate caps with strike prices at or below 300 basis points.

Outlook

The Company raised its 2022 full-year Normalized FFO guidance range to \$1.18 to \$1.20 per diluted share. The following table updates the Company's assumptions underpinning its full-year guidance. The Company's executive management will provide further details regarding its 2022 earnings guidance during today's webcast and conference call.

| Full-year 2022 Guidance ⁽¹⁾⁽²⁾ | Expected Ranges | |
|---|-----------------|----------|
| Total NOI | \$145.2M | \$146.0M |
| Construction Segment Gross Profit | \$7.8M | \$8.4M |
| G&A Expenses | \$16.0M | \$16.5M |
| Interest Income | \$14.6M | \$15.0M |
| Interest Expense ⁽³⁾ | \$35.4M | \$36.1M |
| Normalized FFO per diluted share | \$1.18 | \$1.20 |

⁽¹⁾ Includes the following assumptions:

- Anticipated sale of Interlock in 2023
- Acquisition of a \$26.5 million grocery anchored retail asset
- New \$125 million unsecured term loan projected to close late November 2022
- Interest expense based on Forward Yield Curve, which forecasts rates ending the year at 4.4%

⁽²⁾ Ranges exclude certain items per Company's Normalized FFO definition: Normalized FFO excludes certain items, including debt extinguishment losses, acquisition, development and other pursuit costs, mark-to-market adjustments for interest rate derivatives, provision for non-cash unrealized credit losses, certain costs for interest rate caps designated as cash flow hedges, amortization of right-of-use assets attributable to finance leases, severance related costs, and other non-comparable items. See "Non-GAAP Financial Measures." The Company does not provide a reconciliation for its guidance range of Normalized FFO per diluted share to net income per diluted share, the most directly comparable forward-looking GAAP financial measure, because it is unable to provide a meaningful or accurate estimate of reconciling items and the information is not available without unreasonable effort as a result of the inherent difficulty of forecasting the timing and/or amounts of various items that would impact net income per diluted share. For the same reasons, the Company is unable to address the probable significance of the unavailable information and believes that providing a reconciliation for its guidance range of Normalized FFO per diluted share would imply a degree of precision for its forward-looking net income per diluted share that could be misleading to investors.

⁽³⁾ Includes interest expense on finance leases

Supplemental Financial Information

Further details regarding operating results, properties and leasing statistics can be found in the Company's supplemental financial package available at www.ArmadaHoffler.com.

Webcast and Conference Call

The Company will host a webcast and conference call on Tuesday, November 8, 2022 at 8:30 a.m. Eastern Time to review financial results and discuss recent events. The live webcast will be available through the Investors page of the Company's website, www.ArmadaHoffler.com. To participate in the call, please dial 844-826-3035 (domestic) or 412-317-5195 (international). A replay of the conference call will be available through Thursday, December 8, 2022 by dialing 844-512-2921 (domestic) or 412-317-6671 (international) and entering the passcode 10171505.

About Armada Hoffler Properties, Inc.

Armada Hoffler Properties (NYSE:AHH) is a vertically-integrated, self-managed real estate investment trust ("REIT") with four decades of experience developing, building, acquiring and managing high-quality office, retail and multifamily properties located primarily in the Mid-Atlantic and Southeastern United States. The Company also provides general construction and development services to third-party clients, in addition to developing and building

properties to be placed in their stabilized portfolio. Founded in 1979 by Daniel A. Hoffer, Armada Hoffer has elected to be taxed as a REIT for U.S. federal income tax purposes. For more information visit ArmadaHoffer.com.

Forward-Looking Statements

Certain matters within this press release are discussed using forward-looking language as specified in the Private Securities Litigation Reform Act of 1995, and, as such, may involve known and unknown risks, uncertainties and other factors that may cause the actual results or performance to differ from those projected in the forward-looking statement. These forward-looking statements may include comments relating to the current and future performance of the Company's operating property portfolio, the Company's development pipeline, the Company's mezzanine program, the Company's construction and development business, including backlog and timing of deliveries and estimated costs, financing activities, as well as acquisitions, dispositions, and the Company's financial outlook, guidance, and expectations. For a description of factors that may cause the Company's actual results or performance to differ from its forward-looking statements, please review the information under the heading "Risk Factors" included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021, and the other documents filed by the Company with the Securities and Exchange Commission from time to time. The Company expressly disclaims any obligation or undertaking to update or revise any forward-looking statement contained herein, to reflect any change in the Company's expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based, except to the extent otherwise required by applicable law.

Non-GAAP Financial Measures

The Company calculates FFO in accordance with the standards established by the National Association of Real Estate Investment Trusts ("Nareit"). Nareit defines FFO as net income (loss) (calculated in accordance with GAAP), excluding depreciation and amortization related to real estate, gains or losses from the sale of certain real estate assets, gains and losses from change in control, and impairment write-downs of certain real estate assets and investments in entities when the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity.

FFO is a supplemental non-GAAP financial measure. The Company uses FFO as a supplemental performance measure because it believes that FFO is beneficial to investors as a starting point in measuring the Company's operational performance. Specifically, in excluding real estate related depreciation and amortization and gains and losses from property dispositions, which do not relate to or are not indicative of operating performance, FFO provides a performance measure that, when compared period-over-period, captures trends in occupancy rates, rental rates and operating costs. We also believe that, as a widely recognized measure of the performance of REITs, FFO will be used by investors as a basis to compare the Company's operating performance with that of other REITs.

However, because FFO excludes depreciation and amortization and captures neither the changes in the value of the Company's properties that result from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of the Company's properties, all of which have real economic effects and could materially impact the Company's results from operations, the utility of FFO as a measure of the Company's performance is limited. In addition, other equity REITs may not calculate FFO in accordance with the Nareit definition as the Company does, and, accordingly, the Company's FFO may not be comparable to such other REITs' FFO. Accordingly, FFO should be considered only as a supplement to net income as a measure of the Company's performance. FFO should not be used as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to pay dividends or service indebtedness. Also, FFO should not be used as a supplement to or substitute for cash flow from operating activities computed in accordance with GAAP.

Management also believes that the computation of FFO in accordance with Nareit's definition includes certain items that are not indicative of the results provided by the Company's operating property portfolio and affect the comparability of the Company's period-over-period performance. Accordingly, management believes that Normalized FFO is a more useful performance measure that excludes certain items, including but not limited to, acquisition, development and other pursuit costs, gains or losses from the early extinguishment of debt, impairment of intangible assets and liabilities, mark-to-market adjustments for interest rate derivatives, certain costs for interest

rate caps designated as cash flow hedges, provision for unrealized non-cash credit losses, amortization of right-of-use assets attributable to finance leases, severance related costs, and other non-comparable items.

NOI is the measure used by the Company's chief operating decision-maker to assess segment performance. The Company calculates NOI as property revenues (base rent, expense reimbursements, termination fees and other revenue) less property expenses (rental expenses and real estate taxes). NOI is not a measure of operating income or cash flows from operating activities as measured in accordance with GAAP and is not indicative of cash available to fund cash needs. As a result, NOI should not be considered an alternative to cash flows as a measure of liquidity. Not all companies calculate NOI in the same manner. The Company considers NOI to be an appropriate supplemental measure to net income because it assists both investors and management in understanding the core operations of the Company's real estate and construction businesses. To calculate NOI on a cash basis, we adjust NOI to exclude the net effects of straight line rent and the amortization of lease incentives and above/below market rents.

For reference, as an aid in understanding the Company's computation of NOI, NOI Cash Basis, FFO and Normalized FFO, a reconciliation of net income calculated in accordance with GAAP to NOI, NOI Cash Basis, FFO and Normalized FFO has been included further in this release.

ARMADA HOFFLER PROPERTIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

| | September 30, 2022 (Unaudited) | December 31, 2021 |
|--|-----------------------------------|---------------------|
| ASSETS | | |
| Real estate investments: | | |
| Income producing property | \$ 1,797,547 | \$ 1,658,609 |
| Held for development | 6,294 | 6,294 |
| Construction in progress | 92,357 | 72,535 |
| | 1,896,198 | 1,737,438 |
| Accumulated depreciation | (316,189) | (285,814) |
| Net real estate investments | 1,580,009 | 1,451,624 |
| Real estate investments held for sale | — | 80,751 |
| Cash and cash equivalents | 54,700 | 35,247 |
| Restricted cash | 4,865 | 5,196 |
| Accounts receivable, net | 35,400 | 29,576 |
| Notes receivable, net | 141,816 | 126,429 |
| Construction receivables, including retentions, net | 47,865 | 17,865 |
| Construction contract costs and estimated earnings in excess of billings | 232 | 243 |
| Equity method investments | 64,470 | 12,685 |
| Operating lease right-of-use assets | 23,416 | 23,493 |
| Finance lease right-of-use assets | 46,155 | 46,989 |
| Acquired lease intangible assets | 103,297 | 62,038 |
| Other assets | 85,346 | 45,927 |
| Total Assets | \$ 2,187,571 | \$ 1,938,063 |
| LIABILITIES AND EQUITY | | |
| Indebtedness, net | \$ 1,041,576 | \$ 917,556 |
| Liabilities related to assets held for sale | — | 41,364 |
| Accounts payable and accrued liabilities | 24,301 | 29,589 |
| Construction payables, including retentions | 63,376 | 31,166 |
| Billings in excess of construction contract costs and estimated earnings | 15,736 | 4,881 |
| Operating lease liabilities | 31,708 | 31,648 |
| Finance lease liabilities | 46,409 | 46,160 |
| Other liabilities | 53,551 | 55,876 |
| Total Liabilities | 1,276,657 | 1,158,240 |
| Total Equity | 910,914 | 779,823 |
| Total Liabilities and Equity | \$ 2,187,571 | \$ 1,938,063 |

ARMADA HOFFLER PROPERTIES, INC.
CONDENSED CONSOLIDATED INCOME STATEMENTS
(in thousands, except per share amounts)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|-----------------|------------------------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | (Unaudited) | | | |
| Revenues | | | | |
| Rental revenues | \$ 53,743 | \$ 49,560 | \$ 163,602 | \$ 142,679 |
| General contracting and real estate services revenues | 69,024 | 17,502 | 138,947 | 71,473 |
| Total revenues | <u>122,767</u> | <u>67,062</u> | <u>302,549</u> | <u>214,152</u> |
| Expenses | | | | |
| Rental expenses | 12,747 | 12,717 | 38,101 | 34,841 |
| Real estate taxes | 5,454 | 5,543 | 16,695 | 16,314 |
| General contracting and real estate services expenses | 66,252 | 15,944 | 133,491 | 68,350 |
| Depreciation and amortization | 17,527 | 16,886 | 54,865 | 52,237 |
| Amortization of right-of-use assets - finance leases | 278 | 278 | 833 | 745 |
| General and administrative expenses | 3,854 | 3,449 | 12,179 | 10,957 |
| Acquisition, development and other pursuit costs | — | 8 | 37 | 111 |
| Impairment charges | — | — | 333 | 3,122 |
| Total expenses | <u>106,112</u> | <u>54,825</u> | <u>256,534</u> | <u>186,677</u> |
| Gain (loss) on real estate dispositions, net | 33,931 | (113) | 53,424 | 3,604 |
| Operating income | <u>50,586</u> | <u>12,124</u> | <u>99,439</u> | <u>31,079</u> |
| Interest income | 3,490 | 3,766 | 10,410 | 14,628 |
| Interest expense | (10,345) | (8,827) | (28,747) | (25,220) |
| Loss on extinguishment of debt | (2,123) | (120) | (2,899) | (120) |
| Change in fair value of derivatives and other | 782 | 131 | 7,512 | 838 |
| Unrealized credit loss release (provision) | 42 | 617 | (858) | 284 |
| Other income (expense), net | 118 | 15 | 415 | 201 |
| Income before taxes | <u>42,550</u> | <u>7,706</u> | <u>85,272</u> | <u>21,690</u> |
| Income tax (provision) benefit | (181) | 42 | 140 | 522 |
| Net income | <u>42,369</u> | <u>7,748</u> | <u>85,412</u> | <u>22,212</u> |
| Net income attributable to noncontrolling interests in investment entities | (5,583) | — | (5,811) | — |
| Preferred stock dividends | (2,887) | (2,887) | (8,661) | (8,661) |
| Net income attributable to common stockholders and OP Unitholders | <u>\$ 33,899</u> | <u>\$ 4,861</u> | <u>\$ 70,940</u> | <u>\$ 13,551</u> |

ARMADA HOFFLER PROPERTIES, INC.
RECONCILIATION OF NET INCOME TO FFO & NORMALIZED FFO
(in thousands, except per share amounts)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|------------------|------------------------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | (Unaudited) | | | |
| Net income attributable to common stockholders and OP Unitholders | \$ 33,899 | \$ 4,861 | \$ 70,940 | \$ 13,551 |
| Depreciation and amortization ⁽¹⁾ | 17,290 | 16,886 | 54,084 | 52,237 |
| Loss (gain) on operating real estate dispositions, net ⁽²⁾ | (28,502) | 113 | (47,995) | (3,351) |
| Impairment of real estate assets | — | — | 201 | 3,039 |
| FFO attributable to common stockholders and OP Unitholders | \$ 22,687 | \$ 21,860 | \$ 77,230 | \$ 65,476 |
| Acquisition, development and other pursuit costs | — | 8 | 37 | 111 |
| Impairment of intangible assets and liabilities | — | — | 132 | 83 |
| Loss on extinguishment of debt | 2,123 | 120 | 2,899 | 120 |
| Unrealized credit loss provision (release) | (42) | (617) | 858 | (284) |
| Amortization of right-of-use assets - finance leases | 278 | 278 | 833 | 745 |
| Change in fair value of derivatives not designated as cash flow hedges and other | (782) | (131) | (7,512) | (838) |
| Amortization of interest rate cap premiums on designated cash flow hedges | 1,525 | 59 | 2,048 | 176 |
| Normalized FFO available to common stockholders and OP Unitholders | \$ 25,789 | \$ 21,577 | \$ 76,525 | \$ 65,589 |
| Net income attributable to common stockholders and OP Unitholders per diluted share and unit | \$ 0.38 | \$ 0.06 | \$ 0.80 | \$ 0.17 |
| FFO attributable to common stockholders and OP Unitholders per diluted share and unit | \$ 0.26 | \$ 0.27 | \$ 0.88 | \$ 0.81 |
| Normalized FFO attributable to common stockholders and OP Unitholders per diluted share and unit | \$ 0.29 | \$ 0.26 | \$ 0.87 | \$ 0.81 |
| Weighted average common shares and units - diluted | 88,341 | 81,936 | 88,143 | 81,164 |

(1) The adjustment for depreciation and amortization for the three and nine months ended September 30, 2022 excludes \$0.2 million and \$0.8 million, respectively, of depreciation attributable to our joint venture partners.

(2) The adjustment for gain on operating real estate dispositions for the three and nine months ended September 30, 2022 excludes \$5.4 million of the gain on The Residence at Annapolis Junction that was allocated to our joint venture partner. Additionally, the adjustment for gain on operating real estate dispositions for the nine months ended September 30, 2021 excludes the gain on sale of easement rights on a non-operating parcel.

ARMADA HOFFLER PROPERTIES, INC.
RECONCILIATION OF NET INCOME TO SAME STORE NOI, CASH BASIS
(in thousands) (unaudited)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|-----------------|------------------------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Office Same Store⁽¹⁾ | | | | |
| Same Store NOI, Cash Basis | \$ 6,177 | \$ 6,357 | \$ 19,340 | \$ 19,201 |
| GAAP Adjustments ⁽²⁾ | 178 | 70 | 302 | 714 |
| Same Store NOI | 6,355 | 6,427 | 19,642 | 19,915 |
| Non-Same Store NOI ⁽³⁾ | 5,402 | 550 | 15,173 | 1,869 |
| Segment NOI | 11,757 | 6,977 | 34,815 | 21,784 |
| Retail Same Store⁽⁴⁾ | | | | |
| Same Store NOI, Cash Basis | 13,813 | 13,360 | 39,539 | 36,817 |
| GAAP Adjustments ⁽²⁾ | 844 | 816 | 1,283 | 1,588 |
| Same Store NOI | 14,657 | 14,176 | 40,822 | 38,405 |
| Non-Same Store NOI ⁽³⁾ | 940 | 677 | 6,406 | 3,851 |
| Segment NOI | 15,597 | 14,853 | 47,228 | 42,256 |
| Multifamily Same Store⁽⁵⁾ | | | | |
| Same Store NOI, Cash Basis | 6,492 | 6,065 | 19,638 | 17,528 |
| GAAP Adjustments ⁽²⁾ | 214 | 232 | 639 | 597 |
| Same Store NOI | 6,706 | 6,297 | 20,277 | 18,125 |
| Non-Same Store NOI ⁽³⁾ | 1,482 | 3,173 | 6,486 | 9,359 |
| Segment NOI | 8,188 | 9,470 | 26,763 | 27,484 |
| Total Property NOI | 35,542 | 31,300 | 108,806 | 91,524 |
| General contracting & real estate services gross profit | 2,772 | 1,558 | 5,456 | 3,123 |
| Depreciation and amortization | (17,527) | (16,886) | (54,865) | (52,237) |
| Amortization of right-of-use assets - finance leases | (278) | (278) | (833) | (745) |
| General and administrative expenses | (3,854) | (3,449) | (12,179) | (10,957) |
| Acquisition, development and other pursuit costs | — | (8) | (37) | (111) |
| Impairment charges | — | — | (333) | (3,122) |
| Gain (loss) on real estate dispositions, net | 33,931 | (113) | 53,424 | 3,604 |
| Interest income | 3,490 | 3,766 | 10,410 | 14,628 |
| Interest expense | (10,345) | (8,827) | (28,747) | (25,220) |
| Loss on extinguishment of debt | (2,123) | (120) | (2,899) | (120) |
| Change in fair value of derivatives and other | 782 | 131 | 7,512 | 838 |
| Unrealized credit loss release (provision) | 42 | 617 | (858) | 284 |
| Other income (expense), net | 118 | 15 | 415 | 201 |
| Income tax (provision) benefit | (181) | 42 | 140 | 522 |
| Net income | 42,369 | 7,748 | 85,412 | 22,212 |
| Net income attributable to noncontrolling interests in investment entities | (5,583) | — | (5,811) | — |
| Preferred stock dividends | (2,887) | (2,887) | (8,661) | (8,661) |
| Net income attributable to AHH and OP unitholders | \$ 33,899 | \$ 4,861 | \$ 70,940 | \$ 13,551 |

(1) Office same-store portfolio excludes Constellation Office and Wills Wharf.

- (2) GAAP Adjustments include adjustments for straight-line rent, termination fees, deferred rent, recoveries of deferred rent, and amortization of lease incentives.
- (3) Includes expenses associated with the Company's in-house asset management division.
- (4) Retail same-store portfolio excludes Delray Beach Plaza, Greenbrier Square, Overlook Village, and Premier Retail.
- (5) Multifamily same-store portfolio excludes Gainesville Apartments, 1305 Dock Street.

Contact:

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Director of Corporate Communications and Investor Relations
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3Q22

SUPPLEMENTAL FINANCIAL PACKAGE

 **ARMADA HOFFLER**

The Cosmopolitan in Town Center of Virginia Beach

FORWARD-LOOKING STATEMENTS



This Supplemental Financial Package should be read in conjunction with the unaudited condensed consolidated financial statements appearing in our press release dated November 8, 2022, which has been furnished as Exhibit 99.1 to our Form 8-K filed on November 8, 2022. The Company makes statements in this Supplemental Financial Package that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), and, as such, may involve known and unknown risks and uncertainties, and other factors that may cause the actual results or performance to differ from those projected in the forward-looking statement. These forward-looking statements may include comments relating to the current and future performance of the Company's operating property portfolio, the Company's development pipeline, the Company's Mezzanine program, the Company's construction and development business, including backlog and timing of deliveries and estimated costs, financing activities, as well as acquisitions, dispositions, and the Company's financial outlook, guidance, and expectations. For a description of factors that may cause the Company's actual results or performance to differ from its forward-looking statements, please review the information under the heading "Risk Factors" included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021 and the other documents filed by the Company with the Securities and Exchange Commission (the "SEC") from time to time. The Company's actual future results and trends may differ materially from expectations depending on a variety of factors discussed in the Company's filings with the SEC from time to time. The Company expressly disclaims any obligation or undertaking to update or revise any forward-looking statement contained herein, to reflect any change in the Company's expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based, except to the extent otherwise required by applicable law.

Armada Hoffler (NYSE: AHH) is a vertically integrated, self-managed real estate investment trust with over four decades of experience developing, building, acquiring, and managing high-quality office, retail, and multifamily properties located primarily in the Mid-Atlantic and Southeastern United States. The Company also provides general construction and development services to third-party clients, in addition to developing and building properties to be placed in their stabilized portfolio. Founded in 1979 by Daniel A. Hoffler, Armada Hoffler has elected to be taxed as a REIT for U.S. federal income tax purposes. For more information visit ArmadaHoffler.com.

BOARD OF DIRECTORS

Daniel A. Hoffler, Executive Chairman of the Board
Louis S. Haddad, Vice Chairman of the Board
James C. Cherry, Lead Independent Director
George F. Allen, Independent Director
James A. Carroll, Independent Director
Dennis H. Gartman, Independent Director
Eva S. Hardy, Independent Director
A. Russell Kirk, Director
John W. Snow, Independent Director

CORPORATE OFFICERS

Louis S. Haddad, President and Chief Executive Officer
Matthew T. Barnes-Smith, Chief Financial Officer
Shawn J. Tibbetts, Chief Operating Officer
Eric E. Apperson, President of Construction
Shelly R. Hampton, President of Asset Management

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HIGHLIGHTS

- Net income attributable to common stockholders and OP Unit holders of \$33.9 million, or \$0.38 per diluted share, compared to \$4.9 million, or \$0.06 per diluted share, for the three months ended September 30, 2021.
- Funds from operations attributable to common stockholders and OP Unit holders ("FFO") of \$22.7 million, or \$0.26 per diluted share, compared to \$21.9 million, or \$0.27 per diluted share, for the three months ended September 30, 2021. See "Non-GAAP Financial Measures."
- Normalized funds from operations attributable to common stockholders and OP Unit holders ("Normalized FFO") of \$25.8 million, or \$0.29 per diluted share, compared to \$21.6 million, or \$0.26 per diluted share, for the three months ended September 30, 2021.
- Raised 2022 full-year Normalized FFO guidance to \$1.18 to \$1.20 per diluted share from the Company's previous guidance range of \$1.16 to \$1.20 per diluted share. This represents a 11% increase over 2021 results.
- Portfolio wide occupancy exceeded 97% for the third consecutive quarter. Retail occupancy reached an all-time high of 98%.
- Executed a new 60,000 square foot lease with Franklin Templeton at Wills Wharf, bringing the building to 91% leased.
- Executed a new 18,000 square foot office lease with Old Dominion University at the Town Center of Virginia Beach for ODU's Institute of Data Science and Coastal Virginia Center for Cyber Innovation.
- Subsequent to the end of the third quarter, executed a new 46,000 square foot lease with Morgan Stanley at Thames Street Wharf that expands the tenant's space to over 240,000 square feet and extends their lease term to 2035.
- Same Store net operating income ("NOI") increased 3.0% on a GAAP basis and 2.7% on a cash basis compared to the quarter ended September 30, 2021.
 - Commercial same store NOI increased 2.0% on a GAAP basis and 1.4% on a cash basis.
 - Multifamily same store NOI increased 6.5% on a GAAP and 7.0% on a cash basis.
- Positive GAAP releasing spreads during the third quarter of 10.7% for retail lease renewals and 3.3% for office lease renewals.
- Multifamily lease rates increased 7.6% during the third quarter of 2022. Rental rates on new lease trade outs increased 8.8% and rental rates on lease renewals increased 6.3%.
- Amended and restated the existing \$355 million unsecured credit facility, increased the borrowing capacity of the Company's unsecured credit facility to \$550 million, with an option to expand to \$1.0 billion, and extended to the terms of the revolving line of credit and term loan components to 2027 and 2028, respectively.
- Closed on the \$150 million sale of The Residences at Annapolis Junction at a 4.15% cap rate.

2022 OUTLOOK & ASSUMPTIONS

| <i>OUTLOOK⁽¹⁾</i> | <i>LOW</i> | <i>HIGH</i> |
|--|------------|-------------|
| <i>TOTAL NOI</i> | \$145.2M | \$146.0M |
| <i>CONSTRUCTION SEGMENT GROSS PROFIT</i> | \$7.8M | \$8.4M |
| <i>G&A EXPENSES</i> | \$16.0M | \$16.5M |
| <i>INTEREST INCOME</i> | \$14.6M | \$15.0M |
| <i>INTEREST EXPENSE⁽²⁾</i> | \$35.4M | \$36.1M |
| <i>NORMALIZED FFO PER DILUTED SHARE</i> | \$1.18 | \$1.20 |

(1) See appendix for definitions. Ranges exclude certain items as per definition.

(2) Includes the interest expense on finance leases.

GUIDANCE ASSUMPTIONS

- Anticipated sale of Interlock in 2023
- Acquisition of a \$26.5 million grocery-anchored retail asset
- New \$125 million unsecured term loan projected to close late November 2022
- Interest expense based on Forward Yield Curve, which forecasts rates ending the year at 4.4%

SUMMARY INFORMATION



\$ IN THOUSANDS, EXCEPT PER SHARE

| | Three Months Ended | | | |
|---|----------------------|----------------------|----------------------|-------------|
| | 9/30/2022 | 6/30/2022 | 3/31/2022 | 12/31/2021 |
| OPERATIONAL METRICS | | | | |
| Net Income Attributable to Common Stockholders and OP Unitholders | \$33,899 | \$27,752 | \$9,289 | \$361 |
| Net Income per Diluted Share Attributable to Common Stockholders and OP Unitholders | \$0.38 | \$0.31 | \$0.11 | \$0.00 |
| Normalized FFO Attributable to Common Stockholders and OP Unitholders | 25,789 | 26,203 | 24,533 | 21,907 |
| Normalized FFO per Diluted Share Attributable to Common Stockholders and OP Unitholders | \$0.29 | \$0.30 | \$0.28 | \$0.27 |
| Stabilized Portfolio Debt / Stabilized Portfolio Adjusted EBITDA | 4.9x | 5.5x | 5.6x | 5.4x |
| Fixed charge coverage ratio | 2.4x | 2.5x | 2.6x | 2.3x |
| CAPITALIZATION | | | | |
| Common Shares Outstanding | 67,730 | 67,730 | 67,695 | 63,012 |
| Operating Partnership Units Outstanding | 20,611 | 20,621 | 20,622 | 20,633 |
| Common Shares and Operating Partnership Units Outstanding | 88,341 | 88,351 | 88,317 | 83,645 |
| Market Price per Common Share ⁽¹⁾ | \$10.38 | \$12.84 | \$14.60 | \$15.22 |
| Common Equity Capitalization | 916,979 | 1,134,427 | 1,289,428 | 1,273,077 |
| Preferred Equity Capitalization | 171,085 | 171,085 | 171,085 | 171,085 |
| Total Equity Capitalization | 1,088,064 | 1,305,512 | 1,460,513 | 1,444,162 |
| Total Debt ⁽²⁾ | 1,042,955 | 1,165,108 | 1,179,296 | 957,387 |
| Total Capitalization | \$2,131,019 | \$2,470,620 | \$2,639,809 | \$2,401,549 |
| STABILIZED PORTFOLIO OCCUPANCY⁽³⁾ | | | | |
| Retail | 98.0% | 97.1% | 96.7% | 96.0% |
| Office | 96.8% | 97.9% | 97.3% | 96.8% |
| Multifamily | 96.4% ⁽⁴⁾ | 97.2% ⁽⁴⁾ | 97.3% ⁽⁴⁾ | 97.4% |
| Weighted Average ⁽⁵⁾ | 97.1% | 97.3% | 97.1% | 96.7% |
| STABILIZED PORTFOLIO | | | | |
| Commercial | | | | |
| <i>Retail Portfolio</i> | | | | |
| Net Operating Income | \$15,597 | \$15,940 | \$15,691 | \$15,389 |
| Number of Properties | 37 | 37 | 37 | 37 |
| Net Rentable Square Feet | 3,791,820 | 3,798,868 | 4,067,360 | 4,067,355 |
| <i>Office Portfolio</i> | | | | |
| Net Operating Income | \$11,757 | \$11,679 | \$11,379 | \$7,055 |
| Number of Properties | 9 | 8 | 8 | 7 |
| Net Rentable Square Feet | 2,120,341 | 1,792,350 | 1,792,054 | 1,301,319 |
| Multifamily | | | | |
| <i>Multifamily Portfolio</i> | | | | |
| Net Operating Income | \$8,188 | \$9,083 | \$9,492 | \$9,826 |
| Number of Properties | 10 | 10 | 12 | 11 |
| Units | 2,254 | 2,447 | 2,447 | 2,344 |
| Beds | - | - | 615 | 615 |

(1) As of market close on last day of period.

(2) Excludes GAAP adjustments.

(3) See appendix for definitions.

(4) See appendix for 2022 multifamily occupancy calculation.

(5) Total occupancy weighted by annualized base rent.

SUMMARY INCOME STATEMENT

\$ IN THOUSANDS, EXCEPT PER SHARE



| | Three Months Ended | | Nine Months Ended | |
|--|--------------------|-----------|-------------------|-----------|
| | 9/30/2022 | 9/30/2021 | 9/30/2022 | 9/30/2021 |
| Revenues | | | | |
| Rental Revenues | \$53,743 | \$49,560 | \$163,602 | \$142,679 |
| General Contracting Revenues | 69,024 | 17,502 | 138,947 | 71,473 |
| Total Revenues | 122,767 | 67,062 | 302,549 | 214,152 |
| Expenses | | | | |
| Rental Expenses | 12,747 | 12,717 | 38,101 | 34,841 |
| Real Estate Taxes | 5,454 | 5,543 | 16,695 | 16,314 |
| General Contracting Expenses | 66,252 | 15,944 | 133,491 | 68,350 |
| Depreciation and Amortization | 17,527 | 16,886 | 54,865 | 52,237 |
| Amortization of Right-of-Use Assets - Finance Leases | 278 | 278 | 833 | 745 |
| General & Administrative Expenses | 3,854 | 3,449 | 12,179 | 10,957 |
| Acquisition, Development & Pursuit Costs | - | 8 | 37 | 111 |
| Impairment Charges | - | - | 333 | 3,122 |
| Total Expenses | 106,112 | 54,825 | 256,534 | 186,677 |
| Gain on Real Estate Dispositions | 33,931 | (113) | 53,424 | 3,604 |
| Operating Income | 50,586 | 12,124 | 99,439 | 31,079 |
| Interest Income | 3,490 | 3,766 | 10,410 | 14,628 |
| Interest Expense | (10,345) | (8,827) | (28,747) | (25,220) |
| Loss on Extinguishment of Debt | (2,123) | (120) | (2,899) | (120) |
| Change in Fair Value of Derivatives and Other | 782 | 131 | 7,512 | 838 |
| Unrealized Credit Loss Release (Provision) | 42 | 617 | (858) | 284 |
| Other Income (Expense), Net | 118 | 15 | 415 | 201 |
| Income Before Taxes | 42,550 | 7,706 | 85,272 | 21,690 |
| Income Tax Benefit (Provision) | (181) | 42 | 140 | 522 |
| Net Income | \$42,369 | \$7,748 | \$85,412 | \$22,212 |
| Net Loss Attributable to Noncontrolling Interest in Investment Entities | (5,583) | - | (5,811) | - |
| Preferred Stock Dividends | (2,887) | (2,887) | (8,661) | (8,661) |
| Net Income Attributable to AHH and OP Unitholders | \$33,899 | \$4,861 | \$70,940 | \$13,551 |
| Net Income per Diluted Share and Unit Attributable to AHH and OP Unitholders | \$0.38 | \$0.06 | \$0.80 | \$0.17 |
| Weighted Average Shares & OP Units - Diluted | 88,341 | 81,936 | 88,143 | 81,164 |

SUMMARY BALANCE SHEET

\$ IN THOUSANDS



| | As Of | |
|---|--------------------------|--------------------|
| | 9/30/2022 (Unaudited) | 12/31/2021 |
| Assets | | |
| Real Estate Investments: | | |
| Income Producing Property | \$1,797,547 | \$1,658,609 |
| Held for Development | 6,294 | 6,294 |
| Construction in Progress | 92,357 | 72,535 |
| Accumulated Depreciation | <u>(316,189)</u> | <u>(285,814)</u> |
| Net Real Estate Investments | 1,580,009 | 1,451,624 |
| Real Estate Investments Held for Sale | - | 80,751 |
| Cash and Cash Equivalents | 54,700 | 35,247 |
| Restricted Cash | 4,865 | 5,196 |
| Accounts Receivable, Net | 35,400 | 29,576 |
| Notes Receivable | 141,816 | 126,429 |
| Construction Receivables, Including Retentions | 47,865 | 17,865 |
| Costs in Excess of Earnings | 232 | 243 |
| Equity Method Investments | 64,470 | 12,685 |
| Operating Lease Right-of-Use Assets | 23,416 | 23,493 |
| Finance Lease Right-of-Use Assets | 46,155 | 46,989 |
| Acquired Intangibles | 103,297 | 62,038 |
| Other Assets | 85,346 | 45,927 |
| Total Assets | <u>\$2,187,571</u> | <u>\$1,938,063</u> |
| Liabilities and Equity | | |
| Indebtedness, Net | \$1,041,576 | \$917,556 |
| Liabilities Related to Assets Held for Sale | - | 41,364 |
| Accounts Payable and Accrued Liabilities | 24,301 | 29,589 |
| Construction Payables | 63,376 | 31,166 |
| Billings in Excess of Construction Contract Costs and Est. Earnings | 15,736 | 4,881 |
| Operating Lease Liabilities | 31,708 | 31,648 |
| Finance Lease Liabilities | 46,409 | 46,160 |
| Other Liabilities | <u>53,551</u> | <u>55,876</u> |
| Total Liabilities | 1,276,657 | 1,158,240 |
| Total Equity | 910,914 | 779,823 |
| Total Liabilities and Equity | <u>\$2,187,571</u> | <u>\$1,938,063</u> |

FFO, NORMALIZED FFO & AFFO⁽¹⁾

\$ IN THOUSANDS, EXCEPT PER SHARE



| | Three Months Ended (Unaudited) | | | | Nine Months Ended (Unaudited) | |
|---|--------------------------------|-----------|-----------|-----------------------|-------------------------------|----------------------|
| | 9/30/2022 | 6/30/2022 | 3/31/2022 | 12/31/2021 | 9/30/2022 | 9/30/2021 |
| Funds From Operations | | | | | | |
| Net Income Attributable to AHH and OP Unitholders | \$33,899 | \$27,752 | \$9,289 | \$361 | \$70,940 | \$13,551 |
| Net Income per Diluted Share | \$0.38 | \$0.31 | \$0.11 | \$0.00 | \$0.80 | \$0.17 |
| Depreciation and Amortization ⁽²⁾ | 17,290 | 18,509 | 18,285 | 16,616 | 54,084 | 52,237 |
| Gain on Dispositions of Operating Real Estate ⁽³⁾ | (28,502) | (19,493) | - | (15,442) | (47,995) | (3,351) |
| Impairment of Real Estate Assets | - | 201 | - | 18,339 ⁽⁴⁾ | 201 | 3,039 ⁽⁷⁾ |
| FFO | \$22,687 | \$26,969 | \$27,574 | \$19,874 | \$77,230 | \$65,476 |
| FFO per Diluted Share | \$0.26 | \$0.31 | \$0.31 | \$0.24 | \$0.88 | \$0.81 |
| Normalized FFO | | | | | | |
| Acquisition, Development & Other Pursuit Costs | - | 26 | 11 | 1 | 37 | 111 |
| Loss on Extinguishment of Debt | 2,123 | 618 | 158 | 3,690 | 2,899 | 120 |
| Non-Cash GAAP Adjustments | 236 | 657 | 930 | (314) | 1,823 | 544 |
| Change in Fair Value of Derivatives and Other | (782) | (2,548) | (4,182) | (1,344) | (7,512) | (838) |
| Amortization of Interest Rate Cap Premium on Designated Cash Flow Hedges | 1,525 | 481 | 42 | 59 | 2,048 | 176 |
| Normalized FFO | \$25,789 | \$26,203 | \$24,533 | \$21,966 | \$76,525 | \$65,589 |
| Normalized FFO per Diluted Share | \$0.29 | \$0.30 | \$0.28 | \$0.27 | \$0.87 | \$0.81 |
| Adjusted FFO | | | | | | |
| Non-Cash Stock Compensation | 614 | 506 | 1,609 | 400 | 2,729 | 1,830 |
| Acquisition, Development & Other Pursuit Costs | - | (26) | (11) | (1) | (37) | (111) |
| Tenant Improvements, Leasing Commissions, Lease Incentives ⁽⁵⁾ | (639) | (1,242) | (2,873) | (1,212) | (4,754) | (4,638) |
| Property-Related Capital Expenditures | (2,417) | (2,296) | (3,735) | (3,145) | (8,448) | (6,735) |
| Adjustment for Mezz Loan Modification and Exit Fees | (209) | (209) | (493) | (493) | (911) | (1,479) |
| Non-Cash Interest Expense ⁽⁶⁾ | 1,336 | 1,395 | 1,509 | 1,272 | 4,240 | 3,622 |
| Cash Ground Rent Payment - Finance Lease | (635) | (635) | (635) | (624) | (1,905) | (1,663) |
| GAAP Adjustments | (1,762) | (1,622) | (1,490) | (666) | (4,874) | (3,638) |
| AFFO | \$22,077 | \$22,074 | \$18,414 | \$17,497 | \$62,565 | \$52,777 |
| AFFO per Diluted Share | \$0.25 | \$0.25 | \$0.21 | \$0.21 | \$0.71 | \$0.65 |
| Weighted Average Common Shares Outstanding | 67,730 | 67,710 | 67,128 | 61,646 | 67,525 | 60,310 |
| Weighted Average Operating Partnership Units Outstanding | 20,611 | 20,621 | 20,621 | 20,634 | 20,618 | 20,854 |
| Total Weighted Average Common Shares and OP Units Outstanding | 88,341 | 88,331 | 87,749 | 82,280 | 88,143 | 81,164 |

(1) See definitions in appendix.

(2) Adjusted for the depreciation attributable to noncontrolling interests in consolidated investments.

(3) Excludes gain/loss attributable to noncontrolling interests in consolidated investments and the disposition of non-operating parcels.

(4) Related to Hoffer Place and Summit Place.

(5) Excludes development, redevelopment, and first-generation space.

(6) Includes non-cash interest expense relating to indebtedness and interest expense on finance leases.

(7) Related to Socastee Commons.

NET ASSET VALUE COMPONENT DATA

\$ AND SHARES/UNITS IN THOUSANDS



| Stabilized Portfolio NOI (Cash) | | | | Liabilities ⁽⁴⁾ | |
|---|------------------------------|-----------------|-----------------|----------------------------|--|
| | Three months ended 9/30/2022 | | | As of 9/30/2022 | |
| | Office ⁽³⁾ | Retail | Multifamily | Total | |
| Stable Portfolio | | | | | |
| Portfolio NOI ⁽²⁾⁽³⁾ | \$11,238 | \$14,983 | \$8,153 | \$34,374 | Mortgages and Notes Payable ⁽⁵⁾ \$1,042,955 |
| Non-Stabilized Properties NOI | - | - | - | - | Accounts Payable and Accrued Liabilities 24,301 |
| Signed Leases Not Yet Occupied or in Free Rent Period | 1,219 | 492 | 6 | 1,717 | Construction Payables, Including Retentions 63,376 |
| Stable Portfolio NOI | \$12,457 | \$15,475 | \$8,159 | \$36,091 | Other Liabilities ⁽⁴⁾ 67,687 |
| Intra-Quarter Transactions | | | | | Total Liabilities \$1,198,319 |
| Net Acquisitions | - | - | - | - | |
| Net Dispositions | - | (11) | (357) | (368) | |
| Annualized | \$49,828 | \$61,856 | \$31,208 | \$142,892 | |
| Non-Stabilized Portfolio | | | | Common Equity | |
| | | | | | |
| Projects Under Development | | | | \$85,000 | Total Common Shares Outstanding 67,730 |
| Properties in Lease Up | | | | - | Total OP Units Outstanding 20,611 |
| Development Opportunities | | | | 17,000 | Total Common Shares & OP Units Outstanding 88,341 |
| Unconsolidated JV Development | | | | 65,000 | |
| Total Non-Stabilized Portfolio | | | | \$167,000 | |
| Third-Party General Contracting and Real Estate Services | | | | Trailing 12 Months | |
| | | | | | |
| General Contracting Gross Profit | | | | \$6,169 | |
| Non-Property Assets⁽⁴⁾ | | | | As of 9/30/2022 | |
| | | | | | |
| Cash and Restricted Cash | | | | \$59,565 | |
| Accounts Receivable | | | | 35,400 | |
| Notes Receivable and Other Notes Receivable ⁽⁵⁾ | | | | 26,048 | |
| Preferred Equity / Mezzanine Investments ⁽⁵⁾ | | | | 116,252 | |
| Construction Receivables, Including Retentions ⁽³⁾ | | | | 48,048 | |
| Acquired Lease Intangible Assets, Net | | | | 103,297 | |
| Other Assets / Costs in Excess of Earnings | | | | 85,578 | |
| Total Non-Property Assets | | | | \$474,188 | |

(1) Excludes expenses associated with the Company's in-house asset management division of \$0.7M for the 3 months ended 9/30/2022.

(2) Includes 100% of joint ventures.

(3) Includes leases for spaces occupied by Armada Hoffer which are eliminated for GAAP purposes.

(4) Excludes lease right of use assets and lease liabilities.

(5) Excludes GAAP adjustments.

STABILIZED PORTFOLIO SUMMARY

AS OF SEPTEMBER 30, 2022
SEE APPENDIX FOR FULL LIST OF PROPERTIES



COMMERCIAL PORTFOLIO

| Retail Properties | # of Properties | Net Rentable SF | Average Age | Occupied SF | Occupancy ⁽¹⁾ | ABR ⁽¹⁾ | ABR per Occupied SF |
|-------------------------------|-----------------|------------------|-------------|------------------|--------------------------|---------------------|---------------------|
| Town Center of Virginia Beach | 9 | 494,317 | 16 | 483,884 | 97.9% | \$11,874,085 | \$24.54 |
| Grocery Anchored | 15 | 1,400,564 | 12 | 1,370,101 | 97.8% | 22,540,288 | 16.45 |
| Regional Centers | 13 | 1,896,939 | 17 | 1,861,945 | 98.2% | 34,589,043 | 18.58 |
| Total Retail Portfolio | 37 | 3,791,820 | 15 | 3,715,930 | 98.0% | \$69,003,416 | \$18.57 |

| Office Properties | # of Properties | Net Rentable SF | Average Age | Occupied SF | Occupancy ⁽¹⁾ | ABR ⁽¹⁾ | ABR per Occupied SF |
|-------------------------------------|-----------------|------------------|-------------|------------------|--------------------------|---------------------|---------------------|
| Town Center of Virginia Beach | 4 | 788,529 | 20 | 780,174 | 98.9% | \$22,682,009 | \$29.07 |
| Harbor Point - Baltimore Waterfront | 3 | 1,082,152 | 7 | 1,038,302 | 95.9% | 31,488,495 | 30.33 |
| Other | 2 | 249,660 | 3 | 233,501 | 93.5% | 6,320,386 | 27.07 |
| Stabilized Office Total | 9 | 2,120,341 | 12 | 2,051,977 | 96.8% | \$60,490,890 | \$29.48 |

MULTIFAMILY PORTFOLIO

| Multifamily Properties | # of Properties | Units | Average Age | Occupied Units | Occupancy ⁽¹⁾ | AQR ⁽¹⁾ | Monthly AQR per Occupied Unit |
|-------------------------------------|-----------------|--------------|-------------|----------------|--------------------------|---------------------|-------------------------------|
| Town Center of Virginia Beach | 3 | 759 | 9 | 727 | 95.8% | \$17,215,080 | \$1,974 |
| Harbor Point - Baltimore Waterfront | 2 | 392 | 5 | 380 | 96.9% | 11,558,616 | 2,535 |
| Other | 5 | 1,103 | 7 | 1,065 | 96.6% | 21,435,876 | 1,677 |
| Stabilized Multifamily Total | 10 | 2,254 | 7 | 2,172 | 96.4% | \$50,209,572 | \$1,926 |

(1) See appendix for definitions and portfolio detail.

SAME STORE NOI BY SEGMENT

\$ IN THOUSANDS (RECONCILIATION TO GAAP LOCATED IN APPENDIX)



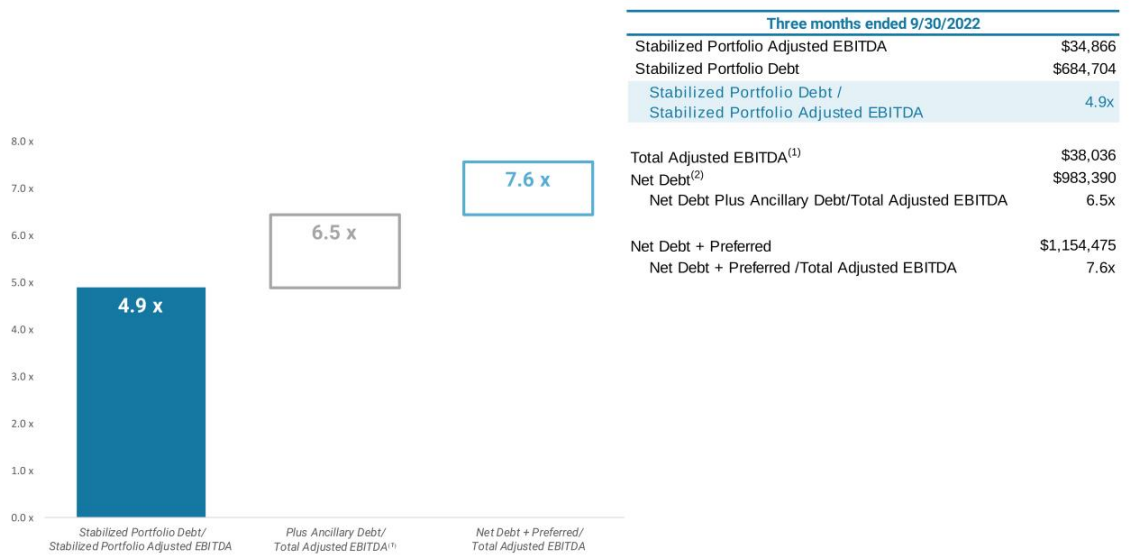
| | Three Months Ended | | | | Nine Months Ended | | | |
|--------------------------------------|--------------------|-----------|-----------|----------|-------------------|-----------|-----------|----------|
| | 9/30/2022 | 9/30/2021 | \$ Change | % Change | 9/30/2022 | 9/30/2021 | \$ Change | % Change |
| Office | | | | | | | | |
| Revenue | \$10,315 | \$10,252 | \$63 | 0.6% | \$30,861 | \$30,752 | \$109 | 0.4% |
| Rental Expenses ⁽¹⁾ | 2,563 | 2,510 | 53 | 2.1% | 7,193 | 6,934 | 259 | 3.7% |
| Real Estate Taxes | 1,397 | 1,315 | 82 | 6.2% | 4,026 | 3,903 | 123 | 3.2% |
| Net Operating Income | \$6,355 | \$6,427 | (\$72) | -1.1% | \$19,642 | \$19,915 | (\$273) | -1.4% |
| GAAP Adjustments | (178) | (70) | (108) | | (302) | (714) | 412 | |
| Net Operating Income, Cash | \$6,177 | \$6,357 | (\$180) | -2.8% | \$19,340 | \$19,201 | \$139 | 0.7% |
| Retail | | | | | | | | |
| Revenue | \$19,718 | \$19,062 | \$656 | 3.4% | \$54,650 | \$51,628 | \$3,022 | 5.9% |
| Rental Expenses ⁽¹⁾ | 3,006 | 2,878 | 128 | 4.4% | 8,053 | 7,439 | 614 | 8.3% |
| Real Estate Taxes | 2,055 | 2,008 | 47 | 2.3% | 5,775 | 5,784 | (9) | -0.2% |
| Net Operating Income | \$14,657 | \$14,176 | \$481 | 3.4% | \$40,822 | \$38,405 | \$2,417 | 6.3% |
| GAAP Adjustments | (844) | (816) | (28) | | (1,283) | (1,588) | 305 | |
| Net Operating Income, Cash | \$13,813 | \$13,360 | \$453 | 3.4% | \$39,539 | \$36,817 | \$2,722 | 7.4% |
| Multifamily | | | | | | | | |
| Revenue | \$11,222 | \$10,624 | \$598 | 5.6% | \$32,901 | \$30,399 | \$2,502 | 8.2% |
| Rental Expenses ⁽¹⁾ | 3,456 | 3,393 | 63 | 1.9% | 9,583 | 9,409 | 174 | 1.8% |
| Real Estate Taxes | 1,060 | 934 | 126 | 13.5% | 3,041 | 2,865 | 176 | 6.1% |
| Net Operating Income | \$6,706 | \$6,297 | \$409 | 6.5% | \$20,277 | \$18,125 | \$2,152 | 11.9% |
| GAAP Adjustments | (214) | (232) | 18 | | (639) | (597) | (42) | |
| Net Operating Income, Cash | \$6,492 | \$6,065 | \$427 | 7.0% | \$19,638 | \$17,528 | \$2,110 | 12.0% |
| Same Store NOI | \$27,718 | \$26,900 | \$818 | 3.0% | \$80,741 | \$76,445 | \$4,296 | 5.6% |
| GAAP Adjustments | (1,236) | (1,118) | (118) | | (2,224) | (2,899) | 675 | |
| Same Store Portfolio NOI, Cash Basis | \$26,482 | \$25,782 | \$700 | 2.7% | \$78,517 | \$73,546 | \$4,971 | 6.8% |

(1) Excludes expenses associated with the Company's in-house asset management division of \$0.7M for each of the 3 months ended 9/30/2022 & 9/30/2021.

DEBT TO ADJUSTED EBITDA

\$ IN THOUSANDS

SEE APPENDIX FOR DEFINITIONS, CALCULATIONS, AND RECONCILIATIONS



| Three months ended 9/30/2022 | |
|--|-------------|
| Stabilized Portfolio Adjusted EBITDA | \$34,866 |
| Stabilized Portfolio Debt | \$684,704 |
| Stabilized Portfolio Debt / Stabilized Portfolio Adjusted EBITDA | 4.9x |
| Total Adjusted EBITDA ⁽¹⁾ | \$38,036 |
| Net Debt ⁽²⁾ | \$983,390 |
| Net Debt Plus Ancillary Debt/Total Adjusted EBITDA | 6.5x |
| Net Debt + Preferred | \$1,154,475 |
| Net Debt + Preferred /Total Adjusted EBITDA | 7.6x |

(1) Includes income and debt related to development, mezzanine, construction, and other ancillary activities outside of our stabilized portfolio.
 (2) Total notes payable less GAAP adjustments, cash, restricted cash, and other notes payable.

DEBT MANAGEMENT

\$ IN THOUSANDS



| | Total Debt Composition ⁽¹⁾ | | |
|-----------------------------------|---------------------------------------|---------------------------|----------------|
| | % of Debt | Weighted Average | |
| | | Interest Rate | Maturity |
| Variable vs. Fixed-rate Debt | | | |
| Variable-Rate Debt ⁽²⁾ | 52.7% | 2.7% | 3.7 Yrs |
| Fixed-Rate Debt ⁽³⁾⁽⁴⁾ | 47.3% | 3.2% | 7.4 Yrs |
| Secured vs. Unsecured Debt | | | |
| Unsecured Debt | 32.2% | 2.5% | 5.2 Yrs |
| Secured Debt | 67.8% | 5.3% | 5.6 Yrs |
| Portfolio Weighted Average | | 2.9%⁽⁵⁾ | 5.5 Yrs |

| Interest Rate Cap Agreements At or Below 4.00% | | | |
|--|----------------|---------------------------------|-----------------|
| Effective Date | Maturity Date | Strike Rate | Notional Amount |
| February 2021 | February 2023 | LIBOR 0.50% | \$100,000 |
| March 2021 | April 2023 | LIBOR 2.50% | 14,479 |
| November 2020 | November 2023 | SOFR 1.84% | 84,375 |
| July 2022 | January 2024 | SOFR 1.00%-3.00% ⁽⁶⁾ | 85,100 |
| January 2022 | February 2024 | BSBY + 4.00% | 175,000 |
| April 2022 | February 2024 | BSBY 1.00%-3.00% ⁽⁶⁾ | 175,000 |
| July 2022 | March 2024 | SOFR 1.00%-3.00% ⁽⁶⁾ | 200,000 |
| May 2022 | September 2024 | SOFR 1.00%-3.00% ⁽⁶⁾ | 1,097 |
| Total Interest Rate Caps | | | \$835,051 |
| Fixed-Rate Debt ⁽³⁾⁽⁴⁾ | | | \$493,570 |
| Fixed-Rate and Hedged Debt | | | \$1,328,621 |
| Total Debt ⁽⁴⁾ | | | \$1,042,955 |
| % Fixed or Hedged | | | 100% |

(1) Includes impact of non-designated interest rate caps.

(2) Excludes debt subject to interest rate swap locks.

(3) Includes debt subject to interest rate swap locks.

(4) Excludes GAAP adjustments.

(5) Represents the weighted average interest rate of the portfolio, inclusive of caps and swaps.

(6) Represents a hedging corridor.

OUTSTANDING DEBT

\$ IN THOUSANDS



| Debt | Stated Rate | Effective Rate of as of 9/30/2022 ⁽¹⁾ | Maturity Date | Debt Maturities & Principal Payments | | | | | | | Outstanding as of 9/30/2022 |
|---|-------------------|--|---------------|--------------------------------------|------------------|-----------------|-----------------|------------------|------------------|----------------|-----------------------------|
| | | | | 2022 | 2023 | 2024 | 2025 | 2026 | Thereafter | | |
| Secured Notes Payable - Stabilized Debt | | | | | | | | | | | |
| Wills Wharf | L+2.25% | 5.39% | Jun-2023 | - | \$64,288 | - | - | - | - | - | \$64,288 |
| 249 Central Park Retail | L+1.60% | 3.85% ⁽²⁾ | Aug-2023 | 67 | 16,093 | - | - | - | - | - | 16,160 |
| Fountain Plaza Retail | L+1.60% | 3.85% ⁽²⁾ | Aug-2023 | 40 | 9,684 | - | - | - | - | - | 9,724 |
| South Retail | L+1.60% | 3.85% ⁽²⁾ | Aug-2023 | 29 | 7,065 | - | - | - | - | - | 7,094 |
| Red Mill Central | 4.80% | 4.80% | Jun-2024 | 44 | 175 | 1,838 | - | - | - | - | 2,057 |
| Gainesville Apartments | L+3.00% | 6.14% ⁽³⁾ | Aug-2024 | - | - | 30,328 | - | - | - | - | 30,328 |
| Premier Apartments | L+1.55% | 4.69% | Oct-2024 | 57 | 234 | 16,035 | - | - | - | - | 16,326 |
| Premier Retail | L+1.55% | 4.69% | Oct-2024 | 28 | 115 | 7,898 | - | - | - | - | 8,041 |
| Red Mill South | 3.57% | 3.57% | May-2025 | 83 | 338 | 351 | 4,502 | - | - | - | 5,274 |
| Market at Mill Creek | L+1.55% | 4.69% | Jul-2025 | 162 | 647 | 647 | 11,200 | - | - | - | 12,656 |
| Encore Apartments | 2.93% | 2.93% | Feb-2026 | 136 | 556 | 573 | 590 | 22,262 | - | - | 24,117 |
| 4525 Main Street | 2.93% | 2.93% | Feb-2026 | 175 | 714 | 735 | 757 | 28,578 | - | - | 30,959 |
| Thames Street Wharf | BSBY+1.30% | 2.35% ⁽²⁾ | Sep-2026 | 358 | 1,433 | 1,972 | 3,050 | 62,872 | - | - | 69,685 |
| Constellation Energy Building | BSBY+1.50% | 2.59% ⁽³⁾⁽⁴⁾ | Nov-2026 | - | - | - | - | 175,000 | - | - | 175,000 |
| Southgate Square | L+1.90% | 5.04% ⁽³⁾ | Dec-2026 | 10 | 39 | 37 | 43 | 26,470 | - | - | 26,599 |
| Nexton Square | SOFRA+1.95% | 4.99% ⁽³⁾ | Jun-2027 | 57 | 231 | 240 | 255 | 269 | 21,343 | - | 22,395 |
| Greenbrier Square | 3.74% | 3.74% | Oct-2027 | 60 | 371 | 385 | 399 | 415 | 18,370 | - | 20,000 |
| Liberty Apartments | SOFRA+1.50% | 4.54% | Oct-2027 | 86 | 350 | 364 | 384 | 402 | 19,415 | - | 21,001 |
| Lexington Square | 4.50% | 4.50% | Sep-2028 | 71 | 293 | 306 | 320 | 335 | 12,638 | - | 13,963 |
| Red Mill North | 4.73% | 4.73% | Dec-2028 | 28 | 116 | 121 | 127 | 133 | 3,582 | - | 4,107 |
| Greenside Apartments | 3.17% | 3.17% | Dec-2029 | 187 | 759 | 780 | 808 | 834 | 28,681 | - | 32,049 |
| Smiths Landing | 4.05% | 4.05% | Jun-2035 | 233 | 956 | 994 | 1,037 | 1,081 | 11,467 | - | 15,768 |
| Edison Apartments | 5.30% | 5.30% | Dec-2044 | 93 | 384 | 405 | 427 | 450 | 13,897 | - | 15,056 |
| The Cosmopolitan | 3.35% | 3.35% | Jul-2051 | 214 | 876 | 906 | 937 | 968 | 37,556 | - | 41,457 |
| Total - Secured Stabilized Debt | | | | 2,218 | 105,717 | 64,915 | 24,836 | 320,069 | 166,949 | | 684,704 |
| Secured Notes Payable - Development Pipeline | | | | | | | | | | | |
| Chronicle Mill | L+3.00% | 4.04% ⁽³⁾ | May-2024 | - | - | 22,251 | - | - | - | - | 22,251 |
| Southern Post | SOFRA+2.25% | 3.29% ⁽³⁾⁽⁴⁾ | Aug-2026 | - | - | - | - | - | - | - | - |
| Total - Development Pipeline | | | | | | 22,251 | | | | | 22,251 |
| Total Secured Notes Payable | | | | 2,218 | 105,717 | 87,166 | 24,836 | 320,069 | 166,949 | | 706,955 |
| Unsecured Stabilized Debt | | | | | | | | | | | |
| Senior Unsecured Line of Credit | SOFRA+1.30%-1.85% | 4.54% | Jan-2027 | - | - | - | - | - | - | 36,000 | 36,000 |
| Senior Unsecured Term Loan | SOFRA+1.25%-1.80% | 4.49% | Jan-2028 | - | - | - | - | - | - | 114,500 | 114,500 |
| Senior Unsecured Term Loan | L+1.25%-1.80% | 1.85%-4.37% ⁽²⁾ | Jan-2028 | - | - | - | - | - | - | 185,500 | 185,500 |
| Total - Unsecured Stabilized Debt | | | | | | | | | | 336,000 | 336,000 |
| Total Notes Payable Excluding GAAP Adjustments | | | | \$2,218 | \$105,717 | \$87,166 | \$24,836 | \$320,069 | \$502,949 | | \$1,042,955 |
| Other Notes Payable | | | | | | | | | | 9,231 | 9,231 |
| GAAP Adjustments | | | | | | | | | | (10,610) | (10,610) |
| Total Notes Payable | | | | | | | | | | | \$1,041,576 |

- (1) Excludes non-designated interest rate caps.
(2) Includes debt subject to interest rate swap locks.
(3) Subject to a rate floor.
(4) Includes debt subject to designated interest rate caps.

CAPITALIZATION & FINANCIAL RATIOS

\$ IN THOUSANDS, EXCEPT PER SHARE
AS OF SEPTEMBER 30, 2022

| Debt | % of Total | Principal Balance |
|---------------------------|------------|--------------------|
| Unsecured Credit Facility | 3% | \$36,000 |
| Unsecured Term Loans | 29% | 300,000 |
| Mortgages Payable | 68% | 706,955 |
| Total Debt | | \$1,042,955 |

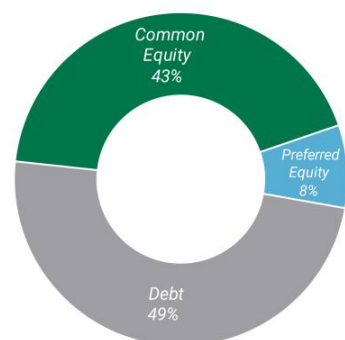
| Preferred Equity | Shares | Liquidation Value per Share | Total Liquidation Value |
|--|--------|-----------------------------|-------------------------|
| 6.75% Series A Cumulative Redeemable Perpetual Preferred Stock (NYSE: AHHPPrA) | 6,843 | \$25.00 | \$171,085 |

| Common Equity | % of Total | Shares/Units | Stock Price ⁽¹⁾ | Market Value |
|-------------------------------------|------------|---------------|----------------------------|------------------|
| Common Stock (NYSE: AHH) | 77% | 67,730 | \$10.38 | \$703,037 |
| Operating Partnership Units | 23% | 20,611 | \$10.38 | 213,942 |
| Equity Market Capitalization | | 88,341 | | \$916,979 |

| | | | | |
|-----------------------------|--|--|--|--------------------|
| Total Capitalization | | | | \$2,131,019 |
| Enterprise Value | | | | \$2,071,454 |

| Financial Ratios | |
|--|------|
| Debt Service Coverage Ratio ⁽²⁾ | 2.9x |
| Fixed Charge Coverage Ratio ⁽³⁾ | 2.4x |
| Stabilized Portfolio Debt / Stabilized Portfolio Adjusted EBITDA | 4.9x |
| Net Debt Plus Ancillary Debt / Total Adjusted EBITDA | 6.5x |
| Net Debt Plus Preferred / Total Adjusted EBITDA | 7.6x |
| Debt/Total Capitalization | 49% |

| Liquidity ⁽⁴⁾ | |
|------------------------------------|------------------|
| Cash on hand ⁽⁵⁾ | \$54,700 |
| Availability Under Credit Facility | 214,000 |
| Total Liquidity | \$268,700 |



| Unencumbered Properties | |
|---------------------------|-----|
| % of Total Properties | 60% |
| % of Annualized Base Rent | 40% |

(1) As of close of market 9/30/22.

(2) Reflects quarterly Total Adjusted EBITDA divided by total quarterly interest expense and required principal repayment.

(3) Reflects quarterly Total Adjusted EBITDA divided by total quarterly interest expense, required principal repayment, and preferred equity dividends.

(4) Excludes availability under construction loans.

(5) Inclusive of intended 1031 proceeds for pending 4Q22 acquisition.

ACTIVE DEVELOPMENT PROJECTS

\$ IN THOUSANDS

| Projects | Property Type | Estimated Size ⁽¹⁾ | % Leased or LOI | Schedule ⁽²⁾ | | | Estimated Cost ⁽³⁾ | Loan Commitment | Cost to Date | A/H Ownership % | Anchor Tenants |
|--|------------------|---|-----------------|-------------------------|-------------------|-------------------------------------|-------------------------------|--------------------|-------------------------|--------------------|----------------|
| | | | | Construction Start | Initial Occupancy | Stabilized Operation ⁽²⁾ | | | | | |
| Chronicle Mill Belmont, NC | Multifamily | 244 units / 14,700 sf | 49% | 1Q21 | 4Q22 | 4Q23 | \$57,500 | \$35,100 | \$52,000 | 85% ⁽³⁾ | |
| Southern Post Roswell, GA | Mixed-use | 137 units / 137,000 sf | - | 4Q21 | 4Q23 | 4Q24 | 118,000 | 73,600 | 33,000 | 100% | |
| Total Projects Under Development | | | | | | | \$175,500 | \$108,700 | \$85,000 | | |
| Unconsolidated JV Developments | | | | | | | | | | | |
| Projects | Property Type | Estimated Size ⁽¹⁾ | % Leased or LOI | Construction Start | Initial Occupancy | Stabilized Operation ⁽²⁾ | Estimated Cost ⁽³⁾ | Equity Requirement | Funded to Date | A/H Ownership % | Anchor Tenants |
| T. Rowe Price Global HQ Baltimore, MD | Office | 535,900 sf office / 40,530 sf retail / 250 parking spaces | 93% | 2Q22 | 3Q24 | 3Q24 | \$258,000 | \$39,000 | \$42,000 ⁽⁴⁾ | 50% | T. Rowe Price |
| Parcel 4 Mixed-Use Baltimore, MD | Mixed-Use/Garage | 312 units / 13,000 sf retail / 1,250 parking spaces | - | 2Q22 | 3Q24 | 2Q26 | 223,000 | 100,000 | 23,000 | 90% | |
| Total Unconsolidated JV Development | | | | | | | \$481,000 | \$139,000 | \$65,000 | | |
| | | Q3 2022 | Year to Date | | | | | | | | |
| Capitalized Interest | | \$1,209 | \$2,303 | | | | | | | | |
| Capitalized Overhead | | \$900 | \$2,227 | | | | | | | | |



T. Rowe Price/ Parcel 4
Baltimore, MD



Chronicle Mill
Belmont, NC

(1) Represents estimates that may change as the development and redevelopment process proceeds.
 (2) First fully-stabilized quarter. See same store definition in appendix.
 (3) Majority interest in joint venture with preferred return.
 (4) Overfunded due to timing of loan modification. Reimbursed subsequent to quarter end.

PREFERRED INVESTMENTS/MEZZANINE

\$ IN THOUSANDS AS OF SEPTEMBER 30, 2022

| | Property Type | Estimated Size ⁽¹⁾ | % Leased or LOI | Initial Occupancy | Loan Maturity | Interest Rate | Loan Balance | QTD Interest Income ⁽²⁾ |
|--|---------------|-------------------------------|-----------------|---------------------|---------------|---------------|--------------|------------------------------------|
| Outstanding Investments | | | | | | | | |
| The Interlock Atlanta, GA | Mixed-use | 300,000 sf | 90% | 1Q21 | 4Q24 | 15% | \$78,784 | \$2,363 |
| Solis Nexton ⁽³⁾ Summerville, SC | Multifamily | 320 units | 34% | 4Q22 | 4Q26 | 11% | 25,532 | 680 |
| Solis City Park ⁽³⁾ Charlotte, NC | Multifamily | 250 units | NA | 3Q23 ⁽¹⁾ | 1Q28 | 13% | 11,936 | 329 |
| | | | | | | | Total | \$116,252 |
| | | | | | | | | \$3,372 |



Solis City Park
Charlotte, NC



Solis Nexton
Summerville, SC

(1) Represents estimates that may change as the development process proceeds.
 (2) Includes amortization of fees.
 (3) Preferred equity with economic terms and accounting consistent with a loan receivable.

THIRD-PARTY CONSTRUCTION

\$ IN THOUSANDS

| | Q3 2022 | Q2 2022 | Q1 2022 | Q4 2021 | Trailing 4 Quarters |
|------------------|----------|----------|----------|----------|---------------------|
| Revenue | \$69,024 | \$45,273 | \$24,650 | \$20,463 | \$159,410 |
| Expense | (66,252) | (43,418) | (23,821) | (19,750) | (153,241) |
| Gross Profit | \$2,772 | \$1,855 | \$829 | \$713 | \$6,169 |
| Operating Margin | 4.0% | 4.1% | 3.4% | 3.5% | 3.9% |

| Third-Party Backlog as of Q3 2022 | |
|-----------------------------------|-----------|
| Beginning Backlog | \$541,215 |
| New Contracts | 53,966 |
| QTD Work Performed | (69,252) |
| Ending Backlog | \$525,929 |



Adams Hill
Greenville, SC

ACQUISITIONS & DISPOSITIONS

\$ IN THOUSANDS



| ACQUISITIONS | | | | | | |
|-------------------------------|----------------|---------------------|------------------------|---------------|---------------|--|
| Properties | Location | Square Feet/Units | Purchase Price | Cash Cap Rate | Purchase Date | Anchor Tenants |
| 2022 | | 482,000 / 103 units | \$273,000 | 6.1% | | |
| Constellation Energy Building | Baltimore, MD | 482,000 / 103 units | 273,000 ⁽¹⁾ | 6.1% | 1Q22 | Constellation Energy Group |
| 2021 | | 412,075 | \$64,850 | 6.9% | | |
| Greenbrier Square | Chesapeake, VA | 260,710 | 36,500 | 6.3% | 3Q21 | Kroger, Homegoods, Dick's Sporting Goods |
| Overlook Village | Asheville, NC | 151,365 | 28,350 | 7.7% | 3Q21 | T.J. Maxx Homegoods, Ross |
| 2020 | | 174 units | \$25,700 | 6.8% | | |
| Edison Apartments | Richmond, VA | 174 units | 25,700 | 6.8% | 4Q20 | |
| Total/Weighted Average | | 894,075 / 277 units | \$363,550 | 6.3% | | |

| DISPOSITIONS | | | | | | |
|---------------------------------|------------------------|------------------------------|------------|-------------------|------------------|--|
| Properties | Location | Square Feet/Units/Beds | Sale Price | Cash Cap Rate | Disposition Date | Anchor Tenants |
| 2022 | | 275,896 / 1,031 units/beds | \$258,261 | 4.3% | | |
| Sandbridge Outparcels | Virginia Beach, VA | 7,233 | 3,455 | 4.5% | 3Q22 | Autozone, Valvoline |
| Annapolis Junction | Annapolis Junction, MD | 416 units | 150,000 | 4.2% | 3Q22 | |
| North Pointe Outparcels | Durham, NC | 268,663 | 23,931 | 4.0% | 2Q22 | Costco, Home Depot |
| Summit Place | Charleston, SC | 357 beds | 37,800 | 4.8% | 2Q22 | |
| Hoffler Place | Charleston, SC | 258 beds | 43,075 | 4.1% | 2Q22 | |
| 2021 | | 128,105 / 568 beds | \$90,265 | 5.2% | | |
| Johns Hopkins Village | Baltimore, MD | 568 beds | 75,000 | 5.6% | 4Q21 | |
| Courthouse 7-Eleven | Virginia Beach, VA | 3,177 | 3,065 | 4.5% | 4Q21 | 7-Eleven |
| Socastee Commons | Myrtle Beach, SC | 57,273 | 3,800 | NA ⁽²⁾ | 3Q21 | |
| Oakland Marketplace | Oakland, TN | 64,538 | 5,500 | 7.8% | 1Q21 | Kroger |
| Hanbury 7-Eleven | Chesapeake, VA | 3,117 | 2,900 | 5.5% | 1Q21 | 7-Eleven |
| 2020 | | 645,600 | \$97,300 | 7.7% | | |
| Hanbury Walgreens | Chesapeake, VA | 14,820 | 7,300 | 6.1% | 3Q20 | Walgreens |
| Retail Portfolio (7 properties) | Mid-Atlantic | 630,780 | 90,000 | 7.8% | 2Q20 | Harris Teeter, Food Lion, Weis Markets, Office Max |
| Total/Weighted Average | | 1,049,601 / 1,599 units/beds | \$445,826 | 5.2% | | |

(1) Represents 100% of property value of which the Company owns a 90% economic interest.
 (2) Anchor tenant vacant at time of sale.

TOP 20 TENANTS BY ABR⁽¹⁾

\$ IN THOUSANDS AS OF SEPTEMBER 30, 2022



| Commercial Portfolio | | | | |
|-------------------------------|------------------|------------------|----------------------|---------------------------------|
| Tenant | Number of Leases | Lease Expiration | Annualized Base Rent | % of Total Annualized Base Rent |
| Constellation Energy Group | 1 | 2036 | \$14,149 | 7.9% |
| Morgan Stanley | 3 | 2027 - 2032 | 7,178 | 4.0% |
| Harris Teeter/Kroger | 6 | 2023 - 2035 | 3,766 | 2.1% |
| Canopy by Hilton | 1 | 2045 | 2,846 | 1.6% |
| Clark Nexsen | 1 | 2029 | 2,801 | 1.6% |
| WeWork | 1 | 2034 | 2,122 | 1.2% |
| Lowes Foods | 2 | 2037 ; 2039 | 1,976 | 1.1% |
| Franklin Templeton | 1 | 2038 | 1,861 | 1.0% |
| Duke University | 1 | 2029 | 1,659 | 0.9% |
| Huntington Ingalls Industries | 1 | 2029 | 1,606 | 0.9% |
| Dick's Sporting Goods | 1 | 2032 | 1,553 | 0.9% |
| PetSmart | 5 | 2025 - 2027 | 1,527 | 0.8% |
| TJ Maxx/Homegoods | 5 | 2023 - 2027 | 1,519 | 0.8% |
| Regal Cinemas | 2 | 2024 ; 2024 | 1,339 | 0.7% |
| Mythics | 1 | 2030 | 1,260 | 0.7% |
| Johns Hopkins Medicine | 1 | 2023 | 1,213 | 0.7% |
| Amazon/Whole Foods | 1 | 2040 | 1,144 | 0.6% |
| Ross Dress for Less | 3 | 2025 - 2027 | 1,122 | 0.6% |
| Apex Entertainment | 1 | MTM ; 2024 | 1,092 | 0.6% |
| Bed Bath & Beyond | 2 | 2025 ; 2027 | 1,084 | 0.6% |
| Top 20 Total | | | \$52,817 | 29.3% |

(1) Excludes leases from the development and redevelopment properties that have been delivered, but not yet stabilized.

LEASE SUMMARY

OFFICE

| Quarter | Number of Leases Signed | Net Rentable SF Signed | GAAP Releasing Spread | Cash Releasing Spread | Renewals | | |
|---------------------|-------------------------|------------------------|-----------------------|-----------------------|--|-----------|----------------|
| | | | | | Wtd Average Lease Term Remaining (yrs) | TI & LC | TI & LC per SF |
| Q3 2022 | 3 | 22,374 | 3.3% | -3.1% | 3.9 | \$117,290 | \$5.24 |
| Q2 2022 | 3 | 7,654 | 13.1% | 3.0% | 4.6 | 14,127 | 1.85 |
| Q1 2022 | 5 | 22,985 | 11.3% | 2.6% | 4.9 | 321,154 | 13.97 |
| Q4 2021 | 1 | 23,267 | 8.3% | -3.8% | 5.3 | 515,175 | 22.14 |
| Trailing 4 Quarters | 12 | 76,280 | 8.0% | -1.2% | 4.7 | \$967,746 | \$12.69 |

New Leases⁽¹⁾

| Quarter | Number of Leases Signed | Net Rentable SF Signed | Cash Rent per SF | Wtd Average Lease Term Remaining (yrs) | TI & LC | TI & LC per SF |
|---------------------|-------------------------|------------------------|------------------|--|-------------|----------------|
| Q3 2022 | 1 | 17,617 | \$26.25 | 10.0 | \$1,088,088 | \$61.76 |
| Q2 2022 | 4 | 18,884 | 24.20 | 6.2 | 595,169 | 31.52 |
| Q1 2022 | 2 | 5,407 | 29.11 | 7.7 | 358,633 | 66.33 |
| Q4 2021 | 1 | 1,428 | 26.00 | 10.0 | 45,198 | 31.65 |
| Trailing 4 Quarters | 8 | 43,336 | \$25.71 | 8.1 | \$2,087,088 | \$48.16 |

RETAIL

| Quarter | Number of Leases Signed | Net Rentable SF Signed | GAAP Releasing Spread | Cash Releasing Spread | Renewals | | |
|---------------------|-------------------------|------------------------|-----------------------|-----------------------|--|-------------|----------------|
| | | | | | Wtd Average Lease Term Remaining (yrs) | TI & LC | TI & LC per SF |
| Q3 2022 | 18 | 62,880 | 10.7% | 5.8% | 5.3 | \$176,982 | \$2.81 |
| Q2 2022 | 20 | 217,381 | 9.9% | 3.5% | 7.5 | 416,696 | 1.92 |
| Q1 2022 | 22 | 199,653 | 11.8% | 3.5% | 6.1 | 251,045 | 1.26 |
| Q4 2021 | 16 | 126,328 | 9.0% | 6.0% | 4.8 | 166,153 | 1.32 |
| Trailing 4 Quarters | 76 | 606,242 | 10.3% | 4.6% | 6.3 | \$1,010,876 | \$1.67 |

New Leases⁽¹⁾

| Quarter | Number of Leases Signed | Net Rentable SF Signed | Cash Rent per SF | Wtd Average Lease Term Remaining (yrs) | TI & LC | TI & LC per SF |
|---------------------|-------------------------|------------------------|------------------|--|-------------|----------------|
| Q3 2022 | 10 | 22,354 | \$25.09 | 9.0 | \$1,316,282 | \$58.88 |
| Q2 2022 | 11 | 40,190 | 18.62 | 8.2 | 1,248,190 | 31.06 |
| Q1 2022 | 5 | 19,680 | 28.15 | 11.6 | 1,753,363 | 89.09 |
| Q4 2021 | 17 | 61,922 | 18.27 | 6.8 | 1,267,703 | 20.47 |
| Trailing 4 Quarters | 43 | 144,146 | \$20.77 | 8.2 | \$5,585,538 | \$38.75 |

(1) Excludes leases from properties in development.

LEASE EXPIRATIONS⁽¹⁾

AS OF SEPTEMBER 30, 2022



OFFICE

| Year | Leases Expiring | Square Footage Expiring | % Portfolio Net Rentable Square Feet | ABR | % of Portfolio ABR |
|---------------------------------|-----------------|-------------------------|--------------------------------------|---------------------|--------------------|
| Available | - | 68,364 | 3.2% | \$ - | - |
| M-T-M | 2 | 1,623 | 0.1% | 63,329 | 0.1% |
| 2022 | 2 | 2,489 | 0.1% | 59,062 | 0.1% |
| 2023 | 9 | 68,800 | 3.2% | 1,857,844 | 3.1% |
| 2024 | 14 | 150,495 | 7.1% | 3,837,218 | 6.3% |
| 2025 | 19 | 153,103 | 7.2% | 4,719,175 | 7.8% |
| 2026 | 11 | 54,355 | 2.6% | 1,418,061 | 2.3% |
| 2027 | 18 | 326,264 | 15.4% | 9,506,745 | 15.7% |
| 2028 | 14 | 113,036 | 5.3% | 3,294,738 | 5.4% |
| 2029 | 13 | 297,814 | 14.0% | 8,114,702 | 13.4% |
| 2030 | 9 | 145,335 | 6.9% | 4,238,997 | 7.0% |
| 2031 | 3 | 18,870 | 0.9% | 541,476 | 0.9% |
| 2032 | 4 | 40,816 | 1.9% | 1,238,157 | 2.0% |
| Thereafter | 6 | 678,977 | 32.1% | 21,601,386 | 35.9% |
| Total / Weighted Average | 124 | 2,120,341 | 100.0% | \$60,490,890 | 100.0% |

RETAIL

| Year | Leases Expiring | Square Footage Expiring | % Portfolio Net Rentable Square Feet | ABR | % of Portfolio ABR |
|---------------------------------|-----------------|-------------------------|--------------------------------------|---------------------|--------------------|
| Available | - | 75,890 | 2.0% | \$ - | - |
| M-T-M | 3 | 51,737 | 1.4% | 626,221 | 0.9% |
| 2022 | 8 | 33,791 | 0.9% | 677,710 | 1.0% |
| 2023 | 51 | 250,956 | 6.6% | 5,092,633 | 7.4% |
| 2024 | 84 | 426,848 | 11.3% | 8,075,786 | 11.7% |
| 2025 | 93 | 499,516 | 13.2% | 8,773,067 | 12.7% |
| 2026 | 79 | 390,930 | 10.3% | 7,758,080 | 11.2% |
| 2027 | 72 | 451,459 | 11.9% | 8,292,193 | 12.0% |
| 2028 | 42 | 172,545 | 4.6% | 3,908,242 | 5.7% |
| 2029 | 33 | 127,882 | 3.4% | 2,664,209 | 3.9% |
| 2030 | 45 | 255,810 | 6.7% | 5,679,625 | 8.2% |
| 2031 | 29 | 218,696 | 5.8% | 4,279,779 | 6.2% |
| 2032 | 25 | 293,002 | 7.7% | 4,786,320 | 6.9% |
| Thereafter | 30 | 542,758 | 14.2% | 8,389,551 | 12.2% |
| Total / Weighted Average | 594 | 3,791,820 | 100.0% | \$69,003,416 | 100.0% |

(1) Excludes leases from properties in development and delivered, but not yet stabilized.

APPENDIX

DEFINITIONS & RECONCILIATIONS



Town Center
Virginia Beach, VA

DEFINITIONS

ADJUSTED FUNDS FROM OPERATIONS:

We calculate Adjusted Funds From Operations ("AFFO") as Normalized FFO adjusted for the impact of non-cash stock compensation, tenant improvement, leasing commission and leasing incentive costs associated with second generation rental space, capital expenditures, non-cash interest expense, straight-line rents, cash ground rent payments for finance leases, the amortization of leasing incentives and above (below) market rents, and proceeds from government development grants, and payments made to purchase interest rate caps designated as cash flow hedges.

Management believes that AFFO provides useful supplemental information to investors regarding our operating performance as it provides a consistent comparison of our operating performance across time periods and allows investors to more easily compare our operating results with other REITs. However, other REITs may use different methodologies for calculating AFFO or similarly entitled FFO measures and, accordingly, our AFFO may not always be comparable to AFFO or other similarly entitled FFO measures of other REITs.

ANNUALIZED BASE RENT:

For the properties in our retail & office portfolios, we calculate annualized base rent ("ABR") by multiplying (a) monthly base rent (defined as cash base rent, before contractual tenant concessions and abatements, and excluding tenant reimbursements for expenses paid by us) as of September 30, 2022, for in-place leases as of such date by (b) 12, and do not give effect to periodic contractual rent increases or contingent rental revenue (e.g., percentage rent based on tenant sales thresholds). ABR per leased square foot is calculated by dividing (a) ABR by (b) square footage under in-place leases as of September 30, 2022. In the case of triple net or modified gross leases, our calculation of ABR does not include tenant reimbursements for real estate taxes, insurance, common area or other operating expenses.

ANNUALIZED QUARTERLY RENT:

For the properties in our multifamily portfolio, we calculate annualized quarterly rent ("AQR") by multiplying (a) revenue for the quarter ended by (b) 4.

FUNDS FROM OPERATIONS:

We calculate Funds From Operations ("FFO") in accordance with the standards established by the National Association of Real Estate Investment Trusts ("Nareit"). Nareit defines FFO as net income (loss) (calculated in accordance with accounting principles generally accepted in the United States ("GAAP")), excluding depreciation and amortization related to real estate, gains or losses from the sale of certain real estate assets, gains and losses from change in control, and impairment write-downs of certain real estate assets and investments in entities when the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity.

FFO is a supplemental non-GAAP financial measure. Management uses FFO as a supplemental performance measure because it believes that FFO is beneficial to investors as a starting point in measuring our operational performance. Specifically, in excluding real estate related depreciation and amortization and gains and losses from property dispositions, which do not relate to or are not indicative of operating performance, FFO provides a performance measure that, when compared period-over-period, captures trends in occupancy rates, rental rates and operating costs. Other equity REITs may not calculate FFO in accordance with the Nareit definition as we do, and, accordingly, our FFO may not be comparable to such other REITs' FFO.

NET OPERATING INCOME:

We calculate Net Operating Income ("NOI") as property revenues (base rent, expense reimbursements, termination fees and other revenue) less property expenses (rental expenses and real estate taxes). Other REITs may use different methodologies for calculating NOI, and accordingly, our NOI may not be comparable to such other REITs' NOI. NOI is not a measure of operating income or cash flows from operating activities as measured by GAAP and is not indicative of cash available to fund cash needs. As a result, NOI should not be considered an alternative to cash flows as a measure of liquidity. We consider NOI to be an appropriate supplemental measure to net income because it assists both investors and management in understanding the core operations of our real estate business.

To calculate NOI on a cash basis, we adjust NOI to exclude the net effects of straight-line rent and the amortization of lease incentives and above/below market rents.

NET RENTABLE SQUARE FOOTAGE:

We define net rentable square footage for each of our retail & office properties as the sum of (a) the square footage of existing leases, plus (b) for available space, management's estimate of net rentable square footage based, in part, on past leases. The net rentable square footage included in office leases is generally consistent with the Building Owners and Managers Association, or BOMA, 1996 measurement guidelines.

NORMALIZED FUNDS FROM OPERATIONS:

We calculate Normalized Funds From Operations ("Normalized FFO") as FFO calculated in accordance with the standards established by Nareit, adjusted for certain items, including but not limited to, acquisition, development and other pursuit costs, debt extinguishment losses, prepayment penalties, impairment of intangible assets and liabilities, mark-to-market adjustments on interest rate derivatives not designated as cash flow hedges, certain costs for interest rate caps designated as cash flow hedges, provision for unrealized non-cash credit losses, amortization of right-of-use assets attributable to finance leases, severance related costs, and other non-comparable items.

Management believes that the computation of FFO in accordance with Nareit's definition includes certain items that are not indicative of the results provided by our operating property portfolio and affect the comparability of our year-over-year performance. Accordingly, management believes that Normalized FFO is a more useful performance measure. Our calculation of Normalized FFO differs from Nareit's definition of FFO. Other equity REITs may not calculate Normalized FFO in the same manner as us, and, accordingly, our Normalized FFO may not be comparable to other REITs' Normalized FFO.

OCCUPANCY:

The occupancy for each of our retail & office properties is calculated as (a) square footage under executed leases as of the last day of the quarter, divided by (b) net rentable square feet, expressed as a percentage.

As of January 1, 2022, occupancy for our multifamily properties is calculated as (a) average of the number of occupied units/beds on the 20th day of each of the trailing three months from the reporting period end date, divided by (b) total units/beds available, as of such date expressed as a percentage. Management believes that this methodology best captures the average monthly occupancy. For periods prior to January 1, 2022, multifamily and student housing occupancy was calculated based on occupied units and beds as a percentage of total units and beds.

PROPERTY/STABILIZED PROPERTY ADJUSTED EBITDA:

We calculate Property Adjusted EBITDA as EBITDA coming solely from our operating properties.

When referring to Stabilized Property Adjusted EBITDA, we exclude certain items, including, but not limited to, the impact of redevelopment and development pipeline projects that are still in lease-up. We generally consider a property to be stabilized upon the earlier of (i) the quarter after which the property reaches 80% occupancy or (ii) the thirteenth quarter after the property receives its certificate of occupancy. Additionally, any property that is fully or partially taken out of service for the purpose of redevelopment is no longer considered stabilized until the redevelopment activities are complete, the asset is placed back into service, and the stabilization criteria above are again met. A property may also be fully or partially taken out of service as a result of a disposition, depending on the significance of the portion of the property disposed. Management believes that Stabilized Property Adjusted EBITDA provides useful supplemental information to investors regarding our properties' recurring operating performance as it provides a consistent comparison of our operating performance across time periods and allows investors to more easily compare our operating results with other REITs. However, other REITs may use different methodologies for calculating Stabilized Property Adjusted EBITDA or similarly titled measures.

SAME STORE PORTFOLIO:

We define same store properties as those that we owned and operated and that were stabilized for the entirety of both periods compared. We generally consider a property to be stabilized upon the earlier of: (i) the quarter after the property reaches 80% occupancy or (ii) the thirteenth quarter after the property receives its certificate of occupancy. Additionally, any property that is fully or partially taken out of service for the purpose of redevelopment is no longer considered stabilized until the redevelopment activities are complete, the asset is placed back into service, and the stabilization criteria above are again met. A property may also be fully or partially taken out of service as a result of a disposition, depending on the significance of the portion of the property disposed. Finally, any property classified as Held for Sale is not considered stabilized.

STABILIZED PROPERTY DEBT:

We calculate Stabilized Property Debt as our total debt secured by our stabilized properties, excluding loans associated with our development pipeline and our unsecured line of credit.

TOTAL ADJUSTED EBITDA:

We calculate Total Adjusted EBITDA as net income (loss) (calculated in accordance with GAAP), excluding interest expense, income taxes, depreciation and amortization, gains (or losses) from sales of depreciable operating property, impairment of real estate assets, debt extinguishment losses, non-cash stock compensation and mark-to-market adjustments on interest rate derivatives, other one-time adjustments including non-recurring bad debt and termination fees. Management believes Total Adjusted EBITDA is useful to investors in evaluating and facilitating comparisons of our operating performance between periods and between REITs by removing the impact of our capital structure (primarily interest expense) and asset base (primarily depreciation and amortization) from our operating results along with other non-comparable items.

PROPERTY PORTFOLIO

AS OF SEPTEMBER 30, 2022



| Retail Properties - Stabilized | Location | Year Built / Redeveloped | Net Rentable SF | Occupancy ⁽¹⁾ | ABR ⁽¹⁾ | ABR per Occupied SF ⁽¹⁾ | Anchor Tenant(s) |
|---|----------------------|--------------------------|------------------|--------------------------|---------------------|------------------------------------|--|
| Town Center of Virginia Beach | | | | | | | |
| 249 Central Park Retail | Virginia Beach, VA | 2004 | 92,456 | 100.0% | \$2,558,007 | \$27.67 | Cheesecake Factory, Brooks Brothers |
| Apex Entertainment | Virginia Beach, VA | 2002/2020 | 103,335 | 100.0% | 1,545,919 | 14.96 | Apex Entertainment, USI |
| Columbus Village | Virginia Beach, VA | 2013/2020 | 62,207 | 100.0% | 1,898,409 | 30.52 | Barnes & Noble, CAVA, Shake Shack |
| Columbus Village II | Virginia Beach, VA | 1996 | 92,061 | 96.7% | 1,258,921 | 14.14 | BB&B, Regal |
| Commerce Street Retail | Virginia Beach, VA | 2008 | 19,173 | 100.0% | 963,495 | 50.25 | Yard House |
| Fountain Plaza Retail | Virginia Beach, VA | 2004 | 35,961 | 93.7% | 1,101,938 | 32.69 | Ruth's Chris, Nando's |
| Premier Retail | Virginia Beach, VA | 2018 | 39,015 | 86.8% | 1,140,886 | 33.70 | Williams Sonoma, Pottery Barn |
| South Retail | Virginia Beach, VA | 2002 | 38,515 | 100.0% | 1,000,503 | 25.98 | lululemon, free people, CPK |
| Studio 56 Retail | Virginia Beach, VA | 2007 | 11,594 | 100.0% | 406,008 | 35.02 | Rocket Title, Legal Sea Foods |
| Grocery Anchored | | | | | | | |
| Briard Creek Shopping Center ⁽²⁾ | Norfolk, VA | 2001 | 121,504 | 95.7% | \$2,193,320 | \$18.86 | Food Lion, PetSmart |
| Broadmoor Plaza | South Bend, IN | 1980 | 115,059 | 98.2% | 1,354,200 | 11.99 | Kroger |
| Brooks Crossing Retail | Newport News, VA | 2016 | 18,349 | 78.3% | 218,623 | 15.21 | Various Small Shops (grocery shadow) |
| Delray Beach Plaza ⁽²⁾ | Delray Beach, FL | 2021 | 87,207 | 100.0% | 2,997,459 | 34.37 | Whole Foods |
| Greenbrier Square | Chesapeake, VA | 2017 | 260,710 | 95.4% | 2,486,750 | 10.00 | Kroger, Homegoods, Dick's Sporting Goods |
| Greentree Shopping Center | Chesapeake, VA | 2014 | 15,719 | 92.6% | 325,080 | 22.33 | Various Small Shops (grocery shadow) |
| Hanbury Village | Chesapeake, VA | 2009 | 98,638 | 98.7% | 1,976,529 | 20.30 | Harris Teeter |
| Lexington Square | Lexington, SC | 2017 | 85,440 | 98.3% | 1,849,156 | 22.01 | Lowe's Foods |
| Market at Mill Creek | Mt. Pleasant, SC | 2018 | 80,319 | 97.7% | 1,840,444 | 23.45 | Lowe's Foods |
| North Pointe Center | Durham, NC | 2009 | 226,083 | 100.0% | 2,921,047 | 12.92 | Harris Teeter |
| Parkway Centre | Moultrie, GA | 2017 | 61,200 | 100.0% | 850,761 | 13.90 | Publix |
| Parkway Marketplace | Virginia Beach, VA | 1998 | 37,804 | 100.0% | 779,117 | 20.61 | Rite Aid (grocery shadow) |
| Perry Hall Marketplace | Perry Hall, MD | 2001 | 74,256 | 98.0% | 1,245,907 | 17.13 | Safeway |
| Sandbridge Commons | Virginia Beach, VA | 2015 | 69,417 | 100.0% | 941,946 | 13.57 | Harris Teeter |
| Tyre Neck Harris Teeter ⁽²⁾ | Potomac, VA | 2011 | 48,859 | 100.0% | 559,948 | 11.46 | Harris Teeter |
| Regional Centers | | | | | | | |
| Dimmock Square | Colonial Heights, VA | 1998 | 106,166 | 88.5% | \$1,739,632 | \$18.51 | Best Buy, Old Navy |
| Harrisonburg Regal | Harrisonburg, VA | 1999 | 49,000 | 100.0% | 717,850 | 14.65 | Regal Cinemas |
| Marketplace at Hilltop ⁽²⁾ | Virginia Beach, VA | 2001 | 116,953 | 100.0% | 2,749,869 | 23.51 | Total Wine, Panera, Chick-Fil-A |
| Nexton Square | Summerville, SC | 2020 | 133,608 | 100.0% | 3,472,955 | 25.99 | Various Small Shops |
| North Hampton Market | Taylors, SC | 2004 | 114,954 | 97.9% | 1,500,110 | 13.33 | PetSmart, Hobby Lobby |
| Overlook Village | Asheville, NC | 1990 | 151,365 | 100.0% | 2,196,685 | 14.51 | T.J. Maxx/Homegoods, Ross |
| Patterson Place | Durham, NC | 2004 | 160,942 | 97.9% | 2,463,676 | 15.64 | BB&B, PetSmart, DSW |
| Providence Plaza | Charlotte, NC | 2008 | 103,118 | 100.0% | 2,967,037 | 28.77 | Cranfill, Sumner & Hartzog, Chipotle |
| Red Mill Commons | Virginia Beach, VA | 2005 | 373,808 | 96.3% | 6,809,480 | 18.91 | Homegoods, Walgreens |
| Southgate Square | Colonial Heights, VA | 2016 | 260,131 | 100.0% | 3,750,725 | 14.42 | Burlington, PetSmart, Michaels, Conn's |
| South Square | Durham, NC | 2005 | 109,590 | 100.0% | 1,984,615 | 18.11 | Ross, Petco, Office Depot |
| Southshore Shops | Chesterfield, VA | 2006 | 40,307 | 97.5% | 812,198 | 20.66 | Buffalo Wild Wings |
| Wendover Village | Greensboro, NC | 2004 | 176,997 | 98.8% | 3,424,210 | 19.59 | T.J. Maxx, Petco, Beauty World |
| Total Retail Portfolio | | | 3,791,820 | 98.0% | \$69,003,416 | \$18.57 | |

(1) See appendix for definitions.

(2) The Company leases all or a portion of the land underlying this property pursuant to a ground lease.

PROPERTY PORTFOLIO CONT.

AS OF SEPTEMBER 30, 2022



| Office Properties- Stabilized | Location | Net Rentable SF | Year Built | Occupancy ⁽¹⁾ | ABR ⁽¹⁾ | ABR per Occupied SF ⁽¹⁾ | Anchor Tenant(s) |
|--|--------------------|------------------|------------|--------------------------|---------------------|------------------------------------|---|
| Town Center of Virginia Beach | | | | | | | |
| 4525 Main Street | Virginia Beach, VA | 235,088 | 2014 | 100.0% | \$7,134,452 | \$30.35 | Clark Nexsen, Anthropologie, Mythics |
| Armada Hoffer Tower ⁽³⁾ | Virginia Beach, VA | 315,916 | 2002 | 98.7% | 9,415,000 | 30.19 | AHH, Troutman Pepper, Williams Mullen |
| One Columbus | Virginia Beach, VA | 129,066 | 1984 | 98.3% | 3,232,698 | 25.48 | Truist, HBA |
| Two Columbus | Virginia Beach, VA | 108,459 | 2009 | 98.0% | 2,899,859 | 27.28 | Hazen & Sawyer, Fidelity |
| Harbor Point - Baltimore Waterfront | | | | | | | |
| Constellation Energy Building | Baltimore, MD | 490,735 | 2016 | 97.2% | \$14,800,069 | \$31.01 | Constellation Energy Group |
| Thames Street Wharf ⁽³⁾ | Baltimore, MD | 263,426 | 2010 | 100.0% | 7,642,032 | 29.01 | Morgan Stanley, JHU Medical |
| Wills Wharf ⁽²⁾ | Baltimore, MD | 327,991 | 2020 | 90.8% | 9,046,393 | 30.39 | Canopy by Hilton, Transamerica, RBC, Franklin Templeton |
| Other | | | | | | | |
| Brooks Crossing Office | Newport News, VA | 98,061 | 2019 | 100.0% | \$1,925,168 | \$19.63 | Huntington Ingalls Industries |
| One City Center | Durham, NC | 151,599 | 2019 | 89.3% | 4,395,219 | 32.45 | Duke University, WeWork |
| Stabilized Office Total | | 2,120,341 | | 96.8% | \$60,490,890 | \$29.48 | |

| Multifamily Properties- Stabilized | Location | Units | Year Built / Redeveloped | Occupancy ⁽¹⁾ | AQR ⁽¹⁾ | Monthly AQR per Occupied Unit |
|--|--------------------|--------------|--------------------------|--------------------------|---------------------|-------------------------------|
| Town Center of Virginia Beach | | | | | | |
| Encore Apartments | Virginia Beach, VA | 286 | 2014 | 97.3% | \$5,703,288 | \$1,708 |
| Premier Apartments | Virginia Beach, VA | 131 | 2018 | 95.2% | 2,843,412 | 1,900 |
| The Cosmopolitan ⁽⁴⁾ | Virginia Beach, VA | 342 | 2006/2020 | 94.7% | 8,668,380 | 2,230 |
| Harbor Point - Baltimore Waterfront | | | | | | |
| 1405 Point ⁽²⁾⁽⁴⁾ | Baltimore, MD | 289 | 2018 | 97.1% | \$8,599,284 | \$2,554 |
| 1305 Dock Street | Baltimore, MD | 103 | 2016 | 96.4% | 2,959,332 | 2,484 |
| Other | | | | | | |
| Edison Apartments ⁽⁴⁾ | Richmond, VA | 174 | 2014 | 97.5% | \$3,070,116 | \$1,508 |
| Greenside Apartments | Charlotte, NC | 225 | 2018 | 98.4% | 4,660,200 | 1,754 |
| Liberty Apartments ⁽⁴⁾ | Newport News, VA | 197 | 2013 | 96.3% | 3,554,640 | 1,561 |
| Smith's Landing ⁽²⁾ | Blacksburg, VA | 284 | 2009 | 94.7% | 5,382,168 | 1,668 |
| Gainesville Apartments | Gainesville, GA | 223 | 2022 | 96.7% | 4,768,752 | 1,843 |
| Multifamily Total | | 2,254 | | 96.4% | \$50,209,572 | \$1,926 |

(1) See appendix for definitions.

(2) The Company leases all or a portion of the land underlying this property pursuant to a ground lease.

(3) The Company occupies 55,390 square feet at these two properties at an ABR of \$1.8M, or \$32.23 per leased square foot, which are reflected in this table. The rent paid by us is eliminated in accordance with GAAP in the consolidated financial statements.

(4) The ABR for Liberty, Cosmopolitan, Edison, and 1405 Point excludes approximately \$0.2M, \$1.0M, \$0.3M and \$0.4M, respectively, from ground floor retail leases.

RECONCILIATION OF DEBT & EBITDA



\$ IN THOUSANDS

| | Three Months Ended | | | |
|---|--------------------|-------------|-------------|-------------|
| | 9/30/2022 | 6/30/2022 | 3/31/2022 | 12/31/2021 |
| Property Net Operating Income | \$35,542 | \$36,702 | \$36,562 | \$32,270 |
| Property Other Income (Expense), Net | (30) | (190) | 104 | (74) |
| Amortization of Right of Use Assets | (278) | (277) | (278) | (278) |
| Impairment of Intangible Assets and Liabilities | - | (85) | (47) | 83 |
| Property Adjusted EBITDA | \$35,234 | \$36,150 | \$36,341 | \$32,001 |
| Acquisition | - | - | 826 | - |
| Disposition | (368) | (496) | - | (730) |
| Development | - | (771) | (674) | (681) |
| Stabilized Portfolio Adjusted EBITDA | \$34,866 | \$34,883 | \$36,493 | \$30,590 |
| Construction Gross Profit | 2,772 | 1,855 | 829 | 713 |
| Corporate G&A | (3,708) | (3,446) | (4,552) | (3,482) |
| Non-Cash Stock Comp | 614 | 506 | 1,609 | 400 |
| Acquisition, Development & Other Pursuit Costs | - | (26) | (11) | (1) |
| Interest Income | 3,487 | 3,350 | 3,568 | 3,829 |
| Other Income (Expense), Net | 5 | 89 | (31) | 5 |
| Add Back: Unstabilized Development | - | 771 | 674 | 681 |
| Total Adjusted EBITDA | \$38,036 | \$37,982 | \$38,579 | \$32,735 |
| Stabilized Portfolio Debt | \$684,704 | \$768,852 | \$812,703 | \$664,985 |
| Stabilized Portfolio Debt / Stabilized Portfolio Adjusted EBITDA | 4.9x | 5.5x | 5.6x | 5.4x |
| Total Debt ⁽¹⁾ | 1,042,955 | 1,165,108 | 1,179,296 | 957,387 |
| Cash | (59,565) | (76,412) | (39,486) | (40,443) |
| Net Debt | \$983,390 | \$1,088,696 | \$1,139,810 | \$916,944 |
| Net Debt Plus Ancillary Debt/Total Adjusted EBITDA | 6.5x | 7.2x | 7.4x | 7.0x |
| Preferred | 171,085 | 171,085 | 171,085 | 171,085 |
| Net Debt + Preferred | \$1,154,475 | \$1,259,781 | \$1,310,895 | \$1,088,029 |
| Net Debt + Preferred /Total Adjusted EBITDA | 7.6x | 8.3x | 8.5x | 8.3x |

(1) Excludes GAAP adjustments.

CAPITAL EXPENDITURES

\$ IN THOUSANDS AS OF SEPTEMBER 30, 2022



QUARTER TO DATE⁽¹⁾

| | Leasing Commissions | Lease Incentive | Tenant Improvements | Land Improvements | Building Improvements | Fixtures & Equipment | Total Second Generation Capex |
|-----------------|------------------------|--------------------|------------------------|----------------------|--------------------------|-------------------------|----------------------------------|
| Retail | \$371 | - | \$212 | \$135 | \$741 | - | \$1,459 |
| Office | 41 | - | - | - | 438 | - | 479 |
| Multifamily | 15 | - | - | 8 | 1,040 | 54 | 1,117 |
| Total Portfolio | \$427 | - | \$212 | \$143 | \$2,219 | \$54 | \$3,055 |

YEAR TO DATE⁽¹⁾

| | Leasing Commissions | Lease Incentive | Tenant Improvements | Land Improvements | Building Improvements | Fixtures & Equipment | Total Second Generation Capex |
|-----------------|------------------------|--------------------|------------------------|----------------------|--------------------------|-------------------------|----------------------------------|
| Retail | \$1,328 | - | \$2,057 | \$563 | \$3,297 | - | \$7,246 |
| Office | 353 | - | 787 | - | 1,238 | - | 2,378 |
| Multifamily | 17 | - | 211 | 126 | 2,442 | 781 | 3,578 |
| Total Portfolio | \$1,698 | - | \$3,055 | \$689 | \$6,977 | \$781 | \$13,202 |

(1) Excludes activity related to held for sale, acquired and/or disposed properties.

RECONCILIATION TO PROPERTY PORTFOLIO NOI

\$ IN THOUSANDS



| | Three months ended 9/30 | | Nine Months Ended 9/30 | |
|-----------------------------------|-------------------------|----------|------------------------|----------|
| | 2022 | 2021 | 2022 | 2021 |
| <u>Office Same Store</u> | | | | |
| Rental revenues | \$10,315 | \$10,252 | \$30,861 | \$30,752 |
| Property expenses | 3,960 | 3,825 | 11,219 | 10,837 |
| NOI | 6,355 | 6,427 | 19,642 | 19,915 |
| Non-Same Store NOI ⁽¹⁾ | 5,402 | 550 | 15,173 | 1,869 |
| Segment NOI | \$11,757 | \$6,977 | \$34,815 | \$21,784 |
| <u>Retail Same Store</u> | | | | |
| Rental revenues | \$19,718 | \$19,062 | \$54,650 | \$51,628 |
| Property expenses | 5,061 | 4,886 | 13,828 | 13,223 |
| NOI | 14,657 | 14,176 | 40,822 | 38,405 |
| Non-Same Store NOI ⁽¹⁾ | 940 | 677 | 6,406 | 3,851 |
| Segment NOI | \$15,597 | \$14,853 | \$47,228 | \$42,256 |
| <u>Multifamily Same Store</u> | | | | |
| Rental revenues | \$11,222 | \$10,624 | \$32,901 | \$30,399 |
| Property expenses | 4,516 | 4,327 | 12,624 | 12,274 |
| NOI | 6,706 | 6,297 | 20,277 | 18,125 |
| Non-Same Store NOI ⁽¹⁾ | 1,482 | 3,173 | 6,486 | 9,359 |
| Segment NOI | \$8,188 | \$9,470 | \$26,763 | \$27,484 |
| Total Property Portfolio NOI | \$35,542 | \$31,300 | \$108,806 | \$91,524 |

(1) Includes expenses associated with the Company's in-house asset management division.

RECONCILIATION TO GAAP NET INCOME



\$ IN THOUSANDS

| | Three Months Ended 9/30/2022 | | | | | Total |
|--|------------------------------|-----------|-------------|-------------------------|--|------------|
| | Office | Retail | Multifamily | Total Rental Properties | General Contracting & Real Estate Services | |
| Segment revenues | \$ 18,687 | \$ 21,223 | \$ 13,833 | \$ 53,743 | \$ 69,024 | \$ 122,767 |
| Segment expenses | 6,930 | 5,626 | 5,645 | 18,201 | 66,252 | 84,453 |
| Net operating income | \$ 11,757 | \$ 15,597 | \$ 8,188 | \$ 35,542 | \$ 2,772 | \$ 38,314 |
| Depreciation and amortization | | | | | | (17,527) |
| General and administrative expenses | | | | | | (3,854) |
| Acquisition, development and other pursuit costs | | | | | | - |
| Impairment charges | | | | | | - |
| Gain (loss) on real estate dispositions | | | | | | 33,931 |
| Interest income | | | | | | 3,490 |
| Interest expense | | | | | | (10,345) |
| Loss on extinguishment of debt | | | | | | (2,123) |
| Unrealized credit loss release (provision) | | | | | | 42 |
| Amortization of right-of-use assets - finance leases | | | | | | (278) |
| Change in fair value of derivatives and other | | | | | | 782 |
| Other income (expense) | | | | | | 118 |
| Income tax benefit (provision) | | | | | | (181) |
| Net income | | | | | | \$ 42,369 |
| Net loss (income) attributable to noncontrolling interest in investment entities | | | | | | (5,583) |
| Preferred stock dividends | | | | | | (2,887) |
| Net income attributable to AHH and OP unitholders | | | | | | \$ 33,899 |
| | Nine Months Ended 9/30/2022 | | | | | |
| | Office | Retail | Multifamily | Total Rental Properties | General Contracting & Real Estate Services | Total |
| Segment revenues | \$ 54,024 | \$ 64,197 | \$ 45,381 | \$ 163,602 | \$ 138,947 | \$ 302,549 |
| Segment expenses | 19,209 | 16,969 | 18,618 | 54,796 | 133,491 | 188,287 |
| Net operating income | \$ 34,815 | \$ 47,228 | \$ 26,763 | \$ 108,806 | \$ 5,456 | \$ 114,262 |
| Depreciation and amortization | | | | | | (54,865) |
| General and administrative expenses | | | | | | (12,179) |
| Acquisition, development and other pursuit costs | | | | | | (37) |
| Impairment charges | | | | | | (333) |
| Gain (loss) on real estate dispositions | | | | | | 53,424 |
| Interest income | | | | | | 10,410 |
| Interest expense | | | | | | (28,747) |
| Unrealized credit loss release (provision) | | | | | | (858) |
| Amortization of right-of-use assets - finance leases | | | | | | (833) |
| Loss on extinguishment of debt | | | | | | (2,899) |
| Change in fair value of derivatives and other | | | | | | 7,512 |
| Other income (expense) | | | | | | 415 |
| Income tax benefit (provision) | | | | | | 140 |
| Net income | | | | | | \$ 85,412 |
| Net loss attributable to noncontrolling interest in investment entities | | | | | | (5,811) |
| Preferred stock dividends | | | | | | (8,661) |
| Net income attributable to AHH and OP unitholders | | | | | | \$ 70,940 |

RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA

\$ IN THOUSANDS

| | Three Months Ended | | | |
|---|--------------------|-----------|-----------|------------|
| | 9/30/2022 | 6/30/2022 | 3/31/2022 | 12/31/2021 |
| Net income attributable to common stockholders and OP unitholders | \$33,899 | \$27,752 | \$9,289 | \$361 |
| Excluding: | | | | |
| Depreciation and amortization | 17,527 | 18,781 | 18,557 | 16,616 |
| Loss (gain) on real estate dispositions | (33,931) | (19,493) | - | (15,436) |
| Impairment of real estate assets | - | 201 | - | 18,339 |
| Income tax provision (benefit) | 181 | (20) | (301) | (220) |
| Interest expense | 10,345 | 9,371 | 9,031 | 8,685 |
| Change in fair value of derivatives and other | (782) | (2,548) | (4,182) | (1,344) |
| Preferred dividends | 2,887 | 2,887 | 2,887 | 2,887 |
| Loss on extinguishment of debt | 2,123 | 618 | 158 | 3,690 |
| Unrealized credit loss provision (release) | (42) | 295 | 605 | (508) |
| Investment Entities | 5,583 | 128 | 100 | (5) |
| Non-cash stock compensation | 614 | 506 | 1,609 | 400 |
| Adjusted EBITDA | \$38,404 | \$38,478 | \$37,753 | \$33,465 |
| Dispositions | (368) | (496) | - | (730) |
| Acquisitions (full quarter) | - | - | 826 | - |
| Total Adjusted EBITDA | \$38,036 | \$37,982 | \$38,579 | \$32,735 |
| Construction Gross Profit | (2,772) | (1,855) | (829) | (713) |
| Corporate G&A | 3,708 | 3,446 | 4,552 | 3,482 |
| Non-Cash Stock Comp | (614) | (506) | (1,609) | (400) |
| Acquisition, Development & Other Pursuit Costs | - | 26 | 11 | 1 |
| Interest income | (3,487) | (3,350) | (3,568) | (3,829) |
| Other income (expense), net | (5) | (89) | 31 | (5) |
| Add Back: Unstabilized Development | - | (771) | (674) | (681) |
| Stabilized Portfolio Adjusted EBITDA | \$34,866 | \$34,883 | \$36,493 | \$30,590 |
| Acquisition | - | - | (826) | - |
| Disposition | 368 | 496 | - | 730 |
| Development | - | 771 | 674 | 681 |
| Property Adjusted EBITDA | \$35,234 | \$36,150 | \$36,341 | \$32,001 |

