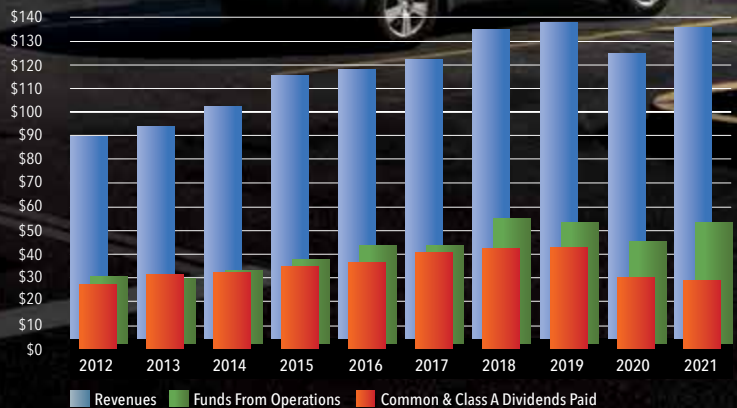


2021 ANNUAL REPORT



**52 CONSECUTIVE
YEARS OF
UNINTERRUPTED
DIVIDENDS.**

(In Millions)



■ Revenues ■ Funds From Operations ■ Common & Class A Dividends Paid

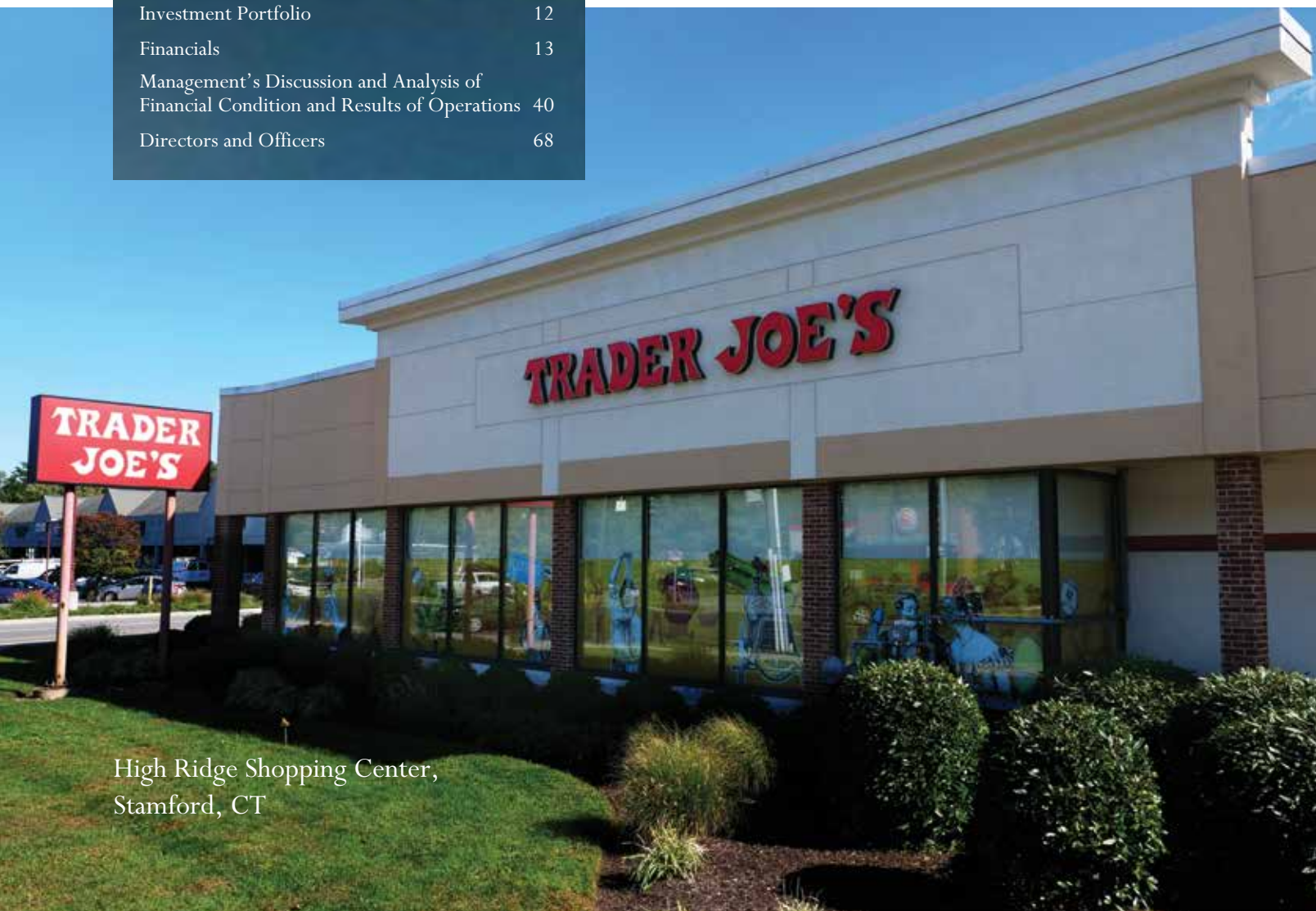
URSTADT BIDDLE PROPERTIES INC.

is a self-administered publicly held real estate investment trust providing investors with a means of participating in the ownership of income-producing properties. Our investment properties consist primarily of neighborhood and community shopping centers in the northeastern part of the United States with a concentration in the Metropolitan New York tri-state area outside of the City of New York.

Class A Common Shares, Common Shares, Series H Preferred Shares and Series K Preferred Shares of the Company trade on the New York Stock Exchange under the symbols “UBA,” “UBP,” “UBPPRH” and “UBPPRK.”

CONTENTS

Selected Financial Data	1
Letter to Our Stockholders	2
Map of Investment Properties	8
Investment Portfolio	12
Financials	13
Management’s Discussion and Analysis of Financial Condition and Results of Operations	40
Directors and Officers	68



High Ridge Shopping Center,
Stamford, CT

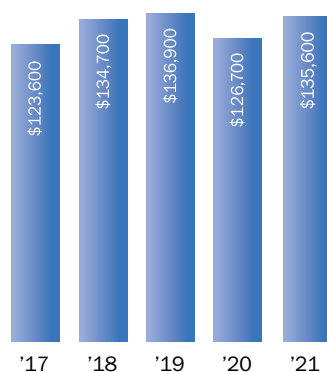
SELECTED FINANCIAL DATA

(Amounts in thousands, except share data)

Year Ended October 31,	2021	2020	2019	2018	2017
Balance Sheet Data:					
Total Assets	\$973,852	\$1,010,179	\$1,072,304	\$1,008,233	\$996,713
Revolving Credit Lines and Unsecured Term Loan	\$ —	\$ 35,000	\$ —	\$ 28,595	\$ 4,000
Mortgage Notes Payable and Other Loans	\$296,449	\$ 299,434	\$ 306,606	\$ 293,801	\$297,071
Preferred Stock Called for Redemption	\$ —	\$ —	\$ 75,000	\$ —	\$ —
Operating Data:					
Total Revenues	\$135,581	\$ 126,745	\$ 136,882	\$ 135,352	\$123,560
Total Expenses and Payments to Noncontrolling Interests	\$101,716	\$ 100,604	\$ 101,630	\$ 100,320	\$ 91,774
Income from Continuing Operations before Discontinued Operations	\$ 50,928	\$ 26,070	\$ 41,613	\$ 42,183	\$ 55,432
Per Share Data:					
Net Income from Continuing Operations – Basic:					
Class A Common Stock	\$.89	\$.23	\$.59	\$.68	\$.92
Common Stock	\$.80	\$.20	\$.53	\$.61	\$.82
Net Income from Continuing Operations – Diluted:					
Class A Common Stock	\$.88	\$.22	\$.58	\$.67	\$.90
Common Stock	\$.79	\$.20	\$.52	\$.60	\$.80
Cash Dividends Paid on:					
Class A Common Stock	\$.74	\$.77	\$1.10	\$1.08	\$1.06
Common Stock	\$.66	\$.69	\$.98	\$.96	\$.94
Other Data:					
Net Cash Flow Provided by (Used in):					
Operating Activities	\$ 73,669	\$ 61,883	\$ 72,317	\$ 71,584	\$ 62,995
Investing Activities	\$(445)	\$(18,820)	\$(14,739)	\$(20,540)	\$ 18,761
Financing Activities	\$(89,962)	\$(96,347)	\$ 26,216	\$(49,433)	\$(80,353)
Funds from Operations (Note)	<u>\$ 52,251</u>	<u>\$ 45,172</u>	<u>\$ 51,955</u>	<u>\$ 55,171</u>	<u>\$ 43,203</u>

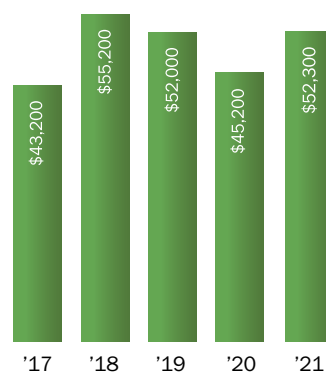
TOTAL REVENUES

(In thousands)

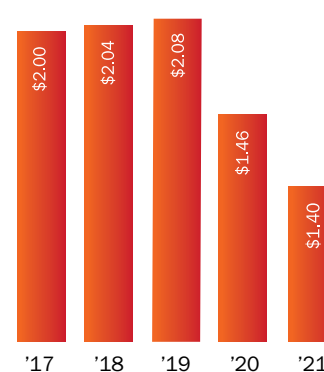


FUNDS FROM OPERATIONS

(In thousands)



COMBINED DIVIDENDS PAID ON COMMON AND CLASS A COMMON SHARES



Note: The Company has adopted the definition of Funds from Operations (FFO) suggested by the National Association of Real Estate Investment Trusts (NAREIT) and defines FFO as net income (computed in accordance with generally accepted accounting principles), excluding gains (or losses) from sales of properties plus real estate related depreciation and amortization and after adjustments for unconsolidated joint ventures. For a reconciliation of net income and FFO, see Management's Discussion and Analysis of Financial Condition and Results of Operations on page 66. FFO does not represent cash flows from operating activities in accordance with generally accepted accounting principles and should not be considered an alternative to net income as an indicator of the Company's operating performance.

LETTER TO OUR STOCKHOLDERS

THE PAST TWO YEARS have proven why our long-term plan of owning and operating open-air neighborhood grocery-anchored shopping centers in one of the best suburban markets in the United States is an excellent strategy. We implemented this approach about 30 years ago and have systematically built an irreplaceable portfolio in the wealthy, densely-populated suburbs of New York City. Whether in response to the financial crisis of



STEPHAN A. RAPAGLIA
Senior Vice President, Chief Operating Officer, Real Estate Counsel and Assistant Secretary

2008, the rise of online shopping, or the continuing pandemic, our properties have proven to be defensive and solid performers.

While COVID-19 has been a disruptor to some of our tenants' businesses, our grocery stores, pharmacies and warehouse clubs have largely thrived, and other retailers want to locate their businesses near these "high frequency" anchor tenants, which produce predictable daily foot traffic. Our properties in the New York City suburbs have benefited from the pandemic-induced, urban-to-suburban migration trend, but we are confident that New

York will continue to rebound as the greatest city in America. The city's suburbs offer a great quality of life in beautiful historic towns where it is difficult to develop competing shopping centers. Moreover, we have an excellent, long-tenured team that has great knowledge of the area (and our properties, of course) and an unparalleled ability to uncover new opportunities for us.



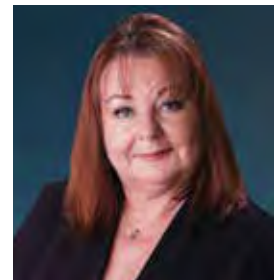
MIYUN SUNG
Senior Vice President, Chief Legal Officer and Secretary

In the past two years, our stock has taken the wildest ride in our 50 plus-year history. The stock market offers differing opinions and views of the future, but uncertainty or misunderstanding can fuel irrational activity. 86% of our GLA is located in properties anchored by grocery stores, wholesale clubs and pharmacies, and these essential businesses have generally experienced a surge in sales. As a result of the foot traffic driven by these types of anchor tenants, there is regular demand from other retail and service businesses to rent stores at our properties. Regardless of what is happening in the world, people need to buy food. Because the margins on store-based grocery sales are higher than the margins from home delivery sales, brick-and-mortar grocery stores are an irreplaceable business model. Add to that the difficulty of building new stores in our market, shareholders should understand that we are in a position of strength.

Our top priority during the pandemic has been to proactively work with our tenants to help them get through this crisis.

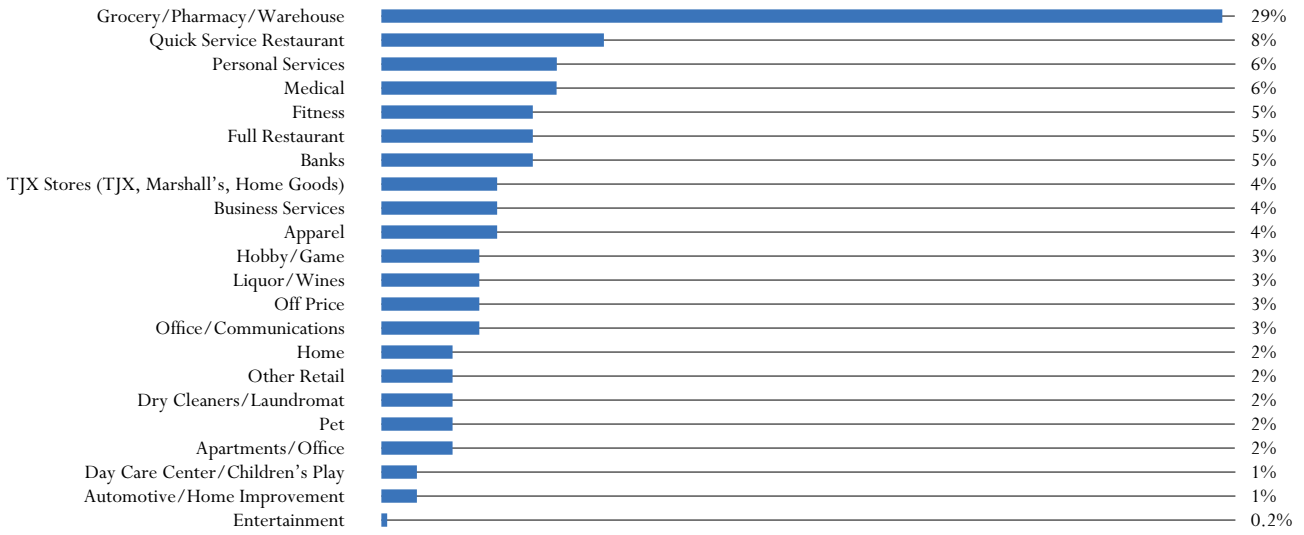
Approximately one-third of our tenants received some form of financial assistance from us during the initial year of the pandemic when lockdowns were imposed. Additionally, the physical layout of our open-air properties has made it possible for us to accommodate the

surge in curbside pickup, click and collect programs and outdoor dining for those tenants desiring it. While the vast majority of our tenants are once again prospering on their own, we continue to work with those tenants still affected by the pandemic on a case-by-case basis. In some situations, we may choose to re-lease a space in order to improve the vibrancy and economics of our properties, a choice that we have an increasing ability to make as demand for space at our properties is growing.



SUZANNE MOORE
Vice President and Director of Accounts Receivable

OCTOBER 2021 ANNUALIZED BASE RENT BY CATEGORY



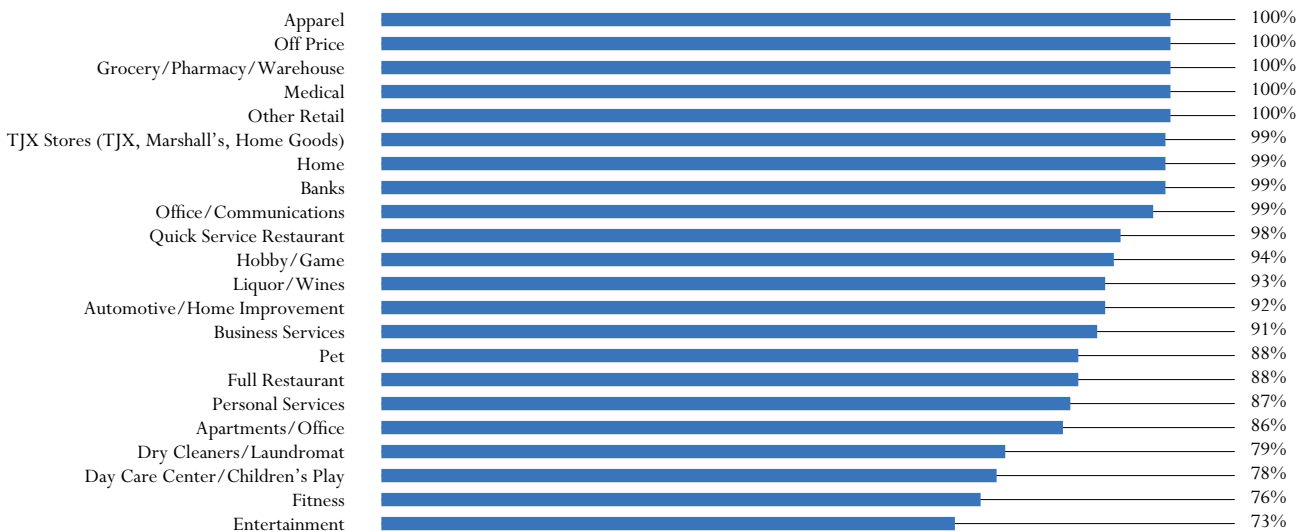
There are a few categories of tenants that are still feeling the effects of COVID:

- small-scale gyms and specialty health clubs
- large full-service restaurants, particularly if lacking outdoor dining
- day care facilities
- dry cleaners
- personal services, such as therapeutic massage facilities and nail and hair salons

Although the pandemic caused our leased rate to drop approximately 3% below our historical average, demand for space has rebounded and we have a strong pipeline of tenants with signed leases as well as prospective tenants with leases in negotiation.

In 2021, we increased our leased rate by almost 2%. We are now collecting approximately 97% of our monthly billed rents, despite the rent assistance we continue to provide to some of our tenants.

OCTOBER 2021 RENT COLLECTIONS BY CATEGORY





JOHN T. HAYES
*Senior Vice President, Chief
Financial Officer and Treasurer*

In 2021, year-over-year gross revenues rose approximately 7.0% to \$135.6 million, as a result of decreased rent concessions, improving collections, improving occupancy and the lessening financial impact of COVID-19 on our tenants. Funds from operations¹ rose 15.7% to \$52.3 million, or \$1.36 per diluted Class A

Common share. We also increased our dividend back to 84.8% of its pre-pandemic level and now have a very comfortable payout ratio of 69.9%, which ratio should continue to decrease based on our 2022 income projections. We know how important the dividend is to our shareholders, and we will do our best to increase it in the future as our tenants' businesses continue to improve and the revenue and cash flow from new leases grows. Our debt-to-book assets is one of the lowest of



CHRISTOPHER PEREZ
Vice President and Controller



LINDA LACEY
*Senior Vice President
Director of Leasing*



ANDREW ALBRECHT
*Vice President
Director of Management
and Construction*

Pompton Lakes Town Square,
Pompton Lakes, NY



¹ A reconciliation of GAAP net income to FFO is provided in the "Non-GAAP Financial Measures Reconciliations" at the end of this Annual Report.

any comparable REIT at 30%, and we have no mortgages maturing within the next year that are not already in the process of being re-financed at a lower rate.

DEVELOPMENTS

We completed the first phase of our Pompton Lakes, NJ redevelopment with the opening of a new 30,000 square foot Lidl supermarket, and we are preparing to commence construction of the second phase, which is a 3-story, 60,000 square foot self-storage facility over retail space.



JOSEPH ALLEGRETTI
Vice President
Leasing

In January 2021, we completed the construction

**THE DOCK,
STRATFORD, CT**



of our 5-story, 90,000 square foot self-storage facility in Stratford, CT, which has already reached 52% occupancy. In addition, this development included the construction of two new retail pad sites, one of which is completed and occupied by Chipotle and Golden Krust. The other is entitled and pre-leased to Starbucks.

We completed a Phillips 66 fueling station and convenience store at our Newfield Green property in Stamford, CT.



NICHOLAS CAPUANO
Vice President and
Real Estate Counsel



JAMES M. ARIES
Senior Vice President
Director of Acquisitions

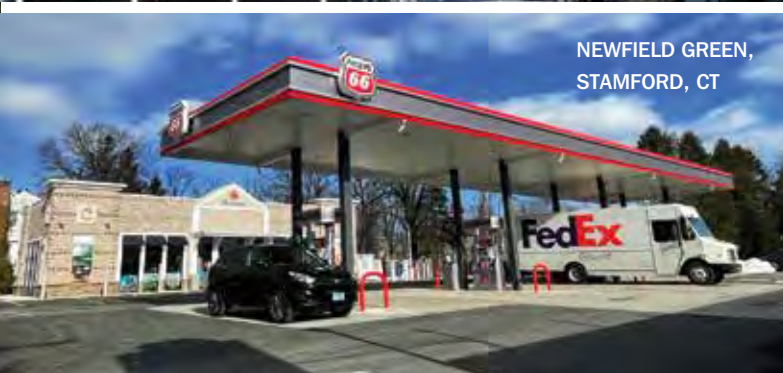
A new La Placita supermarket, part of a 6-store regional chain, opened a 20,000 square foot supermarket at our Bethel, CT property.

Our portfolio encompasses 482 acres of land within one of the best real estate markets in the country. We have approximately nine pad sites or other expansions in various stages of development, and we are studying multiple opportunities to add multi-family components in underutilized areas of our properties.

PROPERTY ACQUISITIONS AND DISPOSITIONS

We are in contract to purchase a 180,000 square foot shopping center in Shelton, CT. This 95%-occupied shopping center is anchored by a 60,000 square foot Stop & Shop supermarket, Fitness Edge, Hartford Health, Hawley Lane Shoes and Burger King.

**NEWFIELD GREEN,
STAMFORD, CT**



**THE HUB CENTER,
BETHEL, CT**



We continued to prune our portfolio and sold our Newington Park, NH shopping center, a free-standing day care center and a free-standing restaurant property that no longer met our investment criteria. The sale of Newington Park completed our program of disposing legacy properties located outside the NYC suburbs, but we plan to continue selectively selling non-grocery-anchored properties that no longer fit our investment criteria. With the expected acquisition of the Shelton, CT property, our combined acquisition and disposition activity will have caused the percentage of our GLA anchored by grocery, pharmacy and

warehouse clubs to increase to over 87%. We now only have three properties over 50,000 square feet that are not anchored by a high-volume anchor, and the balance of the portfolio consists of quality street retail, small office properties and bank branches in affluent Fairfield and Westchester towns. We are also in contract to sell two small net-leased restaurant properties, further refining our investment strategy to owning only grocery, pharmacy or wholesale club anchored properties in the suburban communities that surround New York City. Those sales should close early in fiscal 2022.

Ridgeway Shopping Center,
Stamford, CT



SOLAR AND ENVIRONMENTAL SUSTAINABILITY

We continue to actively pursue opportunities to improve the environmental sustainability of our properties. Not only is it the right thing to do, but we are able to profitably invest in energy efficiency and solar power generation facilities at our properties, in part as a result of available state and federal financial incentives. These initiatives include:

- installing LED parking lot lights at many of our properties
- installing solar photovoltaic projects on many of our shopping center rooftops to power individual tenant spaces or common area electricity needs



WILLING L. BIDDLE



CHARLES D. URSTADT

OUTLOOK

Once again, grocery-anchored shopping centers have proven to be a wise choice for real estate investors. Our tenants were tested during the early days of the pandemic, but have been gaining strength and even growing again. Retail vacancies are decreasing, and leverage is shifting back to landlords. The pandemic is an event that has separated the wheat from the chaff in terms of both tenants and property owners. While more highly-leveraged property owners with less desirable portfolios and less experienced teams may continue to struggle, we are emerging from the pandemic from a position of strength with increased opportunities to acquire properties.

We remain fortunate to have a superb team of professionals who are experts in their field, as well as a highly-experienced and dedicated Board of Directors. Our team has a great entrepreneurial attitude and an enviable portfolio of properties to work with. We greatly appreciate the efforts of our team and the continued support of our shareholders.

A handwritten signature in black ink that reads "Willing L. Biddle".

WILLING L. BIDDLE

President and Chief Executive Officer

A handwritten signature in black ink that reads "Charles D. Urstadt".

CHARLES D. URSTADT

Chairman

January 2022



1 Corporate Headquarters
Greenwich



2 Greenwich Commons
Greenwich



2 Cos Cob Plaza
Greenwich



2 Kings Shopping Center
Greenwich



2 Cos Cob Commons
Greenwich



3 Ridgeway Shopping Center
Stamford



3 Newfield Green
Stamford



3 970 High Ridge Road
Stamford



MASSACHUSETTS



3 High Ridge Shopping Center
Stamford



4 Goodwives Shopping Center
Darien



5 Fairfield Centre
Fairfield



6 Ridgefield Center
Ridgefield



6 470 Main Street
Ridgefield



7 Airport Plaza
Danbury



7 Danbury Square
Danbury



8 Veteran's Plaza
New Milford



8 New Milford Plaza
New Milford



8 Fairfield Plaza
New Milford



9 The Hub Center
Bethel



10 The Dock
Stratford



11 Aldi Square
Derby



12 Orange Meadows Shopping Center
Orange

41



13 Carmel ShopRite Center
Carmel



13 Putnam Plaza
Carmel



14 Lakeview Shopping Center
Brewster



15 Towne Centre Shopping Center
Somers



15 Somers Commons
Somers



15 Heritage 202 Center
Somers



16 Village Commons
Katonah



17 Staples Plaza
Yorktown Heights



18 Arcadian Shopping Center
Ossining



19 Chilmark Shopping Center
Briarcliff Manor



20 76 N Main Street
New City



21 Orangetown Shopping Center
Orangeburg



22 Harrison Market Square
Harrison



23 Pelham Manor Plaza
Pelham



24 DeCicco's Plaza
Eastchester



24 Eastchester Plaza
Eastchester



24 People's United Bank
Bronxville



25 Midway Shopping Center
Scarsdale



25 Tanglewood Shopping Center
Yonkers



26 McLean Plaza
Yonkers



27 H-Mart Plaza
Fort Lee



28 Washington Commons
Dumont



29 Van Houten Plaza
Passaic



30 Emerson Shopping Plaza
Emerson



31 Waldwick Plaza
Waldwick



31 Rite Aid
Waldwick



32 Chestnut Ridge Shopping Center
Montvale



33 Cedar Hill Shopping Center
Wyckoff



33 Midland Park Shopping Center
Midland Park



34 Meadtown Shopping Center
Kinnelon



35 Pompton Lakes Town Square
Pompton Lakes



36 Boonton Acme Shopping Center
Boonton



37 Valley Ridge Shopping Center
Wayne



38 Bloomfield Crossing
Bloomfield



39 Ferry Plaza
Newark



40 Village Shopping Center
New Providence



41 Gateway Plaza
Riverhead



INVESTMENT PORTFOLIO (as of January 10, 2022)

UBP owns or has equity interests in 78 properties which total 5,125,000 square feet.

MAP	LOCATION	SQUARE FEET	PRINCIPAL TENANT	PROPERTY TYPE
CONNECTICUT				
Fairfield County, CT				
3	Stamford	374,000	Stop & Shop Supermarket	Shopping center
10	Stratford	279,000	Stop & Shop Supermarket	Shopping center
7	Danbury	194,000	Christmas Tree Shops	Shopping center
4	Darien	96,000	Stop & Shop Supermarket	Shopping center
3	Stamford	87,000	Trader Joe's	Shopping center
3	Stamford	74,000	Grade A Market	Shopping center
6	Ridgefield	62,000	Keller Williams	Street retail
5	Fairfield	62,000	Marshalls	Shopping center
1	Greenwich	58,000	UBP	5 Office buildings
2	Cos Cob	48,000	CVS	Retail/Office
	Westport	40,000	Bev Max	Shopping center
2	Old Greenwich	39,000	Kings Supermarket	Retail/Office
7	Danbury	33,000	Buffalo Wild Wings	Shopping center
9	Bethel	31,000	Rite Aid	Shopping center
3	Stamford	27,000	Federal Express	Shopping center
6	Ridgefield	23,000	Asian/Fusion Restaurant	Retail/Office
2	Cos Cob	15,000	Veterinarian Emergency	Retail/Office
2	Greenwich	10,000	Wells Fargo Bank	Shopping center
	Old Greenwich	8,000	CVS	Retail
	Old Greenwich	4,000	Chase Bank	Bank
		1,564,000		
Litchfield County, CT				
8	New Milford	235,000	Walmart	Shopping center
8	New Milford	81,000	Big Y Supermarket	Shopping center
8	New Milford	72,000	Staples	Shopping center
		388,000		
New Haven County, CT				
12	Orange	77,000	Trader Joe's Supermarket	Shopping center
11	Derby	39,000	Aldi Supermarket	Shopping center
		116,000		
NEW YORK				
Westchester County, NY				
25	Scarsdale	242,000	ShopRite Supermarket	Shopping center
18	Ossining	137,000	Stop & Shop Supermarket	Shopping center
15	Somers	135,000	Home Goods	Shopping center
17	Yorktown	121,000	Staples	Shopping center
15	Somers	80,000	CVS	Shopping center
24	Eastchester	70,000	DeCicco's Supermarket	Shopping center
26	Yonkers	58,000	Acme Supermarket	Shopping center
19	Briarcliff Manor	47,000	CVS	Shopping center
	Rye	39,000	A&S Deli	Street retail (4 buildings)
	Ossining	29,000	Westchester Community College	Shopping center
16	Katonah	28,000	Squires Family Clothing and Footwear	Retail/Office
25	Yonkers	27,000	AutoZone	Shopping center
22	Harrison	26,000	Harrison Market	Shopping center
23	Pelham	25,000	Manor Market	Shopping center
24	Eastchester	24,000	CVS	Shopping center
24	Bronxville/ Yonkers	19,000	People's United Bank JP Morgan Chase	Retail (4 buildings)
15	Somers	19,000	Putnam County Savings Bank	Shopping center
		1,126,000		

MAP	LOCATION	SQUARE FEET	PRINCIPAL TENANT	PROPERTY TYPE
Putnam County, NY				
13	Carmel	189,000	Tops Supermarket	Shopping center
14	Brewster	176,000	Acme Supermarket	Shopping center
13	Carmel	145,000	ShopRite Supermarket	Shopping center
		510,000		
Suffolk County, NY				
41	Riverhead	211,000	Walmart & Applebee's	Shopping center
Rockland County, NY				
21	Orangeburg	74,000	CVS	Shopping center
20	New City	3,000	Putnam County Savings Bank	Retail (1 building)
		77,000		
Ulster County, NY				
	Kingston	3,000	Taste of Italy	Net leased property
Orange County, NY				
	Unionville	3,000	Unionville Family Restaurant	Net leased property
NEW JERSEY				
Bergen County, NJ				
33	Midland Park	130,000	Kings Supermarket	Shopping center
30	Emerson	93,000	ShopRite Supermarket	Shopping center
32	Montvale	77,000	The Fresh Market Supermarket	Shopping center
28	Dumont	74,000	Stop and Shop Supermarket	Shopping center
33	Wyckoff	43,000	Walgreens	Shopping center
31	Waldwick	27,000	United States Post Office	Shopping center
31	Waldwick	20,000	Rite Aid	Retail—Single tenant
27	Fort Lee	7,000	H-Mart Supermarket	Retail supermarket—Single tenant
		471,000		
Passaic County, NJ				
37	Wayne	105,000	Whole Foods Market	Shopping center
35	Pompton Lakes	96,000	Planet Fitness	Shopping center
29	Passaic	37,000	Dollar Tree/Family Dollar	Shopping center
		238,000		
Essex County, NJ				
39	Newark	108,000	Seabra Supermarket	Shopping center
38	Bloomfield	59,000	Superfresh Supermarket	Shopping center
	Bloomfield	3,000	Friendly's Restaurant	Net leased property
		170,000		
Morris County, NJ				
34	Kinnelon	76,000	Marshalls	Shopping center
36	Boonton	63,000	Acme Supermarket	Shopping center
		139,000		
Union County, NJ				
40	New Providence	109,000	Acme Supermarket	Shopping center

FINANCIALS

CONTENTS

Consolidated Balance Sheets at October 31, 2021 and 2020	14
Consolidated Statements of Income for each of the three years in the period ended October 31, 2021	15
Consolidated Statements of Comprehensive Income for each of the three years in the period ended October 31, 2021	16
Consolidated Statements of Cash Flows for each of the three years in the period ended October 31, 2021	17
Consolidated Statements of Stockholders' Equity for each of the three years in the period ended October 31, 2021	18
Notes to Consolidated Financial Statements	20
Report of Independent Registered Public Accounting Firm	38
Management's Discussion and Analysis of Financial Condition and Results of Operations	40
Management's Report on Internal Control over Financial Reporting	62
Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting	63
Quantitative and Qualitative Disclosures about Market Risk	64
Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	65
Performance Graph	65
Non-GAAP Financial Measures Reconciliations	66

FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

	October 31,	
	<u>2021</u>	<u>2020</u>
ASSETS		
Real Estate Investments:	\$1,148,382	\$1,149,182
Real Estate—at cost	<u>(278,605)</u>	<u>(261,325)</u>
Less: Accumulated depreciation	869,777	887,857
Investments in and advances to unconsolidated joint ventures	<u>29,027</u>	<u>28,679</u>
	898,804	916,536
Cash and cash equivalents	24,057	40,795
Tenant receivables	23,806	25,954
Prepaid expenses and other assets	19,175	18,263
Deferred charges, net of accumulated amortization	<u>8,010</u>	<u>8,631</u>
Total Assets	<u>\$ 973,852</u>	<u>\$1,010,179</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Revolving credit lines	\$ —	\$ 35,000
Mortgage notes payable and other loans	296,449	299,434
Accounts payable and accrued expenses	11,443	18,033
Deferred compensation—officers	62	20
Other liabilities	<u>22,599</u>	<u>24,550</u>
Total Liabilities	<u>330,553</u>	<u>377,037</u>
Redeemable Noncontrolling Interests	<u>67,395</u>	<u>62,071</u>
Commitments and Contingencies		
Stockholders' Equity:		
6.25% Series H Cumulative Preferred Stock (liquidation preference of \$25 per share); 4,600,000 shares issued and outstanding	115,000	115,000
5.875% Series K Cumulative Preferred Stock (liquidation preference of \$25 per share); 4,400,000 shares issued and outstanding	110,000	110,000
Excess Stock, par value \$0.01 per share; 20,000,000 shares authorized; none issued and outstanding	—	—
Common Stock, par value \$0.01 per share; 30,000,000 shares authorized; 10,153,689 and 10,073,652 shares issued and outstanding	103	102
Class A Common Stock, par value \$0.01 per share; 100,000,000 shares authorized; 30,073,807 and 29,996,305 shares issued and outstanding	301	300
Additional paid in capital	528,713	526,027
Cumulative distributions in excess of net income	(170,493)	(164,651)
Accumulated other comprehensive income (loss)	<u>(7,720)</u>	<u>(15,707)</u>
Total Stockholders' Equity	<u>575,904</u>	<u>571,071</u>
Total Liabilities and Stockholders' Equity	<u>\$ 973,852</u>	<u>\$1,010,179</u>

The accompanying notes to consolidated financial statements are an integral part of these statements.

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share data)

	Year Ended October 31,		
	2021	2020	2019
Revenues			
Lease income	\$ 130,364	\$120,941	\$132,287
Lease termination	967	705	221
Other	4,250	5,099	4,374
Total Revenues	<u>135,581</u>	<u>126,745</u>	<u>136,882</u>
Expenses			
Property operating	22,938	19,542	22,151
Property taxes	23,674	23,464	23,363
Depreciation and amortization	29,032	29,187	27,930
General and administrative	8,985	10,643	9,405
Directors' fees and expenses	355	373	346
Total Operating Expenses	<u>84,984</u>	<u>83,209</u>	<u>83,195</u>
Operating Income	50,597	43,536	53,687
Non-Operating Income (Expense):			
Interest expense	(13,087)	(13,508)	(14,102)
Equity in net income from unconsolidated joint ventures	1,323	1,433	1,241
Gain on sale of marketable securities	—	258	403
Interest, dividends and other investment income	231	398	403
Gain (loss) on sale of properties	11,864	(6,047)	(19)
Net Income	50,928	26,070	41,613
Noncontrolling interests:			
Net income attributable to noncontrolling interests	(3,645)	(3,887)	(4,333)
Net income attributable to Urstadt Biddle Properties Inc.	47,283	22,183	37,280
Preferred stock dividends	(13,650)	(13,650)	(12,789)
Redemption of preferred stock	—	—	(2,363)
Net Income Applicable to Common and Class A Common Stockholders	<u>\$ 33,633</u>	<u>\$ 8,533</u>	<u>\$ 22,128</u>
Basic Earnings Per Share:			
Per Common Share	\$ 0.80	\$ 0.20	\$0.53
Per Class A Common Share	\$ 0.89	\$ 0.23	\$0.59
Diluted Earnings Per Share:			
Per Common Share	\$ 0.79	\$ 0.20	\$0.52
Per Class A Common Share	\$ 0.88	\$ 0.22	\$0.58

The accompanying notes to consolidated financial statements are an integral part of these statements.

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

	Year Ended October 31,		
	2021	2020	2019
Net Income	\$ 50,928	\$ 26,070	\$ 41,613
Other comprehensive income:			
Change in unrealized gain (loss) on interest rate swaps	7,080	(6,546)	(13,651)
Change in unrealized gain (loss) on interest rate swaps—equity investees	906	(710)	(1,697)
Total comprehensive income	58,914	18,814	26,265
Comprehensive income attributable to noncontrolling interests	(3,645)	(3,887)	(4,333)
Total comprehensive income attributable to Urstadt Biddle Properties Inc.	55,269	14,927	21,932
Preferred stock dividends	(13,650)	(13,650)	(12,789)
Redemption of preferred stock	—	—	(2,363)
Total comprehensive income applicable to Common and Class A Stockholders	\$ 41,619	\$ 1,277	\$ 6,780

The accompanying notes to consolidated financial statements are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Year Ended October 31,		
	2021	2020	2019
Cash Flows from Operating Activities:			
Net income	\$ 50,928	\$ 26,070	\$ 41,613
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	29,032	29,187	27,930
Straight-line rent adjustment	2,396	(2,641)	(914)
Provisions for tenant credit losses	3,540	6,244	956
(Gain) on sale of marketable securities	—	(258)	(403)
Restricted stock compensation expense and other adjustments	3,909	5,448	4,381
Deferred compensation arrangement	41	(33)	(19)
(Gain) loss on sale of properties	(11,864)	6,047	19
Equity in net (income) of unconsolidated joint ventures	(1,323)	(1,433)	(1,241)
Distributions of operating income from unconsolidated joint ventures	1,323	1,433	1,241
Changes in operating assets and liabilities:			
Tenant receivables	(3,796)	(6,715)	(314)
Accounts payable and accrued expenses	1,006	609	(8,142)
Other assets and other liabilities, net	(1,523)	(2,075)	7,210
Net Cash Flow Provided by Operating Activities	73,669	61,883	72,317
Cash Flows from Investing Activities:			
Acquisitions of real estate investments	—	—	(11,751)
Investments in and advances to unconsolidated joint ventures	—	—	(574)
Deposits on acquisition of real estate investments	(10)	(1,030)	—
Return of deposits on real estate investments	500	530	—
Improvements to properties and deferred charges	(15,463)	(22,336)	(18,681)
Net proceeds from sale of properties	16,707	3,732	3,372
Purchases of securities available for sale	(955)	(6,983)	—
Proceeds from the sale of available for sale securities	—	7,240	5,970
Investment in note receivable	(1,738)	—	—
Return of capital from unconsolidated joint ventures	514	27	6,925
Net Cash Flow (Used in) Investing Activities	(445)	(18,820)	(14,739)
Cash Flows from Financing Activities:			
Dividends paid—Common and Class A Common Stock	(29,025)	(30,018)	(42,600)
Dividends paid—Preferred Stock	(13,650)	(14,188)	(12,789)
Amortization payments on mortgage notes payable	(6,888)	(7,089)	(6,441)
Proceeds from mortgage note payable and other loans	39,238	—	47,000
Repayment of mortgage notes payable and other loans	(34,645)	—	(27,001)
Proceeds from revolving credit line borrowings	—	35,000	25,500
Sales of additional shares of Common and Class A Common Stock	148	149	193
Repayments on revolving credit line borrowings	(35,000)	—	(54,095)
Acquisitions of noncontrolling interests	(5,126)	(758)	(5,134)
Distributions to noncontrolling interests	(3,645)	(3,887)	(4,333)
Repurchase of shares of Class A Common Stock	(1,049)	—	—
Payment of taxes on shares withheld for employee taxes	(320)	(573)	(270)
Net proceeds from issuance of Preferred Stock	—	17	106,186
Redemption of preferred stock	—	(75,000)	—
Net Cash Flow Provided by (Used in) Financing Activities	(89,962)	(96,347)	26,216
Net Increase/(Decrease) In Cash and Cash Equivalents	(16,738)	(53,284)	83,794
Cash and Cash Equivalents at Beginning of Year	40,795	94,079	10,285
Cash and Cash Equivalents at End of Year	\$ 24,057	\$ 40,795	\$ 94,079

The accompanying notes to consolidated financial statements are an integral part of these statements.

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands, except shares and per share data)

	6.75% Series G Preferred Stock		6.25% Series H Preferred Stock		5.875% Series K Preferred Stock	
	Issued	Amount	Issued	Amount	Issued	Amount
Balances—October 31, 2018	3,000,000	\$ 75,000	4,600,000	\$115,000	—	\$ —
November 1, 2018 adoption of new accounting standard	—	—	—	—	—	—
Net income applicable to Common and Class A common stockholders	—	—	—	—	—	—
Change in unrealized gain (loss) on interest rate swap	—	—	—	—	—	—
Cash dividends paid:						
Common stock (\$0.98 per share)	—	—	—	—	—	—
Class A common stock (\$1.10 per share)	—	—	—	—	—	—
Issuance of shares under dividend reinvestment plan	—	—	—	—	—	—
Shares issued under restricted stock plan	—	—	—	—	—	—
Shares withheld for employee taxes	—	—	—	—	—	—
Forfeiture of restricted stock	—	—	—	—	—	—
Issuance of Series K Preferred Stock	—	—	—	—	4,400,000	110,000
Reclassification of preferred stock	(3,000,000)	(75,000)	—	—	—	—
Restricted stock compensation and other adjustment	—	—	—	—	—	—
Adjustments to redeemable noncontrolling interests	—	—	—	—	—	—
Balances—October 31, 2019	—	—	4,600,000	115,000	4,400,000	110,000
Net income applicable to Common and Class A common stockholders	—	—	—	—	—	—
Change in unrealized gain (loss) on interest rate swap	—	—	—	—	—	—
Cash dividends paid:						
Common stock (\$0.6875 per share)	—	—	—	—	—	—
Class A common stock (\$0.77 per share)	—	—	—	—	—	—
Issuance of shares under dividend reinvestment plan	—	—	—	—	—	—
Shares issued under restricted stock plan	—	—	—	—	—	—
Shares withheld for employee taxes	—	—	—	—	—	—
Forfeiture of restricted stock	—	—	—	—	—	—
Restricted stock compensation and other adjustment	—	—	—	—	—	—
Adjustments to redeemable noncontrolling interests	—	—	—	—	—	—
Balances—October 31, 2020	—	—	4,600,000	115,000	4,400,000	110,000
Net income applicable to Common and Class A common stockholders	—	—	—	—	—	—
Change in unrealized gains on interest rate swap	—	—	—	—	—	—
Cash dividends paid:						
Common stock (\$0.664 per share)	—	—	—	—	—	—
Class A common stock (\$0.74 per share)	—	—	—	—	—	—
Issuance of shares under dividend reinvestment plan	—	—	—	—	—	—
Shares issued under restricted stock plan	—	—	—	—	—	—
Shares withheld for employee taxes	—	—	—	—	—	—
Forfeiture of restricted stock	—	—	—	—	—	—
Repurchase of Common and Class A Common stock	—	—	—	—	—	—
Restricted stock compensation and other adjustments	—	—	—	—	—	—
Adjustments to redeemable noncontrolling interests	—	—	—	—	—	—
Balances—October 31, 2021	—	\$ —	4,600,000	\$115,000	4,400,000	\$110,000

The accompanying notes to consolidated financial statements are an integral part of these statements.

Common Stock		Class A Common Stock		Additional Paid In Capital	Cumulative Distributions In Excess of Net Income	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
Issued	Amount	Issued	Amount				
9,822,006	\$ 99	29,814,814	\$298	\$518,136	\$(133,858)	\$ 7,466	\$582,141
—	—	—	—	—	569	(569)	—
—	—	—	—	—	22,128	—	22,128
—	—	—	—	—	—	(15,348)	(15,348)
—	—	—	—	—	(9,762)	—	(9,762)
—	—	—	—	—	(32,838)	—	(32,838)
4,545	—	5,417	—	193	—	—	193
137,200	2	111,450	1	(3)	—	—	—
—	—	(14,290)	—	(269)	—	—	(269)
—	—	(24,150)	—	—	—	—	—
—	—	—	—	(3,465)	—	—	106,535
—	—	—	—	2,363	—	—	(72,637)
—	—	—	—	4,033	—	—	4,033
—	—	—	—	—	(4,452)	—	(4,452)
<u>9,963,751</u>	<u>101</u>	<u>29,893,241</u>	<u>299</u>	<u>520,988</u>	<u>(158,213)</u>	<u>(8,451)</u>	<u>579,724</u>
—	—	—	—	—	8,533	—	8,533
—	—	—	—	—	—	(7,256)	(7,256)
—	—	—	—	—	(6,923)	—	(6,923)
—	—	—	—	—	(23,095)	—	(23,095)
4,451	—	6,837	—	149	—	—	149
105,450	1	120,800	1	(2)	—	—	—
—	—	(23,873)	—	(573)	—	—	(573)
—	—	(700)	—	—	—	—	—
—	—	—	—	5,465	—	—	5,465
—	—	—	—	—	15,047	—	15,047
<u>10,073,652</u>	<u>102</u>	<u>29,996,305</u>	<u>300</u>	<u>526,027</u>	<u>(164,651)</u>	<u>(15,707)</u>	<u>571,071</u>
—	—	—	—	—	33,633	—	33,633
—	—	—	—	—	—	7,987	7,987
—	—	—	—	—	(6,756)	—	(6,756)
—	—	—	—	—	(22,269)	—	(22,269)
3,341	—	5,355	—	148	—	—	148
105,850	1	125,800	1	(2)	—	—	—
—	—	(23,249)	—	(319)	—	—	(319)
—	—	(1,250)	—	—	—	—	—
(29,154)	—	(29,154)	—	(1,049)	—	—	(1,049)
—	—	—	—	3,908	—	—	3,908
—	—	—	—	—	(10,450)	—	(10,450)
<u>10,153,689</u>	<u>\$103</u>	<u>30,073,807</u>	<u>\$301</u>	<u>\$528,713</u>	<u>\$(170,493)</u>	<u>\$ (7,720)</u>	<u>\$575,904</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) ORGANIZATION, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business

Urstadt Biddle Properties Inc. (“Company”), a Maryland Corporation, is a real estate investment trust (REIT), engaged in the acquisition, ownership and management of commercial real estate, primarily neighborhood and community shopping centers in the northeastern part of the United States with a concentration in the metropolitan New York tri-state area outside of the City of New York. The Company’s major tenants include supermarket chains and other retailers who sell basic necessities. At October 31, 2021, the Company owned or had equity interests in 79 properties containing a total of 5.1 million square feet of gross leasable area (“GLA”).

COVID-19 Pandemic

On March 11, 2020, the novel coronavirus disease (“COVID-19”) was declared a pandemic (“COVID-19 pandemic”) by the World Health Organization as the disease spread throughout the world. During March 2020, measures to prevent the spread of COVID-19 were initiated, with federal, state and local government agencies issuing regulatory orders enforcing social distancing and limiting certain business operations and group gatherings in order to further prevent the spread of COVID-19. While these regulatory orders vary by state and have changed over time, as of October 31, 2021 all of our tenants’ businesses were permitted to operate, in some cases subject to modified operation procedures. We have seen substantial improvement in foot traffic, retail activity and general business conditions for our tenants compared to the early days of the COVID-19 pandemic. The pandemic is still ongoing, however, with existing and new variants it is making the situation difficult to predict.

Principles of Consolidation and Use of Estimates

The accompanying consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries, and joint ventures in which the Company meets certain criteria of a sole general partner in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 810, “Consolidation.” The Company has determined that such joint ventures should be consolidated into the consolidated financial statements of the Company. In accordance with ASC Topic 970-323, “Real Estate-General-Equity Method and Joint Ventures;” joint ventures that the Company does not control but

otherwise exercises significant influence in, are accounted for under the equity method of accounting. See Note 6 for further discussion of the unconsolidated joint ventures. All significant intercompany transactions and balances have been eliminated in consolidation.

The accompanying financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the disclosure of contingent assets and liabilities, the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the periods covered by the financial statements. The most significant assumptions and estimates relate to the valuation of real estate, depreciable lives, revenue recognition, fair value measurements and the collectability of tenant receivables. Actual results could differ from these estimates.

Federal Income Taxes

The Company has elected to be treated as a real estate investment trust under Sections 856-860 of the Internal Revenue Code (“Code”). Under those sections, a REIT that, among other things, distributes at least 90% of real estate trust taxable income and meets certain other qualifications prescribed by the Code will not be taxed on that portion of its taxable income that is distributed. The Company believes it qualifies as a REIT and intends to distribute all of its taxable income for fiscal 2021 in accordance with the provisions of the Code. Accordingly, no provision has been made for Federal income taxes in the accompanying consolidated financial statements.

The Company follows the provisions of ASC Topic 740, “Income Taxes,” that, among other things, defines a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Topic 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. Based on its evaluation, the Company determined that it has no uncertain tax positions and no unrecognized tax benefits as of October 31, 2021. As of October 31, 2021, the fiscal tax years 2017 through and including 2020 remain open to examination by the Internal Revenue Service. There are currently no federal tax examinations in progress.

Acquisitions of Real Estate Investments and Capitalization Policy

Acquisition of Real Estate Investments:

The Company evaluates each acquisition of real estate or in-substance real estate (including equity interests in entities that predominantly hold real estate assets) to determine if the integrated set of assets and activities acquired meet the definition of a business and need to be accounted as a business combination. If either of the following criteria is met, the integrated set of assets and activities acquired would not qualify as a business:

- Substantially all of the fair value of the gross assets acquired is concentrated in either a single identifiable asset or a group of similar identifiable assets; or
- The integrated set of assets and activities is lacking, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs (i.e. revenue generated before and after the transaction).

An acquired process is considered substantive if:

- The process includes an organized workforce (or includes an acquired contract that provides access to an organized workforce), that is skilled, knowledgeable, and experienced in performing the process;
- The process cannot be replaced without significant cost, effort, or delay; or
- The process is considered unique or scarce.

Generally, the Company expects that acquisitions of real estate or in-substance real estate will not meet the definition of a business because substantially all of the fair value is concentrated in a single identifiable asset or group of similar identifiable assets (i.e. land, buildings, and related intangible assets) or because the acquisition does not include a substantive process in the form of an acquired workforce or an acquired contract that cannot be replaced without significant cost, effort or delay.

Acquisitions of real estate and in-substance real estate which do not meet the definition of a business are accounted for as asset acquisitions. The accounting model for asset acquisitions is similar to the accounting model for business combinations except that the acquisition consideration (including acquisition costs) is allocated to the individual assets acquired and liabilities assumed on a relative fair value basis. As a result, asset acquisitions do not result in the recognition of goodwill or a bargain purchase gain. The relative fair values used to allocate the cost of an asset acquisition are determined using the same methodologies and assumptions as the Company utilizes to determine fair value in a business combination.

The value of tangible assets acquired is based upon our estimation of value on an “as if vacant” basis. The value of acquired in-place leases includes the estimated costs during the hypothetical lease-up period and other costs that would have been incurred in the execution of similar leases under the market conditions at the acquisition date of the acquired in-place lease. We assess the fair value of tangible and intangible assets based on numerous factors, including estimated cash flow projections that utilize appropriate discount and capitalization rates and available market information. Estimates of future cash flows are based on a number of factors, including the historical operating results, known trends, and market/ economic conditions that may affect the property.

The values of acquired above and below-market leases, which are included in prepaid expenses and other assets and other liabilities, respectively, are amortized over the terms of the related leases and recognized as either an increase (for below-market leases) or a decrease (for above-market leases) to rental revenue. The values of acquired in-place leases are classified in other assets in the accompanying consolidated balance sheets and amortized over the remaining terms of the related leases.

Capitalization Policy:

Land, buildings, property improvements, furniture/ fixtures and tenant improvements are recorded at cost. Expenditures for maintenance and repairs are charged to operations as incurred. Renovations and/ or replacements, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives.

Depreciation and Amortization

The Company uses the straight-line method for depreciation and amortization. Real estate investment properties are depreciated over the estimated useful lives of the properties, which range from 30 to 40 years. Property improvements are depreciated over the estimated useful lives that range from 10 to 20 years. Furniture and fixtures are depreciated over the estimated useful lives that range from 3 to 10 years. Tenant improvements are amortized over the shorter of the life of the related leases or their useful life.

Sale of Investment Property and Property Held for Sale

The Company reports properties that are either disposed of or are classified as held for sale in continuing operations in the consolidated statement of income if the removal, or anticipated removal, of the asset(s) from the reporting entity does not represent a strategic shift that has or will have a major effect on an entity’s operations and financial results when disposed of.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In March 2021, the Company sold its property located in Hillsdale, NJ (the "Hillsdale Property") to an unrelated third party for a sale price of \$1.3 million, as that property no longer met the Company's investment objectives. In accordance with ASC Topic 840, Contracts with Customers, the Company recorded a gain on sale in the amount of \$435,000, which gain is included in continuing operations in its consolidated income statements for the year ended October 31, 2021, when the Company's performance obligation was met, the transfer of the property's title to the buyer and when consideration was received from the buyer for that performance obligation.

In June 2021, the Company sold its property located in Newington, NH (the "Newington Property") to an unrelated third party for a sale price of \$13.4 million as that property no longer met the Company's investment objectives. In accordance with ASC Topic 840, "Contracts with Customers," the Company recorded a gain on sale in the amount of \$11.8 million, which gain is included in continuing operations in its consolidated income statements for the year ended October 31, 2021, when the Company's performance obligation was met, the transfer of the property's title to the buyer and when consideration was received from the buyer for that performance obligation.

In September 2021, the Company entered into a purchase and sale agreement to sell its property located in Chester, NJ (the "Chester Property"), to an unrelated third party for a sale price of \$1.96 million as that property no longer met its investment objectives. In accordance with ASC Topic 360-10-45, the property met all the criteria to be classified as held for sale in the fourth quarter of fiscal 2021, and accordingly the Company recorded a loss on property held for sale of \$342,000, which loss was included in continuing operations in the consolidated statement of income for the year ended October 31, 2021. The amount of the loss represented the net carrying amount of the property over the fair value of the asset less estimated cost to sell. The net book value of the Chester Property was insignificant to financial statement presentation and as a result the Company did not include the asset as held for sale on its consolidated balance sheet at October 31, 2021. In December 2021, the Chester Property sale was completed and the Company realized an additional loss on sale of property of \$8,000, which loss will be included in continuing operations in the consolidated statement of income for the year ended October 31, 2022.

In January 2020, the Company entered into a purchase and sale agreement, subject to certain conditions, to sell a 29,000 square foot portion of its property located in Pompton Lakes, NJ (the "Pompton Lakes Property") to an unrelated third party for a sale price of \$2.8 million. In accordance with ASC Topic 360-10-45, that portion of the property met all the criteria to be classified as held for sale in September of fiscal 2020, and accordingly the Company recorded a loss on property held for sale of \$5.7 million, which loss was included in continuing operations in the consolidated statement of income for the year ended October 31, 2020. The amount of the loss represented the net carrying amount of that portion of the property over the fair value of that portion of the asset less estimated cost to sell. The net book value of that portion of the Pompton Lakes Property was insignificant to financial statement presentation and, as a result, the Company did not include that portion of the asset as held for sale on its consolidated balance sheet at October 31, 2020. In December 2020, the sale of that portion of the property was completed.

In January 2020, the Company sold for \$1.3 million its retail property located in Carmel, NY (the "Carmel Property"), as that property no longer met the Company's investment objectives. In conjunction with the sale, the Company realized a loss on sale of the Carmel property in the amount of \$242,000, which loss is included in continuing operations in the consolidated statement of income for the year ended October 31, 2020.

In August 2019, the Company entered into a purchase and sale agreement to sell its property located in Bernardsville, NJ (the "Bernardsville Property"), to an unrelated third party for a sale price of \$2.7 million as that property no longer met its investment objectives. In accordance with ASC Topic 360-10-45, the property met all the criteria to be classified as held for sale in the fourth quarter of fiscal 2019, and accordingly the Company recorded a loss on property held for sale of \$434,000, which loss was included in continuing operations in the consolidated statement of income for the year ended October 31, 2019. The amount of the loss represented the net carrying amount of the property over the fair value of the asset less estimated cost to sell. The net book value of the Bernardsville Property was insignificant to financial statement presentation and as a result the Company did not include the asset as held for sale on its consolidated balance sheet at October 31, 2019. In December 2019 (fiscal 2020), the Bernardsville Property sale was completed and the Company realized an additional loss on sale of property of \$86,000, which loss is included in continuing operations in the consolidated statement of income for the year ended October 31, 2020.

In June 2019, the Company sold for \$3.7 million its property located in Monroe, CT (the “Monroe Property”), as that property no longer met the Company’s investment objectives. In conjunction with the sale the Company realized a gain on sale of property in the amount of \$416,000, which is included in continuing operations in the consolidated statement of income for the year ended October 31, 2019.

The combined operating results of the Hillsdale Property, the Newington Property, the Chester Property, the Monroe Property, the Bernardsville Property, the Carmel Property and the sold portion of the Pompton Lakes properties, which are included in continuing operations, were as follows (amounts in thousands):

	Year Ended October 31,		
	2021	2020	2019
Revenues	\$ 959	\$ 1,833	\$ 2,665
Property operating expense	(492)	(1,001)	(1,311)
Depreciation and amortization	(252)	(689)	(711)
Net Income	<u>\$ 215</u>	<u>\$ 143</u>	<u>\$ 643</u>

Deferred Charges

Deferred charges consist principally of leasing commissions (which are amortized ratably over the life of the tenant leases). Deferred charges in the accompanying consolidated balance sheets are shown at cost, net of accumulated amortization of \$4,994,000 and \$5,115,000 as of October 31, 2021 and 2020, respectively.

Asset Impairment

On a periodic basis, management assesses whether there are any indicators that the value of its real estate investments may be impaired. A property value is considered impaired when management’s estimate of current and projected operating cash flows (undiscounted and without interest) of the property over its remaining useful life is less than the net carrying value of the property. Such cash flow projections consider factors such as expected future operating income, trends and prospects, as well as the effects of demand, competition and other factors. To the extent impairment has occurred, the loss is measured as the excess of the net carrying amount of the property over the fair value of the asset. Changes in estimated future cash flows due to changes in the Company’s plans or market and economic conditions could result in recognition of impairment losses which could be substantial. As of October 31, 2021, management does not believe that the value of any of its real estate investments is impaired.

Lease Income, Revenue Recognition and Tenant Receivables

Lease Income:

The Company accounts for lease income in accordance with ASC Topic 842, “Leases.”

The Company’s existing leases are generally classified as operating leases. However, certain longer-term leases (both lessee and lessor leases) may be classified as direct financing or sales type leases, which may result in selling profit and an accelerated pattern of earnings recognition.

The Company leases space to tenants under agreements with varying terms that generally provide for fixed payments of base rent, with designated increases over the term of the lease. Some of the lease agreements contain provisions that provide for additional rents based on tenants’ sales volume (“percentage rent”). Percentage rents are recognized when the tenants achieve the specified targets as defined in their lease agreements. Additionally, most all lease agreements contain provisions for reimbursement of the tenants’ share of actual real estate taxes, insurance and Common Area Maintenance (“CAM”) costs (collectively, “Recoverable Costs”) incurred.

Lease terms generally range from 1 to 5 years for tenant spaces under 10,000 square feet (“Shop Space”) and in excess of 5 years for spaces greater than 10,000 square feet (“Anchor Spaces”). Many leases also provide the option for the tenants to extend their lease beyond the initial term of the lease. If the tenants do not exercise renewal options and the leases mature, the tenants must relinquish their space so it can be leased to a new tenant, which generally involves some level of cost to prepare the space for re-leasing. These costs are capitalized and depreciated over the shorter of the life of the subsequent lease or the life of the improvement.

CAM is a non-lease component of the lease contract under ASC Topic 842, and therefore would be accounted for under ASC Topic 606, “Revenue from Contracts with Customers,” and presented separate from lease income in the accompanying consolidated statements of income, based on an allocation of the overall contract price, which is not necessarily the amount that would be billable to the tenants for CAM reimbursements per the terms of the lease contract. As the timing and pattern of providing the CAM service to the tenant is the same as the timing and pattern of the tenants’ use of the underlying lease asset, the Company, in accordance with ASC Topic 842, combines CAM with the remaining lease components, along with tenants’ reimbursement of real estate taxes and insurance, and recognize them together as lease income in the accompanying consolidated statements of income.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Lease income for operating leases with fixed payment terms is recognized on a straight-line basis over the expected term of the lease for all leases for which collectability is considered probable at the commencement date. At lease commencement, the Company expects that collectability is probable for all of its leases due to the Company's credit checks on tenants and other creditworthiness analysis undertaken before entering into a new lease; therefore, income from all operating leases is initially recognized on a straight-line basis. Lease income each period is reduced by amounts considered uncollectable on a lease-by-lease basis, with any changes in collectability assessments recognized as a current period adjustment to lease income. For operating leases in which collectability of lease income is not considered probable, lease income is recognized on a cash basis and all previously recognized uncollected lease income, including straight-line rental income, is reversed in the period in which the lease income is determined not to be probable of collection.

The Company, as a lessor, may only defer as initial direct costs the incremental costs of a tenant operating lease that would not have been incurred if the lease had not been obtained. These costs generally include third-party broker payments, which are capitalized to deferred costs in the accompanying consolidated balance sheets and amortized over the expected term of the lease to depreciation and amortization expense in the accompanying consolidated statements of income.

COVID-19 Pandemic

Beginning in March 2020, many of the Company's properties were, and continue to be, negatively impacted by the COVID-19 pandemic, as state governments mandated the closure of non-essential businesses to prevent the spread of COVID-19, forcing many of our tenants' businesses to close or reduce operations. As a result, 402 of approximately 832 tenants in the Company's consolidated portfolio, representing 1.6 million square feet and approximately 44.3% of the Company's annualized base rent, have asked for some type of rent deferral or concession. Subsequently, approximately 117 of the 402 tenants withdrew their requests for rent relief or paid their rent in full. As public health and business conditions in the areas where our properties are located continue to improve, rent relief requests have greatly decreased and our properties are returning to normal operations. The primary strategy of the Company with respect to rent concession requests was to defer some portion of rents due for the months of April 2020 through the beginning of fiscal 2021 to be paid over a later part of the lease,

preferably within a period of one year or less. In some instances, however, the Company determined that it was more appropriate to abate some portion of base rents. Most of the few base rent deferrals or abatements entered into with tenants in the second half of fiscal 2021 are additional deferrals or abatements for tenants who received prior rent concessions.

From the onset of COVID-19 through October 31, 2021, the Company has completed 288 lease modifications, consisting of base rent deferrals totaling \$3.9 million and rent abatements totaling \$4.4 million. Through October 31, 2021, the Company has received repayment of approximately \$3.2 million of the base rent deferrals.

In April 2020, in response to the COVID-19 pandemic, the FASB staff issued guidance that it would be acceptable for entities to make an election to account for lease concessions related to the effects of the COVID-19 pandemic consistent with how those concessions would be accounted for under Topic 842, as if enforceable rights and obligations for those concessions existed (regardless of whether those enforceable rights and obligations for the concessions explicitly exist in the lease contract). Consequently, for concessions related to the effects of the COVID-19 pandemic, an entity will not have to analyze each lease contract to determine whether enforceable rights and obligations for concessions exist in the lease contract and may elect to apply or not apply the lease modification guidance in Topic 842 to those contracts.

This election is available for concessions related to the effects of the COVID-19 pandemic that do not result in a substantial increase in the rights of the lessor or the obligations of the lessee. For example, this election is available for concessions that result in the total payments required by the modified contract being substantially the same as or less than total payments required by the original contract. The FASB staff expects that reasonable judgment will be exercised in making those determinations.

Most concessions will provide a deferral of payments with no substantive changes to the consideration in the original lease contract. A deferral affects the timing, but the amount of the consideration is substantially the same as that required by the original lease contract. The FASB staff expects that there will be multiple ways to account for those deferrals, none of which the staff believes are preferable over others. The Company has made the election not to analyze each lease contract, and believes that, based on FASB guidance, the appropriate way to account for the concessions as described above is to account for such concessions as if no changes to the lease contracts were made. Under that accounting, a lessor would increase its lease receivable (straight-line rents receivable) and would continue to recognize income during the deferral period, assuming that the collectability

of the future rents under the lease contract are considered collectable. If it is determined that the future rents of any lease contract are not collectable, the Company would treat that lease contract on a cash basis as defined in ASC Topic 842.

When collection of substantially all lease payments during the lease term is not considered probable, total lease revenue is limited to the lesser of revenue recognized under accrual accounting or cash received. Determining the probability of collection of substantially all lease payments during a lease term requires significant judgment. This determination is impacted by numerous factors, including our assessment of the tenant's credit worthiness, economic conditions, tenant sales productivity in that location, historical experience with the tenant and tenants operating in the same industry, future prospects for the tenant and the industry in which it operates, and the length of the lease term. If leases currently classified as probable are subsequently reclassified as not probable, any outstanding lease receivables (including straight-line rent receivables) would be written-off with a corresponding decrease in lease income.

Revenue Recognition

In those instances in which the Company funds tenant improvements and the improvements are deemed to be owned by the Company, revenue recognition on operating leases will commence when the improvements are substantially completed and possession or control of the space is turned over to the tenant. When the Company determines that the tenant allowances are lease incentives, the Company commences revenue recognition when possession or control of the space is turned over to the tenant for tenant work to begin.

Lease termination amounts are recognized in operating revenues when there is a signed termination agreement, all of the conditions of the agreement have been met, the tenant is no longer occupying the property and the termination consideration is probable of collection. Lease termination amounts are paid by tenants who want to terminate their lease obligations before the end of the contractual term of the lease by agreement with the Company. There is no way of predicting or forecasting the timing or amounts of future lease termination fees. Interest income is recognized as it is earned. Gains or losses on disposition of properties are recorded when the criteria for recognizing such gains or losses under U.S. GAAP have been met.

Percentage rent is recognized when a specific tenant's sales breakpoint is achieved.

Tenant Receivables

The actions taken by federal, state and local governments to mitigate the spread of COVID-19, initially by ordering closures of non-essential businesses and ordering residents to generally stay at home, and subsequent phased re-openings have resulted in many of our tenants temporarily or even permanently closing their businesses, and for some, it has impacted their ability to pay rent although this situation is rapidly improving as a large part of the country becomes vaccinated and the pandemic continues to wane.

As a result, in accordance with ASC Topic 842, we revised our collectability assumptions for many of our tenants that were most significantly impacted by COVID-19. This amount includes changes in our collectability assessments for certain tenants in our portfolio from probable to not probable, which requires that revenue recognition for those tenants be converted to cash basis accounting, with previously uncollected billed rents reversed in the current period. From the beginning of the COVID-19 pandemic through the end of our second quarter of fiscal 2021, we converted 89 tenants to cash basis accounting in accordance with ASC Topic 842. We did not convert any additional tenants to cash basis accounting in the second half of fiscal 2021. As of October 31, 2021, 27 of the 89 tenants are no longer tenants in the Company's properties. In addition, when one of the Company's tenants is converted to cash-basis accounting in accordance with ASC Topic 842, all previously recorded straight-line rent receivables need to be reversed in the period that the tenant is converted to cash-basis revenue recognition. During the fourth quarter of fiscal 2021, we restored 13 of the original 89 tenants to accrual-basis revenue recognition as those tenants have demonstrated that they have paid all of their billed rents for six consecutive months and have no significant unpaid billings as of October 31, 2021. When a tenant is restored to accrual-basis revenue recognition, the Company records revenue on the straight-line basis. As such the Company recorded straight-line rent revenue in the amount of \$582,000 for these 13 tenants in the three months ended October 31, 2021.

As of October 31, 2021, the Company is recording lease income on a cash basis for approximately 5.9% of our tenants in accordance with ASC Topic 842.

During the fiscal years ended October 31, 2021 and 2020, we recognized collectability adjustments totaling \$4.2 million and \$7.3 million, respectively. These adjustments included reversals of billed but uncollected rents for tenants converted to cash-basis accounting in accordance with ASC Topic 842 for the fiscal years 2021 and 2020 in the amount of \$2.0 million and \$2.3 million, respectively. Also included in the total collectability adjustment was the reversals of straight-line rent receivables related to tenants

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

converted to cash-basis accounting in accordance with ASC Topic 842 for the fiscal years ended 2021 and 2020 in the amounts of \$674,000 and \$1.1 million, respectively.

At October 31, 2021 and October 31, 2020, \$19,693,000 and \$22,330,000, respectively, have been recognized as straight-line rents receivable (representing the current cumulative rents recognized prior to when billed and collectible as provided by the terms of the leases), all of which is included in tenant receivables in the accompanying consolidated financial statements.

The Company provides an allowance for doubtful accounts against the portion of tenant receivables that is estimated to be uncollectable. Such allowances are reviewed periodically. At October 31, 2021 and October 31, 2020, tenant receivables in the accompanying consolidated balance sheets are shown net of allowances for doubtful accounts of \$7,469,000 and \$8,769,000, respectively. Included in the aforementioned allowance for doubtful accounts is an amount for future tenant credit losses of approximately 10% of the deferred straight-line rents receivable which is estimated to be uncollectable.

Cash Equivalents

Cash and cash equivalents consist of cash in banks and short-term investments with original maturities of less than three months.

Marketable Securities

Marketable equity securities are carried at fair value based upon quoted market prices in active markets.

In March 2020, the Company purchased REIT securities in the amount of \$7.0 million. In May 2020, the Company sold all of its REIT securities for \$7.3 million and realized a gain on sale of \$258,000, which is included in the consolidated statement of income for the year ended October 31, 2020.

In February and March 2018, the Company purchased REIT securities in the amount of \$5.0 million. In January 2019, the Company sold all of its REIT securities for \$6.0 million and realized a gain on sale of \$403,000, which is included in the consolidated statement of income for the year ended October 31, 2019.

Derivative Financial Instruments

The Company occasionally utilizes derivative financial instruments, such as interest rate swaps, to manage its exposure to fluctuations in interest rates. The Company has established policies and procedures for risk assessment and the approval, reporting and monitoring of derivative financial instruments. Derivative financial instruments must be effective in reducing the Company's interest rate risk exposure in order to qualify for hedge accounting.

When the terms of an underlying transaction are modified, or when the underlying hedged item ceases to exist, all changes in the fair value of the instrument are marked-to-market with changes in value included in net income for each period until the derivative instrument matures or is settled. Any derivative instrument used for risk management that does not meet the hedging criteria is marked-to-market with the changes in value included in net income. The Company has not entered into, and does not plan to enter into, derivative financial instruments for trading or speculative purposes. Additionally, the Company has a policy of entering into derivative contracts only with major financial institutions.

As of October 31, 2021, the Company believes it has no significant risk associated with non-performance of the financial institutions that are the counterparty to its derivative contracts. At October 31, 2021, the Company had approximately \$124.1 million in secured mortgage financings subject to interest rate swaps. Such interest rate swaps converted the LIBOR-based variable rates on the mortgage financings to a fixed annual rate of 3.94% per annum. As of October 31, 2021 and 2020, the Company had a deferred liability of \$6.7 million and \$13.3 million, respectively, (included in accounts payable and accrued expenses on the consolidated balance sheets) relating to the fair value of the Company's interest rate swaps applicable to secured mortgages. As of October 31, 2021 and 2020, the Company had a deferred assets of \$515,000 and \$—, respectively, (included in other assets on the consolidated balance sheets) relating to the fair value of the Company's interest rate swaps applicable to secured mortgages.

Charges and/or credits relating to the changes in fair values of such interest rate swap are made to other comprehensive (loss) as the swap is deemed effective and is classified as a cash flow hedge.

Comprehensive Income

Comprehensive income is comprised of net income applicable to Common and Class A Common stockholders and other comprehensive income (loss). Other comprehensive income (loss) includes items that are otherwise recorded directly in stockholders' equity, such as unrealized gains and losses on interest rate swaps designated as cash flow hedges, including the Company's share from entities accounted for under the equity method of accounting. At October 31, 2021, accumulated other comprehensive loss consisted of net unrealized losses on interest rate swap agreements of \$7.7 million, inclusive of the Company's share of accumulated comprehensive income/(loss) from joint ventures accounted for by the equity method of accounting. At October 31, 2020, accumulated other

comprehensive loss consisted of net unrealized losses on interest rate swap agreements of \$15.7 million inclusive of the Company's share of accumulated comprehensive income/(loss) from joint ventures accounted for by the equity method of accounting. Unrealized gains and losses included in other comprehensive income/(loss) will be reclassified into earnings when gains and losses are realized.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, and tenant receivables. The Company places its cash and cash equivalents in excess of insured amounts with high quality financial institutions. The Company performs ongoing credit evaluations of its tenants and may require certain tenants to provide security deposits or letters of credit. Though these security deposits and letters of credit are insufficient to meet the terminal value of a tenant's lease obligation, they are a measure of good faith and a source of funds to offset the economic costs associated with lost rent and the costs associated with re-tenanting the space. There is no dependence upon any single tenant.

Earnings Per Share

The Company calculates basic and diluted earnings per share in accordance with the provisions of ASC Topic 260, "Earnings Per Share." Basic earnings per share ("EPS") excludes the impact of dilutive shares and is computed by dividing net income applicable to Common and Class A Common stockholders by the weighted average number of Common shares and Class A Common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue Common shares or Class A Common shares were exercised or converted into Common shares or Class A Common shares and then shared in the earnings of the Company. Since the cash dividends declared on the Company's Class A Common stock are higher than the dividends declared on the Common Stock, basic and diluted EPS have been calculated using the "two-class" method. The two-class method is an earnings allocation formula that determines earnings per share for each class of common stock according to the weighted average of the dividends declared, outstanding shares per class and participation rights in undistributed earnings.

The following table sets forth the reconciliation between basic and diluted EPS (in thousands):

	Year Ended October 31,		
	2021	2020	2019
Numerator			
Net income applicable to common stockholders—basic	\$ 7,366	\$1,849	\$ 4,659
Effect of dilutive securities:			
Restricted stock awards	190	34	193
Net income applicable to common stockholders—diluted	<u>\$ 7,556</u>	<u>\$1,883</u>	<u>\$ 4,852</u>
Denominator			
Denominator for basic EPS—weighted average common shares	9,244	9,144	8,813
Effect of dilutive securities:			
Restricted stock awards	364	241	536
Denominator for diluted EPS—weighted average common equivalent shares	<u>9,608</u>	<u>9,385</u>	<u>9,349</u>
Numerator			
Net income applicable to Class A common stockholders—basic	\$26,267	\$6,684	\$17,469
Effect of dilutive securities:			
Restricted stock awards	(190)	(34)	(193)
Net income applicable to Class A common stockholders—diluted	<u>\$26,077</u>	<u>\$6,650</u>	<u>\$17,276</u>
Denominator			
Denominator for basic EPS—weighted average Class A common shares	29,576	29,506	29,438
Effect of dilutive securities:			
Restricted stock awards	177	70	216
Denominator for diluted EPS—weighted average Class A common equivalent shares	<u>29,753</u>	<u>29,576</u>	<u>29,654</u>

Stock-Based Compensation

The Company accounts for its stock-based compensation plans under the provisions of ASC Topic 718, "Stock Compensation," which requires that compensation expense be recognized, based on the fair value of the stock awards less estimated forfeitures. The fair value of stock awards is equal to the fair value of the Company's stock on the grant date. The Company recognizes compensation expense for its stock awards by amortizing the fair value of stock awards over the requisite service periods of such awards. In certain cases as defined in the participant agreements, the vesting of stock awards can be accelerated, which will result in the Company charging to compensation expense the remaining unamortized restricted stock compensation related to those stock awards.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Segment Reporting

The Company's primary business is the ownership, management, and redevelopment of retail properties. The Company reviews operating and financial information for each property on an individual basis and therefore, each property represents an individual operating segment. The Company evaluates financial performance using property operating income, which consists of base rental income and tenant reimbursement income, less rental expenses and real estate taxes. Only one of the Company's properties, located in Stamford, CT ("Ridgeway"), is considered significant as its revenue is in excess of 10% of the Company's consolidated total revenues and accordingly is a reportable segment. The Company has aggregated the remainder of our properties as they share similar long-term economic characteristics and have other similarities including the fact that they are operated using consistent business strategies, are typically located in the same major metropolitan area, and have similar tenant mixes.

Ridgeway is located in Stamford, Connecticut and was developed in the 1950's and redeveloped in the mid 1990's. The property contains approximately 374,000 square feet of GLA. It is the dominant grocery-anchored center and the largest non-mall shopping center located in the City of Stamford, Fairfield County, Connecticut.

Segment information about Ridgeway as required by ASC Topic 280 is included below:

	Year Ended October 31,		
	2021	2020	2019
Ridgeway Revenues	10.4%	11.2%	10.9%
All Other Property Revenues	89.6%	88.8%	89.1%
Consolidated Revenue	100.0%	100.0%	100.0%

	Year Ended October 31,	
	2021	2020
Ridgeway Assets	6.3%	6.4%
All Other Property Assets	93.7%	93.6%
Consolidated Assets (Note 1)	100.0%	100.0%

Note 1—Ridgeway did not have any significant expenditures for additions to long-lived assets in any of the fiscal years ended October 31, 2021, 2020 and 2019.

	Year Ended October 31,		
	2021	2020	2019
Ridgeway Percent Leased	92%	92%	97%

Ridgeway Significant Tenants (by base rent):

	Year Ended October 31,		
	2021	2020	2019
The Stop & Shop Supermarket Company	21%	20%	20%
Bed, Bath & Beyond	15%	14%	14%
Marshall's Inc., a division of the TJX Companies	11%	10%	10%
All Other Tenants at Ridgeway (Note 2)	53%	56%	56%
Total	100%	100%	100%

Note 2—No other tenant accounts for more than 10% of Ridgeway's annual base rents in any of the three years presented. Percentages are calculated as a ratio of the tenants' base rent divided by total base rent of Ridgeway.

Income Statement (In thousands):

	Year Ended October 31, 2021		
	Ridgeway	All Other Operating Segments	Total Consolidated
Revenues	\$14,167	\$121,414	\$135,581
Operating Expenses	\$ 4,495	\$ 42,117	\$ 46,612
Interest Expense	\$ 1,632	\$ 11,455	\$ 13,087
Depreciation and Amortization	\$ 2,238	\$ 26,794	\$ 29,032
Income from Continuing Operations	\$ 5,802	\$ 45,126	\$ 50,928

	Year Ended October 31, 2020		
	Ridgeway	All Other Operating Segments	Total Consolidated
Revenues	\$14,180	\$112,565	\$126,745
Operating Expenses	\$ 4,424	\$ 38,582	\$ 43,006
Interest Expense	\$ 1,673	\$ 11,835	\$ 13,508
Depreciation and Amortization	\$ 2,494	\$ 26,693	\$ 29,187
Income from Continuing Operations	\$ 5,589	\$ 20,481	\$ 26,070

	Year Ended October 31, 2019		
	Ridgeway	All Other Operating Segments	Total Consolidated
Revenues	\$14,859	\$122,023	\$136,882
Operating Expenses	\$ 4,377	\$ 41,137	\$ 45,514
Interest Expense	\$ 1,704	\$ 12,398	\$ 14,102
Depreciation and Amortization	\$ 2,350	\$ 25,580	\$ 27,930
Income from Continuing Operations	\$ 6,428	\$ 35,185	\$ 41,613

Reclassification

Certain fiscal 2019 and 2020 amounts have been reclassified to conform to current period presentation.

New Accounting Standards

In March 2020, the FASB issued ASU No. 2020-04, "Reference Rate Reform (Topic 848)." ASU No. 2020-04 contains practical expedients for reference rate reform-related activities that impact debt, leases, derivatives and other contracts. The guidance in ASU No. 2020-04 is optional and may be elected over time as reference rate reform activities occur. During the three months ended April 30, 2020, the Company elected to apply the hedge accounting expedients related to probability and the assessments of effectiveness for future LIBOR-indexed cash flows to assume that the index upon which future hedged transactions will be based matches the index on the corresponding derivatives. Application of these expedients preserves the presentation of derivatives consistent with past presentation. The Company continues to evaluate the impact of the guidance and may apply other elections as applicable as additional changes in the market occur.

The Company has evaluated all other new ASU's issued by FASB, and has concluded that these updates do not have a material effect on the Company's consolidated financial statements as of October 31, 2021.

(2) REAL ESTATE INVESTMENTS

The Company's investments in real estate, net of depreciation, were composed of the following at October 31, 2021 and 2020 (in thousands):

	<u>Consolidated Investment Properties</u>	<u>Unconsolidated Joint Ventures</u>	<u>2021 Totals</u>	<u>2020 Totals</u>
Retail	\$862,894	\$29,027	\$891,921	\$909,517
Office	6,883	—	6,883	7,019
Total	<u>\$869,777</u>	<u>\$29,027</u>	<u>\$898,804</u>	<u>\$916,536</u>

The Company's investments at October 31, 2021 consisted of equity interests in 79 properties. The 79 properties are located in various regions throughout the northeastern part of the United States with a concentration in the metropolitan New York tri-state area outside of the City of New York. The Company's primary investment focus is neighborhood and community shopping centers located in the region just described. Since a significant concentration of the Company's properties are in the northeast, market changes in this region could have an effect on the Company's leasing efforts and ultimately its overall results of operations.

(3) INVESTMENT PROPERTIES

The components of the properties consolidated in the financial statements are as follows (in thousands):

	<u>October 31,</u>	
	<u>2021</u>	<u>2020</u>
Land	\$ 235,233	\$ 236,654
Buildings and improvements	913,149	912,528
	<u>1,148,382</u>	<u>1,149,182</u>
Accumulated depreciation	(278,605)	(261,325)
	<u>\$ 869,777</u>	<u>\$ 887,857</u>

Space at the Company's properties is generally leased to various individual tenants under short and intermediate-term leases which are accounted for as operating leases.

Certain of the Company's leases provide for the payment of additional rent based on a percentage of the tenant's revenues. Such additional percentage rents are included in operating lease income and were less than 1.00% of consolidated revenues in each of the three years ended October 31, 2021.

The value of above and below market leases are amortized as a reduction/increase to base rental revenue over the term of the respective leases. The value of in-place leases are amortized as an expense over the terms of the respective leases.

For the fiscal year ended October 31, 2021, 2020 and 2019, the net amortization of above-market and below-market leases was approximately \$570,000, \$706,000 and \$614,000, respectively, which is included in base rents in the accompanying consolidated statements of income.

In Fiscal 2021, the Company incurred costs of approximately \$15.5 million related to capital improvements and leasing costs to its properties.

(4) MORTGAGE NOTES PAYABLE, BANK LINES OF CREDIT AND OTHER LOANS

At October 31, 2021, the Company has mortgage notes payable and other loans that are due in installments over various periods to fiscal 2031. The mortgage loans bear interest at rates ranging from 3.5% to 4.9% and are collateralized by real estate investments having a net carrying value of approximately \$508.6 million.

Combined aggregate principal maturities of mortgage notes payable during the next five years and thereafter are as follows (in thousands):

	<u>Principal Repayments</u>	<u>Scheduled Amortization</u>	<u>Total</u>
2022	\$ 33,116	\$ 6,773	\$ 39,889
2023	—	6,628	6,628
2024	18,710	6,709	25,419
2025	82,277	4,195	86,472
2026	7,751	4,162	11,913
Thereafter	116,896	9,232	126,128
	<u>\$258,750</u>	<u>\$37,699</u>	<u>\$296,449</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Until it was terminated on March 30, 2021, the Company had a \$100 million unsecured revolving credit facility with a syndicate of three banks led by The Bank of New York Mellon, as administrative agent. The syndicate also included Wells Fargo Bank N.A. and Bank of Montreal (co-syndication agents). The Facility gave the Company the option, under certain conditions, to increase the Facility's borrowing capacity up \$150 million (subject to lender approval). The maturity date of the Facility was August 23, 2021.

On March 30, 2021, the Company refinanced its existing unsecured revolving credit facility (the "Facility") with a syndicate of three banks led by The Bank of New York Mellon, as administrative agent. The syndicate also included Wells Fargo Bank N.A. and Bank of Montreal (co-syndication agents), increasing the capacity to \$125 million from \$100 million, with the ability under certain conditions to additionally increase the capacity to \$175 million (subject to lender approval). The maturity date of the new Facility is March 29, 2024, with a one-year extension at the Company's option. Borrowings under the Facility can be used for general corporate purposes and the issuance of letters of credit (up to \$10 million). Borrowings will bear interest at the Company's option of the Eurodollar rate plus 1.45% to 2.20% or The Bank of New York Mellon's prime lending rate plus 0.45% to 1.20% based on consolidated total indebtedness, as defined. The Company pays a quarterly commitment fee on the unused commitment amount of 0.15% to 0.25% based on outstanding borrowings during the year. The Company's ability to borrow under the Facility is subject to its compliance with the covenants and other restrictions on an ongoing basis. The principal financial covenants limit the Company's level of secured and unsecured indebtedness, including preferred stock, and additionally requires the Company to maintain certain debt coverage ratios. The Company was in compliance with such covenants at October 31, 2021. The Facility includes market standard provisions for determining the benchmark replacement rate for LIBOR.

As of October 31, 2021, \$124 million was available to be drawn on the Facility.

During the fiscal years ended October 31, 2021 and 2020, the Company borrowed \$— and \$35.0 million, respectively, on its Facility to fund capital improvements to our properties, property acquisitions and for general corporate purposes. During the fiscal years ended October 31, 2021 and 2020, the Company re-paid \$35.0 million and \$—, respectively, on its Facility with available cash, cash proceeds from sale of investment properties.

In October 2021, the Company refinanced its existing \$16.4 million first mortgage secured by our New Providence, NJ property. The new mortgage has a principal balance of \$21.0 million, has a term of 10 years, and requires payments of principal and interest at a fixed rate of 3.50%.

Interest paid in the years ended October 31, 2021, 2020 and 2019 was approximately \$13.0 million, \$13.3 million and \$13.7 million, respectively.

(5) CONSOLIDATED JOINT VENTURES AND REDEEMABLE NONCONTROLLING INTERESTS

The Company has an investment in five joint ventures, UB Orangeburg, LLC ("Orangeburg"), McLean Plaza Associates, LLC ("McLean"), UB Dumont I, LLC ("Dumont") and UB New City, LLC ("New City"), each of which owns a commercial retail property, and UB High Ridge, LLC ("High Ridge"), which owns three commercial real estate properties. The Company has evaluated its investment in these five joint ventures and has concluded that these joint ventures are fully controlled by the Company and that the presumption of control is not offset by any rights of any of the limited partners or non-controlling members in these ventures and that the joint ventures should be consolidated into the consolidated financial statements of the Company in accordance with ASC Topic 810, "Consolidation." The Company's investment in these consolidated joint ventures is more fully described below:

Orangeburg

The Company, through a wholly-owned subsidiary, is the managing member and owns a 43.8% interest in Orangeburg, which owns a drug store-anchored shopping center. The other member (non-managing) of Orangeburg is the prior owner of the contributed property who, in exchange for contributing the net assets of the property, received units of Orangeburg equal to the value of the contributed property less the value of the assigned first mortgage payable. The Orangeburg operating agreement provides for the non-managing member to receive an annual cash distribution equal to the regular quarterly cash distribution declared by the Company for one share of the Company's Class A Common stock, which amount is attributable to each unit of Orangeburg ownership. The annual cash distribution is paid from available cash, as defined, of Orangeburg. The balance of available cash, if any, is fully distributable to the Company. Upon liquidation, proceeds from the sale of Orangeburg assets are to be distributed in accordance with the operating agreement. The non-managing member is not obligated

to make any additional capital contributions to the partnership. Orangeburg has a defined termination date of December 31, 2097. Since purchasing this property, the Company has made additional investments in the amount of \$6.5 million in Orangeburg and as a result as of October 31, 2021 its ownership percentage has increased to 43.8% from approximately 2.92% at inception.

McLean

The Company, through a wholly-owned subsidiary, is the managing member and owns a 53% interest in McLean Plaza Associates, LLC, a limited liability company (“McLean”), which owns a grocery-anchored shopping center. The McLean operating agreement provides for the non-managing members to receive a fixed annual cash distribution equal to 5.05% of their invested capital. The annual cash distribution is paid from available cash, as defined, of McLean. The balance of available cash, if any, is fully distributable to the Company. Upon liquidation, proceeds from the sale of McLean assets are to be distributed in accordance with the operating agreement. The non-managing members are not obligated to make any additional capital contributions to the entity.

High Ridge

The Company is the managing member and owns a 24.6% interest in High Ridge. The Company’s initial investment was \$5.5 million, and the Company has purchased additional interests totaling \$8.3 million and contributed \$1.5 million in additional equity to the venture through October 31, 2021. High Ridge, either directly or through a wholly-owned subsidiary, owns three commercial real estate properties, High Ridge Shopping Center (“High Ridge Center”), a grocery-anchored shopping center, and two single tenant commercial retail properties, one leased to JP Morgan Chase and one leased to CVS. Two properties are located in Stamford, CT and one property is located in Greenwich, CT. High Ridge Center is a shopping center anchored by a Trader Joe’s grocery store. The properties were contributed to the new entities by the former owners who received units of ownership of High Ridge equal to the value of properties contributed less liabilities assumed. The High Ridge operating agreement provides for the non-managing members to receive an annual cash distribution, currently equal to 5.34% of their invested capital.

Dumont

The Company is the managing member and owns a 36.4% interest in Dumont. The Company’s initial investment was \$3.9 million, and the Company has purchased additional interests totaling \$630,000 through October 31, 2021. Dumont owns a retail and residential real estate property, which retail portion is anchored by a Stop & Shop grocery store. The property is located in Dumont, NJ. The property was contributed to the new entity by the former owners who received units of ownership of Dumont equal to the value of contributed property less liabilities assumed. The Dumont operating agreement provides for the non-managing members to receive an annual cash distribution, currently equal to 5.03% of their invested capital.

New City

The Company is the managing member and owns an 84.3% equity interest in a joint venture, New City. The Company’s initial investment was \$2.4 million, and the Company has purchased additional interests totaling \$289,300 through October 31, 2021. New City owns a single tenant retail real estate property located in New City, NY, which is leased to a savings bank. In addition, New City rents certain parking spaces on the property to the owner of an adjacent grocery-anchored shopping center. The property was contributed to the new entity by the former owners who received units of ownership of New City equal to the value of contributed property. The New City operating agreement provides for the non-managing member to receive an annual cash distribution, currently equal to 5.00% of his invested capital.

Noncontrolling interests:

The Company accounts for noncontrolling interests in accordance with ASC Topic 810, “Consolidation.” Because the limited partners or noncontrolling members in Orangeburg, McLean, High Ridge, Dumont and New City have the right to require the Company to redeem all or a part of their limited partnership or limited liability company units for cash, or at the option of the Company shares of its Class A Common stock, at prices as defined in the governing agreements, the Company reports the noncontrolling interests in the consolidated joint ventures in the mezzanine section, outside of permanent equity, of the consolidated balance sheets at redemption value which approximates fair value. The value of the Orangeburg, McLean and a portion of the High Ridge and Dumont redemptions are based solely on the price of the Company’s Class A Common stock on the date of redemption. For the years ended October 31, 2021 and 2020, the Company increased / (decreased) the carrying

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

value of the non-controlling interests by \$10.5 million and \$(15.0) million, respectively, with the corresponding adjustment recorded in stockholders' equity.

The following table sets forth the details of the Company's redeemable non-controlling interests (amounts in thousands):

	October 31,	
	2021	2020
Beginning Balance	\$62,071	\$ 77,876
Partial Redemption of High Ridge Noncontrolling Interest	(5,126)	(560)
Partial Redemption of New City Noncontrolling Interest	—	(198)
Change in Redemption Value	10,450	(15,047)
Ending Balance	<u>\$67,395</u>	<u>\$ 62,071</u>

(6) INVESTMENTS IN AND ADVANCES TO UNCONSOLIDATED JOINT VENTURES

At October 31, 2021 and 2020, investments in and advances to unconsolidated joint ventures consisted of the following (with the Company's ownership percentage in parentheses) (amounts in thousands):

	October 31,	
	2021	2020
Chestnut Ridge Shopping Center (50%)	\$12,188	\$12,252
Gateway Plaza (50%)	6,845	6,929
Putnam Plaza Shopping Center (66.67%)	3,231	2,599
Midway Shopping Center, L.P. (11.792%)	3,982	4,233
Applebee's at Riverhead (50%)	2,058	1,943
81 Pondfield Road Company (20%)	723	723
Total	<u>\$29,027</u>	<u>\$28,679</u>

Chestnut Ridge

The Company, through a wholly owned subsidiary, owns a 50% undivided tenancy-in-common equity interest in the 76,000 square foot Chestnut Ridge Shopping Center located in Montvale, New Jersey ("Chestnut"), which is anchored by a Fresh Market grocery store.

Gateway Plaza and Applebee's at Riverhead

The Company, through two wholly owned subsidiaries, owns a 50% undivided tenancy-in-common equity interest in the Gateway Plaza Shopping Center ("Gateway") and Applebee's at Riverhead ("Applebee's"). Both properties are located in Riverhead, New York (together the "Riverhead Properties"). Gateway, a 198,500 square foot shopping center anchored by a 168,000 square foot Walmart which also has 27,000 square feet of in-line space that is leased and a 3,500 square foot outparcel that is leased. Applebee's has a 5,400 square foot free-standing Applebee's restaurant with a 7,200 square foot pad site that is leased.

Gateway is subject to an \$11.1 million non-recourse first mortgage. The mortgage matures on March 1, 2024 and requires payments of principal and interest at a fixed rate of interest of 4.2% per annum.

Putnam Plaza Shopping Center

The Company, through a wholly owned subsidiary, owns a 66.67% undivided tenancy-in-common equity interest in the 189,000 square foot Putnam Plaza Shopping Center ("Putnam Plaza"), which is anchored by a Tops grocery store.

Putnam Plaza has a first mortgage payable in the amount of \$18.0 million. The mortgage requires monthly payments of principal and interest at a fixed rate of 4.81% and will mature in 2028.

Midway Shopping Center, L.P.

The Company, through a wholly owned subsidiary, owns an 11.792% equity interest in Midway Shopping Center L.P. ("Midway"), which owns a 247,000 square foot grocery-anchored shopping center in Westchester County, New York. Although the Company only has an 11.792% equity interest in Midway, it controls 25% of the voting power of Midway, and as such, has determined that it exercises significant influence over the financial and operating decisions of Midway but does not control the venture and accounts for its investment in Midway under the equity method of accounting.

The Company has allocated the \$7.4 million excess of the carrying amount of its investment in and advances to Midway over the Company's share of Midway's net book value to real property and is amortizing the difference over the property's estimated useful life of 39 years. The remaining unamortized balance at October 31, 2021 is \$5.3 million.

Midway currently has a non-recourse first mortgage payable in the amount of \$24.6 million. The loan requires payments of principal and interest at the rate of 4.80% per annum and will mature in 2027.

81 Pondfield Road Company

The Company's other investment in an unconsolidated joint venture is a 20% economic interest in a partnership which owns a retail and office building in Westchester County, New York.

The Company accounts for the above investments under the equity method of accounting since it exercises significant influence, but does not control the joint ventures. The other venturers in the joint ventures have substantial participation rights in the financial decisions and operation of the ventures or properties, which preclude the Company from consolidating the investments. The Company has evaluated its investment in the joint ventures and has concluded that the joint ventures are not Variable Interest Entities ("VIE's"). Under the equity method of accounting the initial investment is recorded at cost as an investment in unconsolidated joint venture, and subsequently adjusted for equity in net income (loss) and cash contributions and distributions from the venture. Any difference between the carrying amount of the investment on the Company's balance sheet and the underlying equity in net assets of the venture is evaluated for impairment at each reporting period.

Operating lease income:

	2021	October 31, 2020	2019
Fixed lease income (Base Rent)	\$ 98,918	\$ 98,678	\$ 99,845
Variable lease income (Recoverable Costs)	35,090	28,889	32,784
Other lease related income, net:			
Above/below market rent amortization	570	706	614
Uncollectable amounts in lease income	(1,529)	(3,916)	(956)
ASC Topic 842 cash basis lease income reversal	(2,685)	(3,416)	—
Total lease income	<u>\$130,364</u>	<u>\$120,941</u>	<u>\$132,287</u>

Future minimum rents under non-cancelable operating leases for the next five years and thereafter, excluding variable lease payments, are as follows (in thousands):

Fiscal Year Ending	
2022(a)	\$ 94,486
2023	76,528
2024	65,594
2025	54,490
2026	45,670
Thereafter	<u>203,681</u>
Total	<u>\$540,449</u>

(a) The amounts above are based on existing leases in place at October 31, 2021.

(7) LEASES**Lessor Accounting**

The Company's Lease income is comprised of both fixed and variable income, as follows:

Fixed lease income includes stated amounts per the lease contract, which are primarily related to base rent. Income for these amounts is recognized on a straight-line basis.

Variable lease income includes recoveries from tenants, which represents amounts that tenants are contractually obligated to reimburse the Company for the tenants' portion of Recoverable Costs. Generally, the Company's leases provide for the tenants to reimburse the Company for Recoverable Costs based on the tenants' share of the actual costs incurred in proportion to the tenants' share of leased space in the property.

The following table provides a disaggregation of lease income recognized during the years ended October 31, 2021, 2020 and 2019, under ASC Topic 842, "Leases," as either fixed or variable lease income based on the criteria specified in ASC Topic 842 (in thousands):

(8) STOCKHOLDERS' EQUITY**Authorized Stock**

The Company's Charter authorizes up to 200,000,000 shares of various classes of stock. The total number of shares of authorized stock consists of 100,000,000 shares of Class A Common Stock, 30,000,000 shares of Common Stock, 50,000,000 shares of Preferred Stock, and 20,000,000 shares of Excess Stock.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Preferred Stock

The 6.25% Series H Senior Cumulative Preferred Stock (the "Series H Preferred Stock") is nonvoting, has no stated maturity and is redeemable for cash at \$25 per share at the Company's option on or after September 18, 2022. The holders of our Series H Preferred Stock have general preference rights with respect to liquidation and quarterly distributions. Except under certain conditions, holders of the Series H Preferred Stock will not be entitled to vote on most matters. In the event of a cumulative arrearage equal to six quarterly dividends, holders of Series H Preferred Stock, together with all of the Company's other Series of preferred stock (voting as a single class without regard to series) will have the right to elect two additional members to serve on the Company's Board of Directors until the arrearage has been cured. Upon the occurrence of a Change of Control, as defined in the Company's Articles of Incorporation, the holders of the Series H Preferred Stock will have the right to convert all or part of the shares of Series H Preferred Stock held by such holder on the applicable conversion date into a number of the Company's shares of Class A common stock. Underwriting commissions and costs incurred in connection with the sale of the Series H Preferred Stock are reflected as a reduction of additional paid in capital.

The 5.875% Series K Senior Cumulative Preferred Stock ("Series K Preferred Stock") is non-voting, has no stated maturity and is redeemable for cash at \$25 per share at the Company's option on or after October 1, 2024. The holders of our Series K Preferred Stock have general preference rights with respect to liquidation and quarterly distributions. Except under certain conditions, holders of

the Series K Preferred Stock will not be entitled to vote on most matters. In the event of a cumulative arrearage equal to six quarterly dividends, holders of Series K Preferred Stock, together with all of the Company's other series of preferred stock (voting as a single class without regard to series) will have the right to elect two additional members to serve on the Company's Board of Directors until the arrearage has been cured. Upon the occurrence of a Change of Control, as defined in the Company's Articles of Incorporation, the holders of the Series K Preferred Stock will have the right to convert all or part of the shares of Series K Preferred Stock held by such holders on the applicable conversion date into a number of the Company's shares of Class A common stock. Underwriting commissions and costs incurred in connection with the sale of the Series K Preferred Stock are reflected as a reduction of additional paid in capital.

Common Stock

The Class A Common Stock entitles the holder to 1/20 of one vote per share. The Common Stock entitles the holder to one vote per share. Each share of Common Stock and Class A Common Stock have identical rights with respect to dividends except that each share of Class A Common Stock will receive not less than 110% of the regular quarterly dividends paid on each share of Common Stock.

The following tables set forth the dividends declared per Common share and Class A Common share and tax status for Federal income tax purposes of the dividends paid during the fiscal years ended October 31, 2021 and 2020:

Dividend Payment Date	Common Shares				Class A Common Shares			
	Gross Dividend Paid Per Share	Ordinary Income	Capital Gain	Non-Taxable Portion	Gross Dividend Paid Per Share	Ordinary Income	Capital Gain	Non-Taxable Portion
January 15, 2021	\$0.125	\$0.10924	\$0.01576	\$ —	\$0.14	\$0.12235	\$0.01765	\$ —
April 16, 2021	\$0.125	\$0.10924	\$0.01576	\$ —	\$0.14	\$0.12235	\$0.01765	\$ —
July 16, 2021	\$0.207	\$0.18090	\$0.02610	\$ —	\$0.23	\$0.20100	\$0.02900	\$ —
October 15, 2021	\$0.207	\$0.18090	\$0.02610	\$ —	\$0.23	\$0.20100	\$0.02900	\$ —
	<u>\$0.664</u>	<u>\$0.58028</u>	<u>\$0.08372</u>	<u>\$ —</u>	<u>\$0.74</u>	<u>\$0.64670</u>	<u>\$0.09330</u>	<u>\$ —</u>
January 17, 2020	\$0.2500	\$0.171010	\$ —	\$0.078990	\$0.28	\$0.1915	\$ —	\$0.0885
April 17, 2020	\$0.2500	\$0.171010	\$ —	\$0.078990	\$0.28	\$0.1915	\$ —	\$0.0885
July 17, 2020	\$0.0625	\$0.042753	\$ —	\$0.019747	\$0.07	\$0.0479	\$ —	\$0.0221
October 16, 2020	\$0.1250	\$0.085505	\$ —	\$0.039495	\$0.14	\$0.0958	\$ —	\$0.0442
	<u>\$0.6875</u>	<u>\$0.470278</u>	<u>\$ —</u>	<u>\$0.217222</u>	<u>\$0.77</u>	<u>\$0.5267</u>	<u>\$ —</u>	<u>\$0.2433</u>

The Company has a Dividend Reinvestment and Share Purchase Plan (as amended, the “DRIP”), that permits stockholders to acquire additional shares of Common Stock and Class A Common Stock by automatically reinvesting dividends. During fiscal 2021, the Company issued 3,341 shares of Common Stock and 5,355 shares of Class A Common Stock (4,451 shares of Common Stock and 6,837 shares of Class A Common Stock in fiscal 2020) through the DRIP. As of October 31, 2021, there remained 326,069 shares of Common Stock and 375,541 shares of Class A Common Stock available for issuance under the DRIP.

The Company has adopted a stockholder rights plan, pursuant to which each holder of Common Stock received a Common Stock right and each holder of Class A Common Stock received a Class A Common Stock right. The rights are not exercisable until the Distribution Date and will expire on November 11, 2028, unless earlier redeemed by the Company. If the rights become exercisable, each holder of a Common Stock right will be entitled to purchase from the Company one one hundredth of a share of Series I Participating Preferred Stock, and each holder of a Class A Common Stock right will be entitled to purchase from the Company one one hundredth of a share of Series J Participating Preferred Stock, in each case, at a price of \$85, subject to adjustment. The “Distribution Date” will be the earlier to occur of the close of business on the tenth business day following: (a) a public announcement that an acquiring person has acquired beneficial ownership of 10% or more of the total combined voting power of the outstanding Common Stock and Class A Common Stock, or (b) the commencement of a tender offer or exchange offer that would result in the beneficial ownership of 30% or more of the combined voting power of the outstanding Common Stock and Class A Common Stock, number of outstanding Common Stock, or the number of outstanding Class A Common Stock. Thereafter, if certain events occur, holders of Common Stock and Class A Common Stock, other than the acquiring person, will be entitled to purchase shares of Common Stock and Class A Common Stock, respectively, of the Company having a value equal to 2 times the exercise price of the right.

The Company’s articles of incorporation provide that if any person acquires more than 7.5% of the aggregate value of all outstanding stock, except, among other reasons, as approved by the Board of Directors, such shares in excess of this limit automatically will be exchanged for an equal number of shares of Excess Stock. Excess Stock has limited rights, may not be voted and is not entitled to any dividends.

Stock Repurchase

The Board of Directors of the Company has approved a share repurchase program (“Current Repurchase Program”) for the repurchase of up to 2,000,000 shares, in the aggregate, of Common stock and Class A Common stock in open market transactions.

For the year ended October 31, 2021, the Company repurchased 29,154 shares of Class A Common Stock at an average price per Class A Common share of \$19.15 and 29,154 shares of Common Stock at an average price per Common Share of \$16.76. For the year ended October 31, 2020, the Company did not repurchase any shares under the Current Repurchase Program. The Company has repurchased 224,567 shares of Class A Common Stock and 29,154 shares of Common Stock under the Current Repurchase Program. From the inception of all repurchase programs, the Company has repurchased 33,754 shares of Common Stock and 949,145 shares of Class A Common Stock.

(9) STOCK COMPENSATION AND OTHER BENEFIT PLANS

Restricted Stock Plan

The Company has a Restricted Stock Plan, as amended (the “Plan”) that provides a form of equity compensation for employees of the Company. The Plan, which is administered by the Company’s compensation committee, authorizes grants of up to an aggregate of 5,500,000 shares of the Company’s common equity consisting of 350,000 Common shares, 350,000 Class A Common shares and 4,800,000 shares, which at the discretion of the compensation committee, may be awarded in any combination of Class A Common shares or Common shares.

In fiscal 2021, the Company awarded 105,850 shares of Common Stock and 125,800 shares of Class A Common Stock to participants in the Plan. The grant date fair value of restricted stock grants awarded to participants in 2021 was approximately \$3.0 million. As of October 31, 2021, there was \$11.7 million of unamortized restricted stock compensation related to non-vested restricted stock grants awarded under the Plan. The remaining unamortized expense is expected to be recognized over a weighted average period of 4.6 years. For the years ended October 31, 2021, 2020 and 2019, amounts charged to compensation expense totaled \$3,938,000, \$5,523,000 and \$4,336,000, respectively. The year ended October 31, 2020 amount charged to compensation expense includes \$1.4 million related to the accelerated vesting of previously unamortized restricted stock compensation as the result of the death of our Chairman Emeritus, Charles J. Urstadt, in March 2020.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

A summary of the status of the Company's non-vested restricted stock awards as of October 31, 2021, and changes during the year ended October 31, 2021 is presented below:

	Common Shares		Class A Common Shares	
	Shares	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value
Non-vested at October 31, 2020	924,550	\$17.69	490,950	\$21.56
Granted	105,850	\$11.68	125,800	\$13.75
Vested	(102,600)	\$17.06	(93,800)	\$19.17
Forfeited	—	—	(1,250)	\$18.85
Non-vested at October 31, 2021	<u>927,800</u>	\$17.08	<u>521,700</u>	\$20.12

Profit Sharing and Savings Plan

The Company has a profit sharing and savings plan (the "401K Plan"), which permits eligible employees to defer a portion of their compensation in accordance with the Internal Revenue Code. Under the 401K Plan, the Company made contributions on behalf of eligible employees. The Company made contributions to the 401K Plan of approximately \$267,000, \$253,000 and \$224,000 in each of the three years ended October 31, 2021, 2020 and 2019, respectively. The Company also has an Excess Benefit and Deferred Compensation Plan that allows eligible employees to defer benefits in excess of amounts provided under the Company's 401K Plan and a portion of the employee's current compensation.

(10) FAIR VALUE MEASUREMENTS

ASC Topic 820, "Fair Value Measurements and Disclosures," defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants.

ASC Topic 820's valuation techniques are based on observable or unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1—Quoted prices for identical instruments in active markets
- Level 2—Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which significant value drivers are observable
- Level 3—Valuations derived from valuation techniques in which significant value drivers are unobservable

The Company calculates the fair value of the redeemable noncontrolling interests based on either quoted market prices on national exchanges for those interests based on the Company's Class A Common stock (level 1), contractual redemption prices per share as stated in governing agreements (level 2) or unobservable inputs considering the assumptions that market participants would make in pricing the obligations (level 3). The level 3 inputs used include an estimate of the fair value of the cash flow generated by the limited partnership or limited liability company in which the investor owns the joint venture units capitalized at prevailing market rates for properties with similar characteristics or located in similar areas.

The fair values of interest rate swaps are determined using widely accepted valuation techniques, including discounted cash flow analysis, on the expected cash flows of each derivative. The analysis reflects the contractual terms of the swaps, including the period to maturity, and uses observable market-based inputs, including interest rate curves ("significant other observable inputs.") The fair value calculation also includes an amount for risk of non-performance using "significant unobservable inputs" such as estimates of current credit spreads to evaluate the likelihood of default. The Company has concluded, as of October 31, 2021 and 2020, that the fair value associated with the "significant unobservable inputs" relating to the Company's risk of non-performance was insignificant to the overall fair value of the interest rate swap agreements and, as a result, the Company has determined that the relevant inputs for purposes of calculating the fair value of the interest rate swap agreements, in their entirety, were based upon "significant other observable inputs."

The Company measures its redeemable noncontrolling interests and interest rate swap derivatives at fair value on a recurring basis. The fair value of these financial assets and liabilities was determined using the following inputs at October 31, 2021 and 2020 (amounts in thousands):

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
October 31, 2021				
Assets:				
Interest Rate Swap Agreements	\$ 515	\$ —	\$ 515	\$ —
Liabilities:				
Interest Rate Swap Agreements	\$ 6,735	\$ —	\$ 6,735	\$ —
Redeemable noncontrolling interests	\$67,395	\$20,283	\$46,566	\$546
October 31, 2020				
Liabilities:				
Interest Rate Swap Agreements	\$13,300	\$ —	\$13,300	\$ —
Redeemable noncontrolling interests	\$62,071	\$ 9,921	\$51,604	\$546

Fair Value of Financial Instruments

The carrying values of cash and cash equivalents, tenant receivables, prepaid expenses, other assets, accounts payable and accrued expenses, are reasonable estimates of their fair values because of the short-term nature of these instruments. The carrying value of the Facility is deemed to be at fair value since the outstanding debt is directly tied to monthly LIBOR contracts. Mortgage notes payable that were assumed in property acquisitions were recorded at their fair value at the time they were assumed.

The estimated fair value of mortgage notes payable and other loans was approximately \$300 million and \$316 million at October 31, 2021 and October 31, 2020, respectively. The estimated fair value of mortgage notes payable is based on discounting the future cash flows at a year-end risk adjusted borrowing rates currently available to the Company for issuance of debt with similar terms and remaining maturities. These fair value measurements fall within level 2 of the fair value hierarchy.

Although management is not aware of any factors that would significantly affect the estimated fair value amounts from October 31, 2020, such amounts have not been comprehensively revalued for purposes of these financial statements since that date and current estimates of fair value may differ significantly from the amounts presented herein.

(11) COMMITMENTS AND CONTINGENCIES

In the normal course of business, from time to time, the Company is involved in legal actions relating to the ownership and operations of its properties. In

management's opinion, the liabilities, if any, that may ultimately result from such legal actions are not expected to have a material adverse effect on the consolidated financial position, results of operations or liquidity of the Company. At October 31, 2021, the Company had commitments of approximately \$6.5 million for tenant-related obligations.

(12) SUBSEQUENT EVENTS

On December 15, 2021, the Board of Directors of the Company declared cash dividends of \$0.2145 for each share of Common Stock and \$0.2375 for each share of Class A Common Stock. The dividends are payable on January 14, 2022 to stockholders of record on January 5, 2022. The Board of Directors also ratified the actions of the Company's compensation committee authorizing awards of 109,500 shares of Common Stock and 149,000 shares of Class A Common Stock to certain officers, directors and employees of the Company effective January 4, 2022, pursuant to the Company's restricted stock plan. The fair value of the shares awarded totaling \$5.2 million will be charged to expense over the requisite service periods (see Note 1).

In November 2021, the Company entered into a contract to purchase a 186,400 square foot grocery-anchored shopping center located in our stated geographic marketplace. The purchase price is \$34 million. The Company anticipates that it will close and take title to the property sometime in our first or second quarter of fiscal 2022. The Company plans on funding the purchase price with available cash or borrowings on our Facility.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of Urstadt Biddle Properties Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Urstadt Biddle Properties, Inc. (the “Company”) as of October 31, 2021 and 2020, and the related consolidated statements of income, comprehensive income, stockholders’ equity, and cash flows for each of the three years in the period ended October 31, 2021, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of October 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended October 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the Company’s internal control over financial reporting as of October 31, 2021, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated January 12, 2022, expressed an unqualified opinion.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Recognition and Allowance for Doubtful Accounts

As discussed in Note 1 to the consolidated financial statements, the Company recognizes lease income on a straight-line basis over the expected term of the lease for all leases for which collectability is considered probable both at inception and on an ongoing basis. When probability is not met, leases are prospectively accounted for on a cash basis and any difference between the revenue that has been accrued and the cash collected from the tenant over the life of the lease is recognized as a current period adjustment to lease income. The Company reviews the collectability of its tenant receivables including base rent, straight-line rent, expense reimbursements and other revenue or income by specifically analyzing billed and unbilled revenues, including straight-line rent receivable, and considering historical collection issues, tenant creditworthiness and current economic and industry trends. The Company's revenue recognition and receivables collectability analysis places particular emphasis on past-due accounts and considers the nature and age of the receivables, the payment history and financial condition of the tenant, the basis for any disputes or negotiations with the tenant, and other information that could affect collectability. Lease income and net tenant receivables amounted to approximately \$130.4 million and \$23.8 million, respectively, at October 31, 2021.

We identified revenue recognition of lease income for tenants transitioning to and from the cash basis of accounting and the allowance for doubtful accounts related to tenant receivables as a critical audit matter. Evaluating the Company's probability assessment of collection of substantially all lease payments for each of its leases requires significant auditor judgment because of the subjective nature of the evidence obtained.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to revenue recognition for tenants transitioning to and from the cash basis of accounting and the allowance for doubtful accounts, including management's evaluation of probability of collection for tenant receivables. Among other audit procedures performed, (1) we reviewed and evaluated the reasonableness of management's policies for recognition of lease income on a cash basis for certain tenants, (2) we evaluated the appropriateness of the accounting for the current period adjustment to lease income related to the tenants transitioning to and from cash basis, (3) we reviewed the aging of tenant receivables for any significant outstanding balances to determine the completeness of the tenants switched to a cash basis and (4) for a sample of unreserved tenant receivables, we evaluated the reasonableness of management's estimate of collectability of the tenant receivable by assessing the age of the receivable and the tenant's payment history.

/s/ PKF O'Connor Davies, LLP

We have served as the Company's auditor since 2006.

New York, New York
January 12, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the consolidated financial statements of the Company and the notes thereto included elsewhere in this report.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report of Urstadt Biddle Properties Inc. (the "Company") contains certain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Such statements can generally be identified by such words as "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "intend," "may," "plan," "seek," "should," "will" or variations of such words or other similar expressions and the negatives of such words. All statements included in this report that address activities, events or developments that we expect, believe or anticipate will or may occur in the future, including such matters as future capital expenditures, dividends and acquisitions (including the amount and nature thereof), business strategies, expansion and growth of our operations and other such matters, are forward-looking statements. These statements are based on certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate. Such statements are inherently subject to risks, uncertainties and other factors, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Future events and actual results, performance or achievements, financial and otherwise, may differ materially from the results, performance or achievements expressed or implied by the forward-looking statements. We caution not to place undue reliance upon any forward-looking statements, which speak only as of the date made. We do not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement to reflect any change in our expectations or any change in events, conditions or circumstances on which any such statement is based.

Important factors that we think could cause our actual results to differ materially from expected results are summarized below. One of the most significant factors, however, is the ongoing impact of the current outbreak of the novel coronavirus ("COVID-19") on the U.S., regional and global economies, the U.S. retail market and the broader financial markets. The current outbreak of COVID-19 has also impacted, and is likely to continue to impact, directly or indirectly, many of the other important factors listed below.

New factors emerge from time to time, and it is not possible for us to predict which factors will arise. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Important factors, among others, that may affect our actual results include:

- negative impacts from the continued spread of COVID-19 or from the emergence of a new strain of novel corona virus, including on the U.S. or global economy or on our business, financial position or results of operations;
- economic and other market conditions, including real estate and market conditions, that could impact us, our properties or the financial stability of our tenants;
- consumer spending and confidence trends, as well as our ability to anticipate changes in consumer buying practices and the space needs of tenants;
- our relationships with our tenants and their financial condition and liquidity;
- any difficulties in renewing leases, filling vacancies or negotiating improved lease terms;
- the inability of our properties to generate increased, or even sufficient, revenues to offset expenses, including amounts we are required to pay to municipalities for real estate taxes, payments for common area maintenance expenses at our properties and salaries for our management team and other employees;
- the market value of our assets and the supply of, and demand for, retail real estate in which we invest;
- risks of real estate acquisitions and dispositions, including our ability to identify and acquire retail real estate that meet our investment standards in our markets, as well as the potential failure of transactions to close;
- risks of operating properties through joint ventures that we do not fully control;
- financing risks, such as the inability to obtain debt or equity financing on favorable terms or the inability to comply with various financial covenants included in our Unsecured Revolving Credit Facility (the "Facility") or other debt instruments we currently have or may subsequently obtain, as well as the level and volatility of interest rates, which could impact the market price of our common stock and the cost of our borrowings;

- environmental risk and regulatory requirements;
- risks related to our status as a real estate investment trust, including the application of complex federal income tax regulations that are subject to change;
- legislative and regulatory changes generally that may impact us or our tenants; and
- as well as other reports filed by the Company with the Securities and Exchange Commission (the “SEC”).

EXECUTIVE SUMMARY

Overview

We are a fully integrated, self-administered real estate company that has elected to be a Real Estate Investment Trust (“REIT”) for federal income tax purposes, engaged in the acquisition, ownership and management of commercial real estate, primarily neighborhood and community shopping centers, anchored by supermarkets, pharmacy / drug-stores and wholesale clubs, with a concentration in the metropolitan tri-state area outside of the City of New York. Other real estate assets include office properties, two self-storage facilities, single tenant retail or restaurant properties and office/retail mixed-use properties. Our major tenants include supermarket chains and other retailers who sell basic necessities.

At October 31, 2021, we owned or had equity interests in 79 properties, which include equity interests we own in five consolidated joint ventures and six unconsolidated joint ventures, containing a total of 5.1 million square feet of Gross Leasable Area (“GLA”). Of the properties owned by wholly-owned subsidiaries or joint venture entities that we consolidate, approximately 91.9% of the GLA was leased (90.4% at October 31, 2020). Of the properties owned by unconsolidated joint ventures, approximately 93.9% of the GLA was leased (91.1% at October 31, 2020). In addition, we own and operate self-storage facilities at two of our retail properties. Both self-storage facilities are managed for us by Extra Space Storage, a publicly-traded REIT. One of the self-storage facilities is located in the back of our Yorktown Heights, NY shopping center in below grade space. As of October 31, 2021, this self-storage facility had 57,389 square feet of available GLA, which was 93.0% leased. The rent per available square foot was \$27.69. As discussed later in this Annual Report, we have also developed a second self-storage facility located in Stratford, CT with 90,000 square feet of available GLA. This facility has been operational for approximately 9 months and is 52.3% leased.

We have paid quarterly dividends to our stockholders continuously since our founding in 1969.

Impact of COVID-19

The spread of COVID-19 has had and may continue to have a significant impact on the global economy, the U.S. economy, the economies of the local markets throughout the northeast region in which our properties are located, and the broader financial markets. Nearly every industry was impacted directly or indirectly, and the U.S. market came under severe pressure due to numerous factors, including preventive measures taken by local, state and federal authorities to alleviate the public health crisis, such as mandatory business closures, quarantines, restrictions on travel and “shelter-in-place” or “stay-at-home” orders. During the early part of the pandemic, these containment measures, as implemented by the tri-state area of Connecticut, New York and New Jersey, generally permitted businesses designated as “essential” to remain open, thereby limiting the operations of different categories of our tenants to varying degrees. Most of these restrictions have been lifted as the COVID-19 situation in the tri-state area has significantly improved since the early days of the pandemic as a result of various factors, including a large portion of the population getting vaccinated, with most businesses now permitted to open at full capacity, but under other limitations intended to control the spread of COVID-19.

During these early days of the pandemic and beyond, we took a number of proactive measures, including:

- implementing a work-from-home policy during the first few months of the pandemic for the health and safety of our staff, with employees returning to the office at less than 50% capacity in late May 2020 and at close to full capacity as of the summer of 2021;
- providing assistance to tenants in identifying local, state and federal resources, such as that provided under the Coronavirus Aid, Relief, and Economic Security Act of 2020, as well as providing deferrals, and in some cases, abatements of rent to tenants on a case-by-case basis as discussed in more detail under “Rent Deferrals, Abatements and Lease Restructurings”;
- launching a program designating dedicated parking spots for curbside pick-up at our shopping centers for use by all tenants and their customers, assisting restaurant tenants in securing municipal approvals for outdoor seating, and otherwise assisting tenants in many other ways to improve their business prospects; and

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

- enhancing our liquidity position by borrowing \$35 million under our Unsecured Revolving Credit Facility ("Facility") during March and April 2020, which was subsequently repaid, reducing our dividends paid in July 2020 to approximately 25% of pre-pandemic levels, then raising them to approximately 75% of pre-pandemic levels in July 2021 when the Company's improved financial condition and prospects warranted such an increase, with a further increase in the first quarter of fiscal 2022.

Compared to the early days of the COVID-19 pandemic, we have seen substantial improvement in foot traffic, retail activity and general business conditions for our tenants. However, such improvements have not been consistent across all tenants. For a number of our tenants that operate businesses involving high contact interactions with their customers, such as spas and salons, the negative impact of COVID-19 has been more severe and the recovery more difficult. Dry cleaners have also suffered as a result of many workers continuing to work from home. Gyms and fitness tenants have experienced varying results, but are beginning to return to pre-pandemic normalcy.

The following information is intended to provide certain information regarding the impact of the COVID-19 pandemic on our portfolio and our tenants. As a result of the rapid development, fluidity and uncertainty surrounding this situation, we expect that the following statistical and other information could change going forward, potentially significantly:

- As of October 31, 2021, all of our 72 retail shopping centers, stand-alone restaurants and stand-alone bank branches are open and operating, with approximately 99.6% of our tenants (based on Annualized Base Rent ("ABR")) open and fully or partially operating and approximately 0.4% of our tenants currently closed.
 - As of October 31, 2021, all of our shopping centers include necessity-based tenants, with approximately 70.4% of our tenants (based on ABR) designated as "essential businesses" during the early stay-at-home period of the pandemic in the tri-state area or otherwise permitted to operate through curbside pick-up and other modified operating procedures in accordance with state guidelines.
- As of October 31, 2021, approximately 86% of our GLA is located in properties anchored or shadow-anchored by grocery stores, pharmacies or wholesale clubs, 4% of our GLA is located in outdoor retail shopping centers adjacent to regional malls and 8% of our GLA is located in outdoor neighborhood convenience retail, with the remaining 2% of our GLA consisting of six suburban office buildings located in Greenwich, Connecticut and Bronxville, New York, three retail bank branches and one childcare center. All six suburban office buildings are open and all of the retail bank branches are open.
 - As of December 1, 2021, we have received payment of approximately 94.0%, 95.7% and 92.6% of lease income, consisting of contractual base rent (leases in place without consideration of any deferral or abatement agreements), common area maintenance reimbursement and real estate tax reimbursement billed for April 2020 through October 2021, the fourth quarter (August-October) of fiscal 2021 and the month of November 2021, respectively, not including the application of any security deposits.

Rent Deferrals, Abatements and Lease Restructurings

Similar to other retail landlords across the United States, we received a number of requests for rent relief from tenants, with most requests received during the early days of the pandemic when stay-at-home orders were in place and many businesses were required to close. We evaluated each request on a case-by-case basis to determine the best course of action, recognizing that in many cases some type of concession may be appropriate and beneficial to our long-term interests. In evaluating these requests, we considered many factors, including the tenant's financial strength, the tenant's operating history, potential co-tenancy impacts, the tenant's contribution to the shopping center in which it operates, our assessment of the tenant's long-term viability, the difficulty or ease with which the tenant could be replaced, and other factors. Although each negotiation has been specific to that tenant, most concessions have been in the form of deferred rent for some portion of rents due in April through December 2020 or longer, to be paid back over the later part of the lease, preferably within a period of one year or less. Some of these concessions have been in the form of rent abatements for some portion of tenant rents due in April through December 2020 or longer.

In addition, we have continued to receive a small number of follow-on requests from tenants to whom we had already provided temporary rent relief in the early days of the pandemic. These tenants are generally ones whose businesses have been slower to recover from the pandemic, as discussed above, due to the high

touch nature of their services or the impact of the remote workforce. These requests, however, have been tapering off, and we received only four new requests during the quarter ended October 31, 2021 from tenants who had not previously requested rent relief.

As of October 31, 2021, since the beginning of the pandemic, we had received 402 rent relief requests from the approximately 832 tenants in our consolidated portfolio. Subsequently, approximately 117 of the 402 tenants withdrew their requests for rent relief or paid their rent in full. Since the onset of COVID-19 through October 31, 2021, we have completed 288 lease modifications, consisting of base rent deferrals totaling \$3.9 million or 4.0% of our ABR and rent abatements totaling \$4.4 million, or 4.5% of our ABR.

Each reporting period, we must make estimates as to the collectability of our tenants' accounts receivable related to base rent, straight-line rent, expense reimbursements and other revenues. Management analyzes accounts receivable by considering tenant creditworthiness, current economic trends, including the impact of the COVID-19 pandemic on tenants' businesses, and changes in tenants' payment patterns when evaluating the adequacy of the allowance for doubtful accounts.

As a result, in accordance with ASC Topic 842, we revised our collectability assumptions for many of our tenants that were most significantly impacted by COVID-19. This amount includes changes in our collectability assessments for certain tenants in our portfolio from probable to not probable, which requires that revenue recognition for those tenants be converted to cash basis accounting, with previously uncollected billed rents reversed in the current period. From the beginning of the COVID-19 pandemic through the end of our second quarter of fiscal 2021, we converted 89 tenants to cash basis accounting in accordance with ASC Topic 842. We did not convert any additional tenants to cash basis accounting in the third and fourth quarters of 2021. As of October 31, 2021, 27 of the 89 tenants are no longer tenants in the Company's properties. In addition, when one of the Company's tenants is converted to cash basis accounting in accordance with ASC Topic 842, all previously recorded straight-line rent receivables need to be reversed in the period that the tenant is converted to cash basis revenue recognition.

In continuing to evaluate the collectability of tenant lease income billings, during the three months ended October 31, 2021, we determined that lease payments for 13 tenants, who had previously been converted to cash-basis accounting as a result of our earlier assessment that their future lease payments were not probable of collection, lease payments were now probable of collection and they were restored to accrual basis accounting. Our criteria for restoring a cash-basis tenant to accrual accounting required the tenant to demonstrate their ability to make current rental payments over the last 6 months and for that tenant to have no significant receivables as of October 31, 2021. As a result of the change in assessment for these 13 tenants, we recorded \$582,000 in lease income in the three months ended October 31, 2021 as a result of restoring those tenants' straight-line rents.

During the fiscal years ended October 31, 2021 and 2020, we recognized collectability adjustments totaling \$4.2 million and \$7.3 million, respectively. During the three months ended October 31, 2020, we recognized collectability adjustments totaling \$1.2 million. For the three months ended October 31, 2021 we increased net income by \$303,000 as a result of collectability adjustments primarily resulting from restoring 13 tenants to accrual-basis accounting in the fourth quarter and recognizing \$582,000 in straight-line rent revenue related to those 13 tenants as discussed above.

As of October 31, 2021, the revenue from approximately 5.9% of our tenants (based on total commercial leases) is being recognized on a cash basis.

Each reporting period, management assesses whether there are any indicators that the value of its real estate investments may be impaired and has concluded that none of its investment properties are impaired at October 31, 2021. We will continue to monitor the economic, financial, and social conditions resulting from the COVID-19 pandemic and will assess our real estate asset portfolio for any impairment indicators as required under GAAP. If we determine that any of our real estate assets are impaired, we would be required to take impairment charges and such amounts could be material. See Footnote 1 to the Notes to the Company's Consolidated Financial Statements for additional discussion regarding our policies on impairment charges.

Strategy, Challenges and Outlook

We have a conservative capital structure, which includes permanent equity sources of Common Stock, Class A Common Stock and two series of perpetual preferred stock, which are only redeemable at our option.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

In addition, we have mortgage debt secured by some of our properties and a \$125 million Facility. We do not have any secured debt maturing until March of 2022.

Key elements of our growth strategy and operating policies are to:

- maintain our focus on community and neighborhood shopping centers, anchored principally by regional supermarkets, pharmacy chains or wholesale clubs, which we believe can provide a more stable revenue flow even during difficult economic times because of the focus on food and other types of staple goods;
- acquire quality neighborhood and community shopping centers in the northeastern part of the United States with a concentration on properties in the metropolitan tri-state area outside of the City of New York, and unlock further value in these properties with selective enhancements to both the property and tenant mix, as well as improvements to management and leasing fundamentals, with hopes to grow our assets through acquisitions subject to the availability of acquisitions that meet our investment parameters;
- selectively dispose of underperforming properties and re-deploy the proceeds into potentially higher performing properties that meet our acquisition criteria;
- invest in our properties for the long term through regular maintenance, periodic renovations and capital improvements, enhancing their attractiveness to tenants and customers (e.g. curbside pick-up), as well as increasing their value;
- leverage opportunities to increase GLA at existing properties, through development of pad sites and reconfiguring of existing square footage, to meet the needs of existing or new tenants;
- proactively manage our leasing strategy by aggressively marketing available GLA, renewing existing leases with strong tenants, anticipating tenant weakness when necessary by pre-leasing their spaces and replacing below-market-rent leases with increased market rents, with an eye towards securing leases that include regular or fixed contractual increases to minimum rents;
- improve and refine the quality of our tenant mix at our shopping centers;
- maintain strong working relationships with our tenants, particularly our anchor tenants;
- maintain a conservative capital structure with low debt levels; and
- control property operating and administrative costs.

We believe our strategy of focusing on community and neighborhood shopping centers, anchored principally by regional supermarkets, pharmacy chains or wholesale clubs, has been validated during the COVID-19 pandemic. We believe the nature of our properties makes them less susceptible to economic downturns than other retail properties whose anchor tenants do not supply basic necessities. During normal conditions, we believe that consumers generally prefer to purchase food and other staple goods and services in person, and even during the COVID-19 pandemic our supermarkets, pharmacies and wholesale clubs have been posting strong in-person sales. Moreover, most of our grocery stores implemented or expanded curbside pick-up or partnered with delivery services to cater to the needs of their customers during the COVID-19 pandemic.

We recognize, however, that the pandemic may have accelerated a movement towards e-commerce that may be challenging for weaker tenants that lack an omni-channel sales or micro-fulfillment strategy. We launched a program designating dedicated parking spots for curbside pick-up and are assisting tenants in many other ways to help them quickly adapt to these changing circumstances. Many tenants have adapted to the new business environment through use of our curbside pick-up program, and early industry data seems to indicate that micro-fulfillment from retailers with physical locations may be a new competitive alternative to e-commerce. It is too early to know which tenants will or will not be successful in making any changes that may be necessary. It is also too early to determine whether these changes in consumer behavior are temporary or reflect long-term changes.

Moreover, due to the disruptions that have taken place in the economy and our marketplace as a result of the COVID-19 pandemic and resulting changes to the short-term and possibly even long-term landscape for brick-and-mortar retail, we anticipate that it will be more difficult to actively pursue and achieve certain elements of our growth strategy. For example, it could be more difficult for us to acquire or sell properties in fiscal 2022 (or possibly beyond), as it may be difficult to correctly value a property given changing circumstances. Additionally, parties may be unwilling to enter into transactions during such uncertainty. However, as the COVID-19 pandemic eases and the economy improves, some commercial properties are starting to trade in the marketplace. We may also be less willing to enter into developments or capital improvements that require large amounts of upfront capital if the expected return is perceived as delayed or uncertain. While we believe we still maintain a conservative capital structure and low debt levels, particularly relative to our peers, our profile may evolve based on changing needs.

While we have seen substantial improvement in general business conditions, the pandemic is still ongoing, with existing and new variants making the situation difficult to predict. We expect that our rent collections could continue to be below our tenants' contractual rent obligations during this business recovery and potentially beyond. We will continue to accrue rental revenue during the deferral period, except for tenants for which revenue recognition was converted to cash basis accounting in accordance with ASC Topic 842. However, we anticipate that some tenants eventually will be unable to pay amounts due, and we will incur losses against our rent receivables, the timing of which is not predictable.

As a REIT, we are susceptible to changes in interest rates, the lending environment, the availability of capital markets and the general economy. The impacts of any changes are difficult to predict, particularly during the course of the current COVID-19 pandemic.

Highlights of Fiscal 2021; Recent Developments

Set forth below are highlights of our recent property acquisitions, potential acquisitions under contract, other investments, property dispositions and financings:

- In December 2020 (fiscal 2021), we closed on the sale of a 29,000 square foot portion of our property, which was recently converted into a condominium, located in Pompton Lakes, NJ to Lidl, a national grocery store company, for a sale price of \$2.8 million. We had entered into a purchase and sale agreement in January 2020, subject to various conditions. In accordance with GAAP, that portion of the property met all the criteria to be classified as held for sale in September of fiscal 2020, and accordingly, we recorded a loss on property held for sale of \$5.7 million, which loss is included in continuing operations in the consolidated statement of income for the year ended October 31, 2020. The amount of the loss represented the net carrying amount of that portion of the property over the fair value of that portion of the property, less the estimated cost to sell. This loss has been added back to our FFO as discussed below. Lidl operates a grocery store (opened September 2021) on its portion of the property. The 29,000 square foot portion of the property sold was approximately half of a vacant space that was previously leased and occupied by A&P. A&P went bankrupt several years ago and the space had remained vacant. In considering many options for the use of this space, we determined that the best course of action for the company to maximize the value of the space was to sell this portion of the property to a leading grocery store company and to re-develop the balance of the 63,000 square foot space into 4,000 square feet of additional retail and a 50,000 square foot self-storage facility, which will be managed by Extra Space Storage. The square footage of the self-storage facility reflects the intended vertical expansion of our retained space. We believe that once completed and leased, the self-storage facility will add approximately \$7 million in value to the shopping center over and above our development costs.
- In December 2020, we redeemed 17,995 units of UB High Ridge, LLC from a noncontrolling member. The total cash price paid for the redemption was \$364,000. As a result of the redemption, our ownership percentage of High Ridge increased to 17.0% from 16.3%.
- In March 2021, we sold one free-standing restaurant retail property located in Hillsdale, NJ, as that property no longer met our investment objectives. The property was sold for \$1.3 million and we recorded a gain on sale of property in the amount of \$435,000. This gain has been subtracted from our FFO as discussed below.
- In March 2021, we refinanced our Facility, increasing the borrowing capacity to \$125 million and extending the maturity date to March 29, 2024 with a one-year extension at our option. Please see note 4 in our financial statements included in this Annual Report for more information.
- In April 2021, we redeemed 178,804 units of UB High Ridge, LLC from a noncontrolling member. The total cash price paid for the redemption was \$4.2 million. As a result of the redemption, our ownership percentage of High Ridge increased to 23.7% from 17.0%.
- In June 2021, we sold our property located in Newington, NH to an unrelated third party for a sale price of \$13.4 million as that property no longer met our investment objectives and recorded a gain on sale in the amount of \$11.8 million on our consolidated income statements for the year ended October 31, 2021. This gain has been subtracted from our FFO as discussed below.
- In July, September and October 2021, we repurchased 29,154 shares of our Class A Common stock at an average price of \$19.15 per share and 29,154 shares of our Common stock at an average price per share of \$16.76 as we believed the return on this investment was higher than the return we would get acquiring new grocery-anchored shopping centers in the marketplace at that time.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

- In September 2021, we redeemed 23,829 units of UB High Ridge, LLC from a noncontrolling member. The total cash price paid for the redemption was \$560,000. As a result of the redemption, our ownership percentage of High Ridge increased to 24.6% from 23.7%.
- In September 2021, we entered into a purchase and sale agreement to sell our property located in Chester, NJ to an unrelated third party for a sale price of \$1.96 million as that property no longer met our investment objectives. In accordance with ASC Topic 360-10-45, the property met all the criteria to be classified as held for sale in the fourth quarter of fiscal 2021, and accordingly the Company recorded a loss on property held for sale of \$342,000, which loss was included in continuing operations in the consolidated statement of income for the year ended October 31, 2021. This loss has been added back to our FFO as discussed below. The amount of the loss represented the net carrying amount of the property over the fair value of the asset less estimated cost to sell. In December 2021, the Chester Property sale was completed and we realized an additional loss on sale of property of \$8,000, which loss is included in continuing operations in the consolidated statement of income for the year ended October 31, 2022.
- In October 2021, we refinanced our existing \$16.4 million first mortgage payable secured by our New Providence, NJ property. The new mortgage has a principal balance of \$21 million and requires payments of principal and interest at a fixed interest rate of 3.5%. The new mortgage matures in November 2031.
- In November 2021, we redeemed 59,819 units of UB High Ridge, LLC from noncontrolling members. The total cash price paid for the redemptions was \$1.4 million. As a result of the redemption, our ownership percentage of High Ridge increased to 26.9% from 24.6%.
- In November 2021, we entered into a contract to purchase a 186,400 square foot grocery-anchored shopping center located in our stated geographic marketplace. The purchase price is \$34 million. We anticipate that we will close and take title to the property sometime in our first or second quarter of fiscal 2022. We plan on funding the purchase price with available cash or borrowings on our Facility.

- In December 2021, we refinanced our existing \$6.6 million first mortgage payable secured by our Boonton, NJ property. The new mortgage has a principal balance of \$11 million and requires payments of principal and interest at a fixed interest rate of 3.45%. The new mortgage matures in November 2031.

Leasing

Overview

With significant progress made in vaccinating the U.S. public and signs of business improvement, we have observed a marked increase in leasing activity, including interest from potential new tenants and tenants interested in renewing their leases. However, some of our tenants are in the early stages of a potential recovery and many of them may still face an uncertain future. As a result, we may continue to experience higher than typical vacancy rates, take longer to fill vacancies and suffer potentially lower rental rates until the recovery becomes more robust.

For the fiscal year 2021, we signed leases for a total of 742,000 square feet of predominantly retail space in our consolidated portfolio. New leases for vacant spaces were signed for 142,000 square feet at an average rental decrease of 5.4% on a cash basis, renewals for 600,000 square feet of currently occupied space were signed at an average rental increase of 1.3% on a cash basis.

Tenant improvements and leasing commissions averaged \$29.82 per square foot for new leases for the fiscal year ended October 31, 2021. There was no significant cost related to our lease renewals for the fiscal year ended 2021. There is risk that some new tenants may be delayed in taking possession of their space or opening their businesses due to supply chain issues that result in construction delays or labor shortages. In the event we are responsible for all or a portion of the construction resulting in the delay, some tenants may have the right to terminate their leases.

The rental increases/decreases associated with new and renewal leases generally include all leases signed in arms-length transactions reflecting market leverage between landlords and tenants during the period. The comparison between average rent for expiring leases and new leases is determined by including minimum rent paid on the expiring lease and minimum rent to be paid on the new lease in the first year. The change in rental income is impacted by numerous factors including current market rates, location, individual tenant creditworthiness, use of space, market conditions when the expiring lease was signed, the age of the expiring lease, capital investment made in the space and the specific lease structure. Tenant improvements include

the total dollars committed for the improvement (fit-out) of a space as it relates to a specific lease but may also include base building costs (i.e. expansion, escalators or new entrances) that are required to make the space leasable. Incentives (if applicable) include amounts paid to tenants as an inducement to sign a lease that does not represent building improvements.

New leases signed in 2021 generally become effective over the following one to two years and have an average term of 6 years. Renewals also have an average term of 4 years.

Impact of Inflation on Leasing

Our long-term leases contain provisions to mitigate the adverse impact of inflation on our operating results. Such provisions include clauses entitling us to receive (a) scheduled base rent increases and (b) percentage rents based upon tenants' gross sales, which could increase as prices rise. In addition, many of our non-anchor leases are for terms of less than ten years, which permits us to seek increases in rents upon renewal at then current market rates if rents provided in the expiring leases are below then existing market rates. Most of our leases require tenants to pay a share of operating expenses, including common area maintenance, real estate taxes, insurance and utilities, thereby reducing our exposure to increases in costs and operating expenses resulting from inflation.

CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates are those estimates made in accordance with GAAP that involve a significant level of estimation and uncertainty and are reasonably likely to have a material impact on the financial condition or results of operations of the Company and require management's most difficult, complex or subjective judgments. Our most significant accounting estimates are as follows:

- Valuation of investment properties
- Revenue recognition
- Determining the amount of our allowance for doubtful accounts

Valuation of Investment Properties

At each reporting period management must assess whether the value of any of its investment properties are impaired. The judgement of impairment is subjective and requires management to make assumptions about future cash flows of an investment property and to consider other factors. The estimation of these factors has a direct effect on valuation of investment properties

and consequently net income. As of October 31, 2021, management does not believe that any of our investment properties are impaired based on information available to us at October 31, 2021. In the future, almost any level of impairment would be material to our net income.

Revenue Recognition

Our main source of revenue is lease income from our tenants to whom we lease space at our 79 shopping centers. The COVID-19 pandemic has caused distress for many of our tenants as some of those tenant businesses were forced to close early in the pandemic, and although most have been allowed to re-open and operate, some categories of tenants have been slower to recover. As a result, we have many tenants who have had difficulty paying all of their contractually obligated rents and we have reached agreements with many of them to defer or abate portions of the contractual rents due under their leases with the Company. In accordance with ASC Topic 842, where appropriate, we will continue to accrue rental revenue during the deferral period, except for tenants for which revenue recognition was converted to cash basis accounting in accordance with ASC Topic 842. However, we anticipate that some tenants eventually will be unable to pay amounts due, and we will incur losses against our rent receivables, which would reduce lease income. The extent and timing of the recognition of such losses will depend on future developments, which are highly uncertain and cannot be predicted and these future losses could be material.

Allowance for Doubtful Accounts

GAAP requires us to bill our tenants based on the terms in their leases and to record lease income on a straight-line basis. When a tenant does not pay a billed amount due under their lease, it becomes a tenant account receivable, or an asset of the Company. GAAP requires that receivables, like most assets, be recorded at their realizable value. Each reporting period we analyze our tenant accounts receivable, and based on the information available to management at the time, record an allowance for doubtful account for any unpaid tenant receivable that we believe is uncollectable. This analysis is subjective and the conclusions reached have a direct impact on net income. As of October 31, 2021, the portion of our billed but unpaid tenant receivables, excluding straight-line rent receivables that we believe are collectable, amounts to \$2.7 million.

For a further discussion of our accounting estimates and critical accounting policies, please see Note 1 in our consolidated financial statements included in this Annual Report.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

LIQUIDITY AND CAPITAL RESOURCES

Overview

At October 31, 2021, we had cash and cash equivalents of \$24.1 million, compared to \$40.8 million at October 31, 2020. Our sources of liquidity and capital resources include operating cash flows from real estate operations, proceeds from bank borrowings and long-term mortgage debt, capital financings and sales of real estate investments. Substantially all of our revenues are derived from rents paid under existing leases, which means that our operating cash flow depends on the ability of our tenants to make rental payments. In fiscal 2021, 2020 and 2019, net cash flow provided by operations amounted to \$73.7 million, \$61.9 million and \$72.3 million, respectively.

Our short-term liquidity requirements consist primarily of normal recurring operating expenses and capital expenditures, debt service, management and professional fees, cash distributions to certain limited partners and non-managing members of our consolidated joint ventures, and regular dividends paid to our Common and Class A Common stockholders. Cash dividends paid on Common and Class A Common stock for fiscal years ended October 31, 2021, 2020 and 2019 totaled \$29.0 million, \$30.0 million and \$42.6 million, respectively. Historically, we have met short-term liquidity requirements, which is defined as a rolling twelve-month period, primarily by generating net cash from the operation of our properties. As a result of the COVID-19 pandemic, we have made a number of concessions in the form of deferred rents and rent abatements, as more extensively discussed under the "Impact of Covid-19" and the "Rent Deferrals, Abatements and Lease Restructurings" sections earlier in this Annual Report. To the extent rent deferral arrangements remain collectible, it will reduce operating cash flow in the near term but most likely increase operating cash flow in future periods. As of October 31, 2021, we have collected 93% of all deferred rents billed by October 31, 2021.

During the first two quarters of fiscal 2021, the Board of Directors declared and the Company paid quarterly dividends that were reduced from pre-pandemic levels, as more extensively discussed under the "Impact of COVID-19" section earlier in this Annual Report. Subsequent to the end of the second quarter, the Board of Directors increased our Common and Class A Common stock dividends when compared to the reduced dividends that have been paid during the pandemic. In December 2021, the Board of Directors further increased the annualized dividend by \$0.03 per Common and

Class A Common share beginning with our January 2022 dividend, which will be paid on January 14, 2022.

Future determinations regarding quarterly dividends will impact the Company's short-term liquidity requirements.

In June 2021, we sold our last non-core shopping center located in Newington, NH for a sale price of \$13.4 million.

In November 2021, we entered into a contract to purchase a 186,400 square foot grocery-anchored shopping center located in our stated geographic marketplace. The purchase price is \$34 million. We anticipate that we will close and take title to the property sometime in our first or second quarter of fiscal 2022. We plan on funding the purchase price with available cash or borrowings on our Facility.

Our long-term liquidity requirements consist primarily of obligations under our long-term debt, dividends paid to our preferred stockholders, capital expenditures and capital required for acquisitions. In addition, the limited partners and non-managing members of our five consolidated joint venture entities, McLean Plaza Associates, LLC, UB Orangeburg, LLC, UB High Ridge, LLC, UB Dumont I, LLC and UB New City I, LLC, have the right to require us to repurchase all or a portion of their limited partner or non-managing member interests at prices and on terms as set forth in the governing agreements. See Note 5 to the financial statements included in this Annual Report. Historically, we have financed the foregoing requirements through operating cash flow, borrowings under our Facility, debt refinancings, new debt, equity offerings and other capital market transactions, and/or the disposition of underperforming assets, with a focus on keeping our debt level low. We expect to continue doing so in the future. We cannot assure you, however, that these sources will always be available to us when needed, or on the terms we desire.

Capital Expenditures

We invest in our existing properties and regularly make capital expenditures in the ordinary course of business to maintain our properties. We believe that such expenditures enhance the competitiveness of our properties. For the fiscal year ended October 31, 2021, we paid approximately \$15.5 million for property improvements, tenant improvements and leasing commission costs (\$6.3 million representing property improvements, \$5.2 million in property improvements related to our Stratford project (see paragraph below) and approximately \$4.0 million related to new tenant space improvements, leasing costs and capital improvements as a result of new tenant spaces). The amount of these expenditures can vary significantly depending on

tenant negotiations, market conditions and rental rates. We expect to incur approximately \$6.5 million for anticipated capital improvements, tenant improvements/allowances and leasing costs related to new tenant leases and property improvements during fiscal 2022. This amount is inclusive of commitments for the Stratford, CT development discussed directly below. These expenditures are expected to be funded from operating cash flows, bank borrowings or other financing sources. The above amounts do not include a potential new self-storage development at our Pompton Lakes, NJ property. The cost for this development is still in the planning stages but the anticipated cost is estimated to be \$7 million, which will be funded with available cash or borrowings on our Facility.

We are currently in the process of developing 3.4 acres of recently-acquired land adjacent to a shopping center we own in Stratford, CT. We built one pad-site building that is leased to two retail chains and will be building another pad-site building once the owner of a billboard receives approvals to build a cell tower on an alternate site on our adjacent shopping center property. These two pad sites total approximately 5,200 square feet. In addition, at this property we built a recently opened self-storage facility with approximately 90,000 square feet of GLA, which is managed for us by a national self-storage company. The total project cost of the completed pad site and the completed self-storage facility was approximately \$18.8 million (excluding land cost). The storage building is approximately 52.3% leased as of October 31, 2021. We plan on funding the development cost for the second pad site with available cash, borrowings on our Facility or other sources, as more fully described earlier in this Annual Report.

Financing Strategy

Our strategy is to maintain a conservative capital structure with low leverage levels by commercial real estate standards. Mortgage notes payable and other loans of \$296.4 million primarily consist of \$1.7 million in variable rate debt with an interest rate of 4.18% as of October 31, 2021 and \$294.7 million in fixed-rate mortgage loan with a weighted average interest rate of 4.0% at October 31, 2021. The mortgages are secured by 24 properties with a net book value of \$509 million and have fixed rates of interest ranging from 3.5% to 4.9%. We may refinance our mortgage loans, at or prior to scheduled maturity, through replacement mortgage loans. The ability to do so, however, is dependent upon various factors, including the income level of the properties, interest rates and credit conditions within the commercial real estate market. Accordingly, there can be no assurance

that such re-financings can be achieved. At October 31, 2021, we had 49 properties in the consolidated portfolio that were unencumbered by mortgages.

Included in the mortgage notes discussed above, we have eight promissory notes secured by properties we consolidate and three promissory notes secured by properties in joint ventures that we do not consolidate. The interest rate on these 11 notes is based on some variation of the London Interbank Offered Rate ("LIBOR") plus some amount of credit spread. In addition, on the day these notes were executed by us, we entered into derivative interest rate swap contracts, the counterparty of which was either the lender on the aforementioned promissory notes or an affiliate of that lender. These swap contracts are in accordance with the International Swaps and Derivatives Association, Inc ("ISDA"). These swap contracts convert the variable interest rate in the notes, which are based on LIBOR, to a fixed rate of interest for the life of each note. In July 2017, the United Kingdom regulator that regulates LIBOR announced its intention to phase out LIBOR rates by the end of 2021. However, the ICE Benchmark Administration, in its capacity as administrator of USD LIBOR, has announced that it extended publication of USD LIBOR (other than one-week and two-month tenors) by 18 months to June 2023. Notwithstanding this possible extension, a joint statement by key regulatory authorities calls on banks to cease entering into new contracts that use USD LIBOR as a reference rate by no later than December 31, 2021. At some point, all contracts, including our 11 promissory notes and 11 swap contracts that use LIBOR, will no longer have the reference rate available and the reference rate will need to be replaced. We have good working relationships with all of our lenders to our notes, who are also the counterparties to our swap contracts. All indications we have received from our lenders and counterparties is that their goal is to have the replacement reference rate under the notes match the replacement rates in the swaps. If this were to happen, we believe there would be no material effect on our financial position or results of operations. However, because this will be the first time any of the reference rates for our promissory notes or swap contracts will stop being published, we cannot be sure how the replacement rate event will conclude. Until we have more clarity from our lenders and counterparties on how they plan on dealing with this replacement rate event, we cannot be certain of the impact on the Company. See "Quantitative and Qualitative Disclosures about Market Risk" included in this Annual Report for additional information on our interest rate risk.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

We currently maintain a ratio of total debt to total assets below 30.0% and a fixed charge coverage ratio of over 3.5 to 1 (excluding preferred stock dividends), which we believe will allow us to obtain additional secured mortgage loans or other types of borrowings, if necessary. At October 31, 2021, we had borrowing capacity of \$124 million on our Facility (exclusive of the accordion feature discussed in the following paragraph). Our Facility includes financial covenants that limit, among other things, our ability to incur unsecured and secured indebtedness.

Unsecured Revolving Credit Facility and Other Property Financings

Until it was terminated on March 30, 2021, we had a \$100 million unsecured revolving credit facility with a syndicate of three banks led by The Bank of New York Mellon, as administrative agent. The syndicate also included Wells Fargo Bank N.A. and Bank of Montreal (co-syndication agents). The credit facility gave us the option, under certain conditions, to increase the Facility's borrowing capacity up to \$150 million (subject to lender approval). The maturity date of the credit facility was August 23, 2021.

On March 30, 2021, we refinanced our existing credit facility with the same syndicate of three banks led by The Bank of New York Mellon, as administrative agent, increasing the capacity to \$125 million from \$100 million, with the ability under certain conditions to additionally increase the capacity to \$175 million (subject to lender approval). The maturity date of the new Facility is March 29, 2024 with a one-year extension at our option. Borrowings under the Facility can be used for general corporate purposes and the issuance of letters of credit (up to \$10 million). Borrowings will bear interest at our option of Eurodollar rate plus 1.45% to 2.20% or The Bank of New York's Prime Lending Rate plus 0.45% to 1.20% based on consolidated total indebtedness, as defined. We pay a quarterly commitment fee on the unused commitment amount of 0.15% to 0.25% based on outstanding borrowings during the year. Our ability to borrow under the Facility is subject to our compliance with the covenants and other restrictions on an ongoing basis. The principal financial covenants limit the level of secured and unsecured indebtedness we can incur, including preferred stock and additionally requires us to maintain certain debt coverage ratios. The Facility includes market standard provisions for determining the benchmark replacement rate for LIBOR. The Company was in compliance with such covenants at October 31, 2021.

The Facility contains representations and financial and other affirmative and negative covenants usual and customary for this type of agreement. So long as any

amounts remain outstanding or unpaid under the Facility, we must satisfy certain financial covenants:

- unsecured indebtedness may not exceed \$400 million;
- secured indebtedness may not exceed 40% of gross asset value, as determined under the Facility;
- total secured and unsecured indebtedness, excluding preferred stock, may not be more than 60% of gross asset value;
- total secured and unsecured indebtedness, plus preferred stock, may not be more than 70% of gross asset value;
- unsecured indebtedness may not exceed 60% of the eligible real asset value of unencumbered properties in the unencumbered asset pool as defined under the Facility;
- earnings before interest, taxes, depreciation and amortization must be at least 175% of fixed charges, which exclude preferred stock dividends;
- the net operating income from unencumbered properties must be 200% of unsecured interest expenses;
- not more than 25% of the gross asset value and unencumbered asset pool may be attributable to the Company's pro rata share of the value of unencumbered properties owned by non-wholly owned subsidiaries or unconsolidated joint ventures; and
- the number of un-mortgaged properties in the unencumbered asset pool must be at least 10 and at least 10 properties must be owned by the Company or a wholly owned subsidiary.

For purposes of these covenants, eligible real estate value is calculated as the sum of the Company's properties annualized net operating income for the prior four fiscal quarters capitalized at 6.75% and the purchase price of any eligible real estate asset acquired during the prior four fiscal quarters. Gross asset value is calculated as the sum of eligible real estate value, the Company's pro rata share of eligible real estate value of eligible joint venture assets, cash and cash equivalents, marketable securities, the book value of the Company's construction projects and the Company's pro rata share of the book value of construction projects owned by unconsolidated joint ventures, and eligible mortgages and trade receivables, as defined in the agreement.

During the year ended October 31, 2021, we repaid \$35 million on our Facility with available cash and proceeds from secured mortgage financings.

See Note 4 to our consolidated financial statements included in this Annual Report for a further description of mortgage financing transactions in fiscal 2021 and 2020.

Contractual Obligations

Our contractual payment obligations as of October 31, 2021 were as follows (amounts in thousands):

	Payments Due by Period						
	Total	2022	2023	2024	2025	2026	Thereafter
Mortgage notes payable and other loans	\$296,449	\$39,889	\$ 6,628	\$25,419	\$86,472	\$11,913	\$126,128
Interest on mortgage notes payable	61,283	12,243	11,017	10,675	7,241	5,918	14,189
Capital improvements to properties*	6,536	6,536	—	—	—	—	—
Property Acquisitions	33,500	33,500	—	—	—	—	—
Total Contractual Obligations	<u>\$397,768</u>	<u>\$92,168</u>	<u>\$17,645</u>	<u>\$36,094</u>	<u>\$93,713</u>	<u>\$17,831</u>	<u>\$140,317</u>

*Includes committed tenant-related obligations based on executed leases as of October 31, 2021.

We have various standing or renewable service contracts with vendors related to property management. In addition, we also have certain other utility contracts entered into in the ordinary course of business which may extend beyond one year, which vary based on usage. These contracts include terms that provide for cancellation with insignificant or no cancellation penalties. Contract terms are generally one year or less.

Unconsolidated Joint Venture Debt

We have six investments in real property through unconsolidated joint ventures:

- a 66.67% equity interest in the Putnam Plaza Shopping Center,
- an 11.792% equity interest in the Midway Shopping Center L.P.,
- a 50% equity interest in the Chestnut Ridge Shopping Center,
- a 50% equity interest in the Gateway Plaza shopping center and the Riverhead Applebee's Plaza, and
- a 20% economic interest in a partnership that owns a suburban office building with ground level retail.

These unconsolidated joint ventures are accounted for under the equity method of accounting, as we have the ability to exercise significant influence over, but not control of, the operating and financial decisions of these investments. Our off-balance sheet arrangements are more fully discussed in Note 6 to our consolidated financial statements included in this Annual Report. Although we have not guaranteed the debt of these joint ventures, we have agreed to customary environmental indemnifications and nonrecourse carve-outs (e.g. guarantees against fraud, misrepresentation and bankruptcy) on certain loans of the joint ventures. The below table details information about the outstanding non-recourse mortgage financings on our unconsolidated joint ventures (amounts in thousands):

Joint Venture Description	Location	Principal Balance		Fixed Interest Rate Per Annum	Maturity Date
		Original Balance	At October 31, 2021		
Midway Shopping Center	Scarsdale, NY	\$32,000	\$24,600	4.80%	Dec 2027
Putnam Plaza Shopping Center	Carmel, NY	\$18,900	\$18,000	4.81%	Oct 2028
Gateway Plaza	Riverhead, NY	\$14,000	\$11,100	4.18%	Feb 2024
Applebee's Plaza	Riverhead, NY	\$ 2,300	\$ 1,800	3.38%	Aug 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Net Cash Flows from Operating Activities

Variance from fiscal 2020 to 2021:

The net increase in operating cash flows when compared with the corresponding prior period was primarily related to an increase of lease income related to the collection of rents that were deferred in fiscal 2020 and the collection of lease income from tenants that we account for on a cash basis in accordance with ASC Topic 842.

Variance from fiscal 2019 to 2020:

The decrease in operating cash flows when compared with the corresponding prior period was primarily related to an increase in our tenant accounts receivable, or a reduction of lease income related to the impact of the COVID-19 pandemic and increase in other assets offset by an increase in accounts payable and accrued expenses.

Net Cash Flows from Investing Activities

Variance from 2020 to 2021:

The decrease in net cash flows used in investing activities for the fiscal year ended October 31, 2021 when compared to the corresponding prior period was the result of selling two properties in fiscal 2021, which generated \$13.0 million more in cash flow in fiscal 2021 versus fiscal 2020 and expending \$6.9 million less on property improvements in fiscal 2021 when compared with the corresponding prior period.

Variance from 2019 to 2020:

The increase in net cash flows used in investing activities in the year ended October 31, 2020 when compared to the corresponding prior period was the result of one of our unconsolidated joint ventures selling a property in fiscal 2019 and distributing our share of the sales proceeds to us in the amount of \$6.0 million. The increase was further accentuated by our investing an additional \$3.7 million in our properties in fiscal 2020 when compared with fiscal 2019. In addition, we generated \$5.7 million less in net proceeds from the purchase and sale of marketable securities in fiscal 2020 when compared to the corresponding period of fiscal 2019. This net increase was offset by our purchasing one property in fiscal 2019 for \$11.8 million. We did not purchase any properties in fiscal 2020.

We regularly make capital investments in our properties for property improvements, tenant improvements costs and leasing commissions.

Net Cash Flows from Financing Activities

Cash generated:

Fiscal 2021: (Total \$39.4 million)

- Proceeds from mortgage financings in the amount of \$39.2 million.

Fiscal 2020: (Total \$35.2 million)

- Proceeds from revolving credit line borrowings in the amount of \$35.0 million.

Fiscal 2019: (Total \$178.9 million)

- Proceeds from revolving credit line borrowings in the amount of \$25.5 million.
- Proceeds from mortgage financing of \$47 million.
- Proceeds from the issuance of a new series of preferred stock totaling \$106.2 million.

Cash used:

Fiscal 2021: (Total \$129.3 million)

- Dividends to shareholders in the amount of \$42.7 million.
- Repayment of mortgage notes payable \$34.6 million.
- Amortization of mortgage notes payable \$6.9 million.
- Repayments of revolving credit line borrowings \$35.0 million.
- Acquisitions of noncontrolling interests of \$5.1 million.
- Distributions to noncontrolling interests of \$3.6 million.
- Repurchase of Common and Class A Common stock in the amount of \$1.0 million.

Fiscal 2020: (Total \$131.5 million)

- Dividends to shareholders in the amount of \$44.2 million.
- Repayment of mortgage notes payable in the amount of \$7.1 million.
- Acquisitions of noncontrolling interests in the amount of \$3.9 million.
- Redemption of preferred stock series in the amount of \$75.0 million.

Fiscal 2019: (Total \$152.7 million)

- Dividends to shareholders in the amount of \$55.4 million.
- Repayment of mortgage notes payable in the amount of \$33.4 million.
- Repayment of revolving credit line borrowings in the amount of \$54.1 million.
- Additional acquisitions and distributions to noncontrolling interests of \$9.5 million.

RESULTS OF OPERATIONS

Fiscal 2021 vs. Fiscal 2020

The following information summarizes our results of operations for the years ended October 31, 2021 and 2020 (amounts in thousands):

	Year Ended October 31,		Change Attributable to:			
	2021	2020	Increase (Decrease)	% Change	Property Acquisitions/ Sales	Properties Held in Both Periods (Note 1)
Revenues						
Base rents	\$ 99,488	\$ 99,387	\$ 101	0.1%	\$(113)	\$ 214
Recoveries from tenants	35,090	28,889	6,201	21.5%	(105)	6,306
Less uncollectable amounts in lease income	1,529	3,916	(2,387)	(61.0)%	—	(2,387)
Less ASC Topic 842 cash basis lease income reversal	2,685	3,419	(734)	(21.5)%	(158)	(576)
Total lease income	<u>130,364</u>	<u>120,941</u>				
Lease termination	967	705	262	37.2%	—	262
Other income	4,250	5,099	(849)	(16.7)%	(10)	(839)
Operating Expenses						
Property operating	22,938	19,542	3,396	17.4%	220	3,176
Property taxes	23,674	23,464	210	0.9%	52	158
Depreciation and amortization	29,032	29,187	(155)	(0.5)%	73	(228)
General and administrative	8,985	10,643	(1,658)	(15.6)%	n/a	n/a
Non-Operating Income/Expense						
Interest expense	13,087	13,508	(421)	(3.1)%	—	(421)
Interest, dividends, and other investment income	231	398	(167)	(42.0)%	n/a	n/a

Note 1—Properties held in both periods includes only properties owned for the entire periods of 2021 and 2020 and for interest expense the amount also includes parent company interest expense. All other properties are included in the property acquisition/sales column. There are no properties excluded from the analysis.

Base rents increased by 0.1% to \$99.5 million for the fiscal year ended October 31, 2021 as compared with \$99.4 million in the comparable period of 2020. The change in base rent and the changes in other income statement line items analyzed in the table above were attributable to:

Property Acquisitions and Properties Sold:

In fiscal 2020, we sold two properties totaling 18,100 square feet. In fiscal 2021 we sold two properties totaling 105,800 square feet. These properties accounted for all of the revenue and expense changes attributable to property acquisitions and sales in the fiscal year ended October 31, 2021 when compared with fiscal 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Properties Held in Both Periods:

Revenues

Base Rent

In the fiscal year ended October 31, 2021, base rent for properties held in both periods increased by \$214,000 when compared with the corresponding prior periods as a result of additional leasing in the portfolio in fiscal 2021 when compared to the corresponding prior period.

In fiscal 2021, we leased or renewed approximately 742,000 square feet (or approximately 16.8% of total consolidated GLA). At October 31, 2021, the Company's consolidated properties were 91.9% leased (90.4% leased at October 31, 2020).

Tenant Recoveries

In the fiscal year ended October 31, 2021, recoveries from tenants (which represent reimbursements from tenants for operating expenses and property taxes) increased by a net \$6.3 million when compared with the corresponding prior period.

The increase in tenant recoveries was the result of having higher common area maintenance expenses in the fiscal year ended October 31, 2021 when compared with the corresponding prior period related to snow removal, landscaping and parking lot repairs. In addition, we completed the 2020 annual reconciliations for both common area maintenance and real estate taxes in the first half of fiscal 2021 and those reconciliations resulted in us billing our tenants more than we had anticipated and accrued for in the prior period, which increased tenant reimbursement income in fiscal 2021. In addition, the percentage of common area maintenance and real estate tax costs that we recover from our tenants generally increased in fiscal 2021 when compared with fiscal 2020 as the effects of the pandemic on our tenants businesses is lessening.

Uncollectable Amounts in Lease Income

In the fiscal year ended October 31, 2021, uncollectable amounts in lease income decreased by \$2.4 million when compared with the prior year. In the second quarter of fiscal 2020, we significantly increased our uncollectable amounts in lease income based on our assessment of the collectability of existing non-credit small shop tenants' receivables given the on-set of the COVID-19 pandemic in March 2020. A number of non-credit small shop tenants' businesses were deemed non-essential by the states where they operate and were forced to close for a portion of the second and third quarters of fiscal 2020. This placed stress on our small shop tenants and made it difficult for many

of them to pay their rents when due. Our assessment was that any billed but unpaid rents would likely be uncollectable. During the fiscal year ended 2021, many of our tenants saw early signs of business improvement as regulatory restrictions were relaxed and individuals began returning to pre-pandemic activities following significant progress made in vaccinating the U.S. public. As a result, the uncollectable amounts in lease income have been declining.

ASC Topic 842 Cash Basis Lease Income Reversals

The Company adopted ASC Topic 842 "Leases" at the beginning of fiscal 2020. ASC Topic 842 requires, amongst other things, that if the collectability of a specific tenant's future lease payments as contracted are not probable of collection, revenue recognition for that tenant must be converted to cash-basis accounting and be limited to the lesser of the amount billed or collected from that tenant, and in addition, any straight-line rental receivables would need to be reversed in the period that the collectability assessment changed to not probable. As a result of continuing to analyze our entire tenant base, we determined that as a result of the COVID-19 pandemic, 89 tenants' future lease payments were no longer probable of collection. All of these tenants were converted to cash basis after our second quarter of fiscal 2020 and prior to our third quarter of fiscal 2021. As of October 31, 2021, 27 of the 89 tenants are no longer tenants in the Company's properties. During the three months ended October 31, 2021, we restored 13 of the 89 tenants to accrual-basis accounting as those tenants have now demonstrated their ability to service the payments due under their leases and have no arrears balances. As of October 31, 2021, 49 tenants continue to be accounted for on a cash-basis, or 5.9% of our approximate 832 tenants. As a result of this assessment, we reversed \$576,000 more in billed but uncollected rent and straight-line rent for cash basis tenants in the fiscal year ended October 31, 2020 than we did in fiscal 2021.

Expenses

Property Operating

In the fiscal year ended October 31, 2021, property operating expenses increased by \$3.2 million when compared to the prior period as a result of having higher common area maintenance expenses related to snow removal, landscaping and parking lot repairs.

Property Taxes

In the fiscal year ended October 31, 2021, property tax expense was relatively unchanged when compared with the corresponding prior period.

Interest

In the fiscal year ended October 31, 2021, interest expense decreased by \$421,000 when compared with the corresponding prior period, predominantly related to the refinancing of a mortgage secured by our New Providence, NJ property in fiscal 2021 and by repaying all outstanding amounts on our Facility in fiscal 2021.

Depreciation and Amortization

In the fiscal year ended October 31, 2021, depreciation and amortization was relatively unchanged when compared with the corresponding prior period.

General and Administrative Expenses

In the fiscal year ended October 31, 2021, general and administrative expenses decreased by \$1.7 million when compared with the corresponding prior period, predominantly related to a decrease in compensation and benefits expense. The decrease was the result of accelerated vesting of restricted stock grant value upon the death of our former Chairman Emeritus in the second quarter of fiscal 2020.

Fiscal 2020 vs. Fiscal 2019

The following information summarizes our results of operations for the years ended October 31, 2020 and 2019 (amounts in thousands):

	Year Ended October 31,		Change Attributable to:			
	2020	2019	Increase (Decrease)	% Change	Property Acquisitions/ Sales	Properties Held in Both Periods (Note 2)
Revenues						
Base rents	\$ 99,387	\$100,459	\$(1,072)	(1.1)%	\$(351)	\$ (721)
Recoveries from tenants	28,889	32,784	(3,895)	(11.9)%	(9)	(3,886)
Uncollectable amounts in lease income	3,916	956	2,960	309.6%	—	2,960
Less ASC Topic 842 cash basis lease income reversal	3,419	—	3,419	100.0%	9	3,410
Total lease income	120,941	132,287				
Lease termination	705	221	484	219.0%	—	484
Other income	5,099	4,374	725	16.6%	(241)	966
Operating Expenses						
Property operating	19,542	22,151	(2,609)	(11.8)%	(264)	(2,345)
Property taxes	23,464	23,363	101	0.4%	(74)	175
Depreciation and amortization	29,187	27,930	1,257	4.5%	(99)	1,356
General and administrative	10,643	9,405	1,238	13.2%	n/a	n/a
Non-Operating Income/Expense						
Interest expense	13,508	14,102	(594)	(4.2)%	303	(897)
Interest, dividends, and other investment income	398	403	(5)	(1.2)%	n/a	n/a

Note 2—Properties held in both periods includes only properties owned for the entire periods of 2020 and 2019 and for interest expense the amount also includes parent company interest expense. All other properties are included in the property acquisition/sales column. There are no properties excluded from the analysis.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Base rents decreased by 1.1% to \$99.4 million for the fiscal year ended October 31, 2020 as compared with \$100.5 million in the comparable period of 2019. The change in base rent and the changes in other income statement line items analyzed in the table above were attributable to:

Property Acquisitions and Properties Sold:

In fiscal 2019, we purchased one property totaling 177,000 square feet, and sold one property totaling 10,100 square feet. In fiscal 2020, we sold two properties totaling 18,100 square feet. These properties accounted for all of the revenue and expense changes attributable to property acquisitions and sales in the year ended October 31, 2020 when compared with fiscal 2019.

Properties Held in Both Periods:

Revenues

Base Rent

The net decrease in base rents for the fiscal year ended October 31, 2020, when compared to the corresponding prior period was predominantly caused by a decrease in base rent revenue at seven properties related to tenant vacancies. The most significant of these vacancies were the vacating of TJ Maxx at our New Milford, CT property, the vacancy of two tenants at our Bethel, CT property, the vacancy of three tenants at our Cos Cob, CT property, the vacancy of two tenants at our Orange, CT property, the vacancy of five tenants at our Katonah, NY property and the vacancy caused by the bankruptcy of Modell's at our Ridgeway shopping center in Stamford, CT. In addition, base rent decreased as a result of providing a rent reduction for the grocery store tenant at our Bloomfield, NJ property. This net decrease was partially offset by an increase in base rents at most properties related to normal base rent increases provided for in our leases, new leasing at some properties and base rent revenue related to two new grocery store leases and one junior anchor lease for which rental recognition began in fiscal 2020. The new grocery tenants are Whole Foods at our Valley Ridge shopping center in Wayne, NJ and DeCicco's at our Eastchester, NY property. The new junior anchor tenant is TJX at our property located in Orange, CT.

In fiscal 2020, we leased or renewed approximately 405,000 square feet (or approximately 8.9% of total GLA). At October 31, 2020, the Company's consolidated properties were 90.4% leased (92.9% leased at October 31, 2019).

Tenant Recoveries

For the fiscal year ended October 31, 2020, recoveries from tenants (which represent reimbursements from tenants for operating expenses and property taxes) decreased by a net \$3.9 million when compared with the corresponding prior period. The decrease was the result of having lower common area maintenance expenses in fiscal 2020 when compared with fiscal 2019. This decrease was caused by significantly lower snow removal costs in the winter of 2020 when compared with the winter of 2019. In addition, throughout our third and fourth quarters of fiscal 2020, in response to the COVID-19 pandemic we made a conscious effort to reduce common area maintenance costs at our shopping centers to help reduce the overall tenant reimbursement rents charged to our tenants. In addition, the reduction was caused by a negative variance relating to reconciliation of the accruals for real estate tax recoveries billed to tenants in the first half of fiscal 2019 and 2020. The decrease was further accentuated by accruing a lower percentage of recovery at most of our properties as a result of our assessment that many of our smaller local tenants will have difficulty paying the full amounts required under their leases as a result of the COVID-19 pandemic. This assessment was based on the fact that many smaller tenants' businesses were deemed non-essential by the states where they operate and were forced to close for a portion of fiscal 2020. These net decreases were offset by increased tax assessments at our other properties held in both periods, which increases the amount of tax due and the amount billed back to tenants for those billings.

Uncollectable Amounts in Lease Income

In the fiscal year ended October 31, 2020, uncollectable amounts in lease income increased by \$3.0 million when compared to fiscal 2019. This increase was predominantly the result of our assessment of the collectability of existing non-credit small shop tenants' receivables given the on-going COVID-19 pandemic. Many non-credit small shop tenants' businesses were deemed non-essential by the states where they operate and were forced to close for a portion of fiscal 2020. Our assessment was based on the premise that as we emerge from the COVID-19 pandemic, our non-credit small shop tenants will need to use most of their resources to re-establish their business footing and any existing accounts receivable attributable to these tenants would most likely be uncollectable.

ASC Topic 842 Cash Basis Lease Income Reversals

The Company adopted ASC Topic 842 "Leases" at the beginning of fiscal 2020. ASC Topic 842 requires, amongst other things, that if the collectability of a specific tenant's future lease payments as contracted are not probable of

collection, revenue recognition for that tenant must be converted to cash-basis accounting and be limited to the lesser of the amount billed or collected from that tenant and in addition, any straight-line rental receivables would need to be reversed in the period that the collectability assessment changed to not probable. As a result of analyzing our entire tenant base, we determined that as a result of the COVID-19 pandemic 64 tenants' future lease payments were no longer probable of collection (7.1% of our approximate 900 tenants), and as a result of this assessment in fiscal 2020, we reversed \$2.3 million of previously billed lease income that was uncollected, which represented 2.4% of our ABR. In addition, as a result of this assessment, we reversed \$1.1 million of accrued straight-line rent receivables related to these 64 tenants, which equated to an additional 1.1% of our ABR. These reductions are a direct reduction of lease income in fiscal 2020.

Expenses

Property Operating

In the fiscal year ended October 31, 2020, property operating expenses decreased by \$2.3 million as a result of a large decrease in snow removal costs and parking lot repairs in fiscal 2020 when compared with fiscal 2019 and an overall reduction of other common area maintenance expenses as a result of COVID-19 pandemic as discussed above.

Property Taxes

In the fiscal year ended October 31, 2020, property tax expense was relatively unchanged when compared with the corresponding prior period. In the first half of fiscal 2020, one of our properties received a large real estate tax expense reduction as a result of a successful tax reduction proceeding. This decrease was offset by increased tax assessments at our other properties held in both periods, which increased the amount of tax due.

Interest

In fiscal year ended October 31, 2020, interest expense decreased by \$897,000 when compared with the corresponding prior period, as a result of a reduction in interest expense related to our Facility. In October 2019, we used a portion of the proceeds from a new series of preferred stock to repay all amounts outstanding on our Facility. In addition, the decrease was caused by our repayment of a mortgage secured by our Rye, NY properties at the end of fiscal 2019 with available cash, which reduced interest expense by \$183,000.

Depreciation and Amortization

In the fiscal year ended October 31, 2020, depreciation and amortization increased by \$1.4 million when compared with the prior period, primarily as a result of a write off of tenant improvements related to tenants that vacated our Danbury, CT, Newington, NH, Derby, CT and Stamford, CT properties in fiscal 2020 and increased depreciation for tenant improvements for large re-tenanting projects at our Orange, CT and Wayne, NJ properties.

General and Administrative Expenses

In the fiscal year ended October 31, 2020, general and administrative expenses increased by \$1.2 million when compared with the corresponding prior period, primarily as a result of an increase of \$1.4 million in restricted stock compensation expense in the second quarter of fiscal 2020 for the accelerated vesting of the grant value of restricted stock for our former Chairman Emeritus when he passed away in the second quarter of fiscal 2020.

Funds from Operations

We consider Funds from Operations ("FFO") to be an additional measure of our operating performance. We report FFO in addition to net income applicable to common stockholders and net cash provided by operating activities. Management has adopted the definition suggested by The National Association of Real Estate Investment Trusts ("NAREIT") and defines FFO to mean net income (computed in accordance with GAAP) excluding gains or losses from sales of property, plus real estate-related depreciation and amortization and after adjustments for unconsolidated joint ventures.

Management considers FFO a meaningful, additional measure of operating performance because it primarily excludes the assumption that the value of our real estate assets diminishes predictably over time and industry analysts have accepted it as a performance measure. FFO is presented to assist investors in analyzing our performance. It is helpful as it excludes various items included in net income that are not indicative of our operating performance, such as gains (or losses) from sales of property and depreciation and amortization. However, FFO:

- does not represent cash flows from operating activities in accordance with GAAP (which, unlike FFO, generally reflects all cash effects of transactions and other events in the determination of net income); and
- should not be considered an alternative to net income as an indication of our performance.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FFO as defined by us may not be comparable to similarly titled items reported by other real estate investment trusts due to possible differences in the application of the NAREIT definition used by such REITs. The table below provides a reconciliation of net income applicable to Common and Class A Common Stockholders in accordance with GAAP to FFO for each of the three years in the period ended October 31, 2021, 2020 and 2019 (amounts in thousands):

	Year Ended October 31,		
	2021	2020	2019
Net Income Applicable to Common and Class A Common Stockholders	\$ 33,633	\$ 8,533	\$22,128
Real property depreciation	22,936	22,662	22,668
Amortization of tenant improvements and allowances	4,429	4,694	3,521
Amortization of deferred leasing costs	1,599	1,737	1,652
Depreciation and amortization on unconsolidated joint ventures	1,518	1,499	1,505
(Gain)/loss on sale of properties	(11,864)	6,047	19
Loss on sale of property of unconsolidated joint venture	—	—	462
Funds from Operations Applicable to Common and Class A Common Stockholders	\$ 52,251	\$45,172	\$51,955

FFO amounted to \$52.3 million in fiscal 2021 compared to \$45.2 million in fiscal 2020 and \$52.0 million in fiscal 2019.

The net increase in FFO in fiscal 2021 when compared with fiscal 2020 was predominantly attributable, among other things, to:

Increases:

- An increase in variable lease income (cost recovery income) related to an under-accrual adjustment in recoveries from tenants for real estate taxes and common area maintenance in fiscal 2021 and a general increase in the rate at which we recover costs from our tenants as a result of the reduced impact of the COVID-19 pandemic on our tenants businesses, which resulted in a positive variance in fiscal 2021 when compared to the same period of fiscal 2020.
- A \$262,000 increase in lease termination income in fiscal 2021 when compared with the corresponding prior period as a result of one tenant that occupied multiple spaces in our portfolio ceasing operations and buying out the remaining terms of its leases.
- A net decrease in general and administrative expenses of \$1.7 million, predominantly related to a decrease in compensation and benefits expense in fiscal 2021 when compared to the corresponding prior period. The decrease was the result of accelerated vesting of restricted stock grant value upon the death of our former Chairman Emeritus in the second quarter of fiscal 2020.

- A decrease in uncollectable amounts in lease income of \$2.4 million. In the second quarter of fiscal 2020, we significantly increased our uncollectable amounts in lease income based on our assessment of the collectability of existing non-credit small shop tenants' receivables given the onset of the COVID-19 pandemic in March 2020. A number of non-credit small shop tenants' businesses were deemed non-essential by the states where they operate and were forced to close for a portion of the second and third quarters of fiscal 2020. This placed stress on our small shop tenants and made it difficult for many of them to pay their rents when due. Our assessment was that any billed but unpaid rents for such tenants would likely be uncollectable. During the fiscal year ended October 31, 2021, many of our tenants saw early signs of business improvement as regulatory restrictions were relaxed and individuals began returning to pre-pandemic activities following significant progress made in vaccinating the U.S. public. As a result, the uncollectable amounts in lease income have been declining. We have even recovered receivables that were previously reserved for.
- A decrease in the reversal of lease income as a result of the application of ASC Topic 842 "Leases" in fiscal 2021 when compared with fiscal 2020. ASC Topic 842 requires amongst other things, that if the collectability of a specific tenant's future lease payments as contracted are not probable of collection, revenue recognition for that tenant must be converted to cash-basis accounting and be limited to the lesser of the amount billed or collected from that tenant,

and in addition, any straight-line rental receivables would need to be reversed in the period that the collectability assessment changed to not probable. As a result of continuing to analyze our entire tenant base, we determined that as a result of the COVID-19 pandemic, 89 tenants' future lease payments were no longer probable of collection. All of these tenants were converted to cash basis after our second quarter of fiscal 2020 and prior to our third quarter of fiscal 2021. As of October 31, 2021, 27 of the 89 tenants are no longer tenants in the Company's properties. During the three months ended October 31, 2021, we restored 13 of the 89 tenants to accrual-basis accounting as those tenants have now demonstrated their ability to service the payments due under their leases and have no significant arrears balances. As of October 31, 2021, 49 tenants continue to be accounted for on a cash-basis, or 5.9% of our approximate 832 tenants. As a result of this assessment, we reversed \$734,000 more in billed but uncollected rent and straight-line rent for cash basis tenants in the fiscal year ended October 31, 2020 than we did in fiscal 2021. In addition, as the effect of the pandemic has lessened, even tenants accounted for on a cash-basis have paid more of their rents in fiscal 2021 than they did in fiscal 2020 and that created a positive variance in FFO in fiscal 2021 when compared with fiscal 2020.

- A decrease of \$242,000 in net income to noncontrolling interests. This decrease was caused by our redemption of noncontrolling units in fiscal 2020 and fiscal 2021. In addition, distributions decreased to noncontrolling unit owners whose distributions per unit were based on the dividend rate of our Class A Common stock, which was significantly reduced in the first half of fiscal 2021 when compared to the corresponding prior period.

Decreases:

- A decrease in gain on marketable securities as we had invested excess cash in marketable securities and sold them in fiscal 2020 realizing a gain of \$258,000 in fiscal 2020. We did not have similar gains in fiscal 2021, which creates a negative variance in fiscal 2021 when compared with fiscal 2020.

The net decrease in FFO in fiscal 2020 when compared with fiscal 2019 was predominantly attributable, among other things, to:

Decreases:

- A net decrease in base rents for the fiscal year ended October 31, 2020, when compared to the corresponding prior period caused by a decrease in base rent revenue at seven properties related to tenant vacancies offset by an increase in base rents at most properties related to normal base rent increases provided for in our leases, new leasing at some properties and base rent revenue related to two new grocery store leases and one junior anchor lease for which rental recognition began in fiscal 2020. Please see operating expense variance explanations earlier in this Annual Report.
- An increase in uncollectable amounts in lease income of \$3.0 million. This increase was the result of our assessment of the collectability of existing non-credit small shop tenants' receivables given the ongoing COVID-19 pandemic. Many non-credit, small shop tenants' businesses were deemed non-essential by the states where they operate and were forced to close for a portion of our fiscal year, until states loosened their restrictions and allowed almost all businesses to re-open, although some with operational restrictions. Our assessment was based on the premise that as we emerge from the COVID-19 pandemic, our non-credit, small shop tenants will need to use most of their resources to re-establish their business footing, and any existing accounts receivable attributable to those tenants would most likely be uncollectable.
- An increase in the write-off of lease income for tenants in our portfolio whose future lease payments were deemed to be not probable of collection, requiring us under GAAP to convert revenue recognition for those tenants to cash-basis accounting. This caused a write off of previously billed but unpaid lease income of \$2.3 million and the reversal of accrued straight-line rents receivable for these aforementioned tenants of \$1.1 million.
- A decrease in variable lease income (cost recovery income) related to the COVID-19 pandemic. In fiscal 2020, we lowered our percentage of recovery at most of our properties as a result of our assessment that many of our non-credit, small shop tenants will have difficulty paying the amounts required under their leases as a result of the COVID 19 pandemic. This assessment was based on the fact that many smaller tenants' businesses were deemed non-essential by the states where they operate and temporarily forced to close.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

- A decrease in variable lease income (cost recovery income) related to an over-accrual adjustment in recoveries from tenants for real estate taxes in the first quarter of fiscal 2020 versus an under-accrual adjustment in recoveries from tenants for real estate taxes in the first quarter of fiscal 2019, which when combined, resulted in a negative variance in the first nine months of fiscal 2020 when compared to the same period of fiscal 2019.
- A net increase in general and administrative expenses of \$1.4 million, predominantly related to an increase in compensation and benefits expense for the accelerated vesting of restricted stock grant value upon the death of our former Chairman Emeritus in the second quarter of fiscal 2020.
- A net increase in preferred stock dividends of \$861,000 as a result of issuing a new series of preferred stock in fiscal 2019 and redeeming an existing series. The new series has a principal value \$35 million higher than the redeemed series which increased preferred stock dividends by \$1.5 million, which included one month of dividends in fiscal 2019 and a full year in fiscal 2020. The new series has a lower coupon rate of 5.875% versus 6.75% on the redeemed series, which reduced preferred stock dividends by \$656,000 in fiscal 2020 when compared with fiscal 2019.

Increases:

- A \$484,000 increase in lease termination income in fiscal 2020 when compared with the corresponding prior period.
- A \$594,000 decrease in interest expense as a result of fully repaying our Facility in the fourth quarter of fiscal 2019 with proceeds from our new series of preferred stock.
- A \$446,000 decrease in payments to noncontrolling interests as a result of redeeming units valued at \$768,000 in fiscal 2020 and a reduction in the amount of distributions to noncontrolling interests for distributions based on the reduced dividend on our Class A Common stock.
- In fiscal 2019 we issued notice of redemption of our Series G preferred stock and realized preferred stock redemption charges of \$2.4 million.

Same Property Net Operating Income

We present Same Property Net Operating Income ("Same Property NOI"), which is a non-GAAP financial measure. Same Property NOI excludes from Net Operating Income ("NOI") properties that have not been owned for the full periods presented. The most directly comparable GAAP financial measure to NOI is operating income. To calculate NOI, operating income is adjusted to add back depreciation and amortization, general and administrative expense, interest expense, amortization of above and below-market lease intangibles and to exclude straight-line rent adjustments, interest, dividends and other investment income, equity in net income of unconsolidated joint ventures, and gain/loss on sale of operating properties.

We use Same Property NOI internally as a performance measure and believe Same Property NOI provides useful information to investors regarding our financial condition and results of operations because it reflects only those income and expense items that are incurred at the property level. Our management also uses Same Property NOI to evaluate property level performance and to make decisions about resource allocations. Further, we believe Same Property NOI is useful to investors as a performance measure because, when compared across periods, Same Property NOI reflects the impact on operations from trends in occupancy rates, rental rates and operating costs on an unleveraged basis, providing perspective not immediately apparent from income from continuing operations. Same Property NOI excludes certain components from net income attributable to Urstadt Biddle Properties Inc. in order to provide results that are more closely related to a property's results of operations. For example, interest expense is not necessarily linked to the operating performance of a real estate asset and is often incurred at the corporate level as opposed to the property level. In addition, depreciation and amortization, because of historical cost accounting and useful life estimates, may distort operating performance at the property level. Same Property NOI presented by us may not be comparable to Same Property NOI reported by other REITs that define Same Property NOI differently.

	Twelve Months Ended October 31,			Three Months Ended October 31,		
	2021	2020	% Change	2021	2020	% Change
Same Property Operating Results:						
Number of Properties (Note 1)	74			74		
Revenue (Note 2):						
Base Rent (Note 3)	\$ 99,136	\$ 93,564	6.0%	\$ 24,509	\$22,891	7.1%
Uncollectable amounts in lease income	(1,528)	(3,802)	(59.8)%	(148)	(342)	(56.7)%
ASC Topic 842 cash-basis lease income reversal— same property	(2,011)	(2,306)	(12.8)%	(129)	(530)	(75.7)%
Recoveries from tenants	34,788	28,503	22.1%	8,046	7,646	5.2%
Other property income	402	879	(54.3)%	98	92	6.5%
	<u>130,787</u>	<u>116,838</u>	11.9%	<u>32,376</u>	<u>29,757</u>	8.8%
Expenses:						
Property operating	14,084	11,248	25.2%	3,107	2,639	17.7%
Property taxes	23,522	23,343	0.8%	5,936	5,822	2.0%
Other non-recoverable operating expenses	2,037	1,758	15.9%	573	443	29.3%
	<u>39,643</u>	<u>36,349</u>	9.1%	<u>9,616</u>	<u>8,904</u>	8.0%
Same Property Net Operating Income	<u>\$ 91,144</u>	<u>\$ 80,489</u>	13.2%	<u>\$ 22,760</u>	<u>\$20,853</u>	9.1%
Reconciliation of Same Property NOI to Most Directly Comparable GAAP Measure:						
Other reconciling items:						
Other non same-property net operating income	884	1,284		80	196	
Other Interest income	471	428		122	92	
Other Dividend Income	—	182		—	—	
Consolidated lease termination income	967	705		166	245	
Consolidated amortization of above and below market leases	632	706		177	183	
Consolidated straight line rent income	(2,396)	2,678		306	898	
Equity in net income of unconsolidated joint ventures	1,323	1,433		298	273	
Taxable REIT subsidiary income/(loss)	303	920		(116)	201	
Solar income/(loss)	(163)	(72)		(4)	19	
Storage income/(loss)	1,236	979		431	265	
Unrealized holding gains arising during the periods	—	—		—	—	
Gain on sale of marketable securities	—	258		—	—	
Interest expense	(13,087)	(13,508)		(3,025)	(3,385)	
General and administrative expenses	(8,985)	(10,643)		(2,109)	(2,148)	
Uncollectable amounts in lease income	(1,529)	(3,916)		(149)	(426)	
Uncollectable amounts in lease income—same property	1,529	3,802		149	342	
ASC Topic 842 cash-basis lease income reversal	(2,011)	(2,327)		(129)	(551)	
ASC Topic 842 cash-basis lease income reversal—same property	2,011	2,306		129	530	
Directors fees and expenses	(355)	(373)		(78)	(86)	
Depreciation and amortization	(29,032)	(29,187)		(7,259)	(7,600)	
Adjustment for intercompany expenses and other	(3,878)	(4,027)		(908)	(796)	
Total other—net	<u>(52,080)</u>	<u>(48,372)</u>		<u>(11,919)</u>	<u>(11,748)</u>	
Income from continuing operations	39,064	32,117	21.6%	10,841	9,105	19.1%
Gain (loss) on sale of real estate	11,864	(6,047)		(350)	(5,719)	
Net income	<u>50,928</u>	<u>26,070</u>	95.4%	<u>10,491</u>	<u>3,386</u>	209.8%
Net income attributable to noncontrolling interests	(3,645)	(3,887)		(921)	(886)	
Net income attributable to Urstadt Biddle Properties Inc.	<u>\$47,283</u>	<u>\$22,183</u>	113.1%	<u>\$ 9,570</u>	<u>\$ 2,500</u>	282.8%
Same Property Operating Expense Ratio (Note 4)	<u>92.5%</u>	<u>82.4%</u>	10.1%	<u>89.0%</u>	<u>90.4%</u>	(1.4)%

Note 1—Includes only properties owned for the entire period of both periods presented.

Note 2—Excludes straight line rent, above/below market lease rent, lease termination income.

Note 3—Base rents for the three and twelve month periods ended October 31, 2021 are reduced by approximately \$27,000 and \$552,000, respectively, in rents that were deferred and approximately \$309,000 and \$3.0 million, in rents that were abated because of COVID-19. Base rents for the three and twelve month periods ended October 31, 2021, are increased by approximately \$346,000 and \$3.2 million, respectively, in COVID-19 deferred rents that were billed and collected in those periods.

Base rents for the three and twelve month periods ended October 31, 2020 are reduced by approximately \$854,000 and \$3.4 million, respectively, in rents that were deferred and approximately \$934,000 and \$1.4 million, in rents that were abated because of COVID-19.

Note 4—Represents the percentage of property operating expense and real estate tax.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. The Company's internal control over financial reporting is a process designed by, or under the supervision of, the Company's Chief Executive Officer and Chief Financial Officer and effected by the Company's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles.

The Company's internal control over financial reporting includes policies and procedures that: relate to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of the Company; provide reasonable assurance of the recording of all transactions necessary to permit the preparation of the Company's consolidated financial statements in accordance with generally accepted accounting principles and the proper authorization of receipts and expenditures in accordance with authorization of the Company's management and directors; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the Company's consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of October 31, 2021. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control—Integrated Framework (2013). Based on its assessment, management determined that the Company's internal control over financial reporting was effective as of October 31, 2021. The Company's independent registered public accounting firm, PKF O'Connor Davies, LLP has audited the effectiveness of the Company's internal control over financial reporting, as indicated in their attestation report which is included on the following page.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To the Board of Directors and Shareholders of Urstadt Biddle Properties Inc.

Opinion on Internal Control over Financial Reporting

We have audited Urstadt Biddle Properties Inc.'s (the "Company") internal control over financial reporting as of October 31, 2021, based on criteria established in *Internal Control–Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of October 31, 2021, based on criteria established in *Internal Control–Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheets of the Company as of October 31, 2021 and 2020, and the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended October 31, 2021, and our report dated January 12, 2022, expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Internal Control Over Financial Reporting*. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PKF O'Connor Davies, LLP

New York, New York
January 12, 2022

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to interest rate risk primarily through our borrowing activities, which include fixed-rate mortgage debt and, in limited circumstances, variable rate debt. As of October 31, 2021, we had total mortgage debt and other notes payable of \$296.4 million, of which 100% was fixed-rate, inclusive of variable rate mortgages that have been swapped to fixed interest rates using interest rate swap derivatives contracts.

Our fixed-rate debt presents inherent rollover risk for borrowings as they mature and are renewed at current market rates. The extent of this risk is not quantifiable or predictable because of the variability of future interest rates and our future financing requirements.

To reduce our exposure to interest rate risk on variable-rate debt, we use interest rate swap agreements, for example, to convert some of our variable-rate debt to fixed-rate debt. As of October 31, 2021, we had nine open derivative financial instruments. These interest rate swaps are cross collateralized with mortgages on properties in Ossining, NY, Yonkers, NY, Orangeburg, NY, Brewster, NY, Stamford, CT, Greenwich, CT, Darien, CT, and Dumont, NJ. The Ossining swap expires in August 2024, the Yonkers swap expires in November 2024, the Orangeburg swap expires in October 2024, the Brewster swap expires in July 2029, the Stamford swap expires in July 2027, the Greenwich swaps expire in October 2026, the Darien swap expires in April 2029 and the Dumont, NJ swap expires in August 2028, in each case concurrent with the maturity of the respective mortgages. All of the aforementioned derivatives contracts are adjusted to fair market value at each reporting period. We have concluded that all of the aforementioned derivatives contracts are effective cash flow hedges as defined in ASC Topic 815. We are required to evaluate the effectiveness at inception and at each reporting date. As a result of the aforementioned derivatives contracts being effective cash flow hedges all changes in fair market value are recorded directly to stockholders equity in accumulated comprehensive income and have no effect on our earnings.

Under existing guidance, the publication of the LIBOR reference rate was to be discontinued beginning on or around the end of 2021. However, the ICE Benchmark Administration, in its capacity as administrator of USD LIBOR, has announced that it intends to extend publication of USD LIBOR (other than one-week and two-month tenors) by 18 months to June 2023. Notwithstanding this possible extension, a joint statement by key regulatory authorities calls on banks to cease entering into new contracts that use USD LIBOR as a reference rate by no later than December 31, 2021. We have good working relationships with each of the lenders to our notes, who are also the counterparties to our swap contracts. We understand from our lenders and counterparties that their goal is to have the replacement reference rate under the notes match the replacement rates in the swaps. If this were achieved, we believe there would be no effect on our financial position or results of operations. However, because this will be the first time any of the reference rates for our promissory notes or our swap contracts will cease to be published, we cannot be sure how the replacement rate event will conclude. Until we have more clarity from our lenders and counterparties, we cannot be certain of the impact on the Company.

At October 31, 2021, we had no outstanding borrowings on our Facility, which bears interest at LIBOR plus 1.45%. If interest rates were to rise 1%, our interest expense as a result of the variable rate would increase by any amount outstanding multiplied by 1% per annum.

The following table sets forth the Company's long-term debt obligations by principal cash payments and maturity dates, weighted average fixed interest rates and estimated fair value at October 31, 2021 (amounts in thousands, except weighted average interest rate):

	For The Fiscal Year Ended October 31,							Estimated Fair Value
	2022	2023	2024	2025	2026	Thereafter	Total	
Mortgage notes payable and other loans	\$39,890	\$6,628	\$25,419	\$86,472	\$11,913	\$126,127	\$296,449	\$299,671
Weighted average interest rate for debt maturing	4.63%	n/a	4.14%	3.95%	3.48%	3.96%	4.03%	

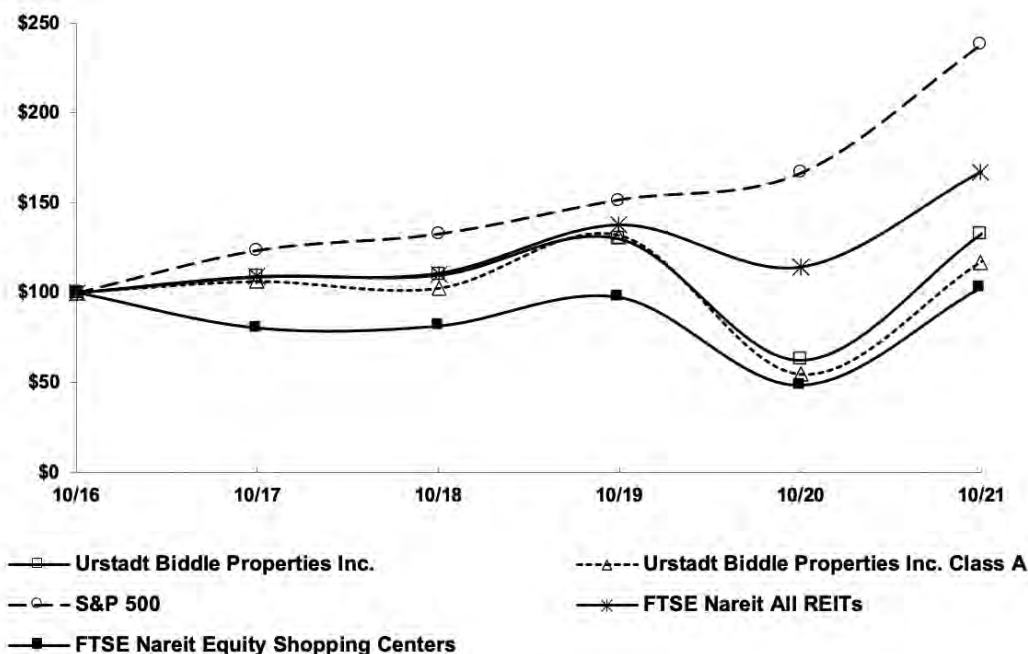
CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There were no changes in, or any disagreements with, the Company's independent registered public accounting firm on accounting principles and practices or financial disclosure during the years ended October 31, 2021 and 2020.

PERFORMANCE GRAPH

The following graph compares, for the five-year period beginning October 31, 2016 and ended October 31, 2021, the Company's cumulative total return to holders of the Company's Class A Common Shares and Common Shares with the returns for the NAREIT All—REITs Total Return Index, NAREIT Equity Shopping Centers Total Return Index (both peer group indexes) published by the National Association of Real Estate Investment Trusts (NAREIT) and for the S&P 500 Index for the same period.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*
Among Urstadt Biddle Properties Inc., the S&P 500 Index, the FTSE Nareit All REITs Index and the FTSE Nareit Equity Shopping Centers Index



*\$100 invested on 10/31/16 in stock or index, including reinvestment of dividends. Fiscal year ending October 31.

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	10/16	10/17	10/18	10/19	10/20	10/21
Urstadt Biddle Properties Inc.	100.00	109.23	109.82	130.07	62.57	132.91
Urstadt Biddle Properties Inc.—Class A	100.00	106.13	102.39	131.86	54.47	117.36
S&P 500	100.00	123.63	132.71	151.73	166.46	237.90
FTSE Nareit All REITs	100.00	108.79	110.94	137.79	114.37	167.34
FTSE Nareit Equity Shopping Centers	100.00	80.26	81.38	97.22	48.55	102.74

The stock price performance shown on the graph is not necessarily indicative of future price performance.

NON-GAAP FINANCIAL MEASURES RECONCILIATIONS

Funds from Operations (“FFO”)

The Company considers FFO to be an additional measure of our operating performance. We report FFO in addition to net income applicable to common stockholders and net cash provided by operating activities. Management has adopted the definition suggested by The National Association of Real Estate Investment Trusts (“NAREIT”) and defines FFO to mean net income (computed in accordance with GAAP) excluding gains or losses from sales of property, plus real estate-related depreciation and amortization and after adjustments for unconsolidated joint ventures.

Management considers FFO a meaningful, additional measure of operating performance because it primarily excludes the assumption that the value of the Company’s real estate assets diminishes predictably over time and industry analysts have accepted it as a performance measure. FFO is presented to assist investors in analyzing the performance of the Company. It is helpful as it excludes various items included in net income that are

not indicative of our operating performance, such as gains (or losses) from sales of property and depreciation and amortization. However, FFO:

- does not represent cash flows from operating activities in accordance with GAAP (which, unlike FFO, generally reflects all cash effects of transactions and other events in the determination of net income); and
- should not be considered an alternative to net income as an indication of our performance.

FFO as defined by us may not be comparable to similarly titled items reported by other real estate investment trusts due to possible differences in the application of the NAREIT definition used by such REITs.

The tables below provide a reconciliation of net income applicable to Common and Class A Common Stockholders in accordance with GAAP to FFO for each of the fiscal years ended October 31, 2012 to October 31, 2021.

	Year Ended October 31,				
	2021	2020	2019	2018	2017
Net Income Applicable to Common and Class A Common Stockholders	\$ 33,633	\$ 8,533	\$22,128	\$25,217	\$ 33,898
Real property depreciation	22,936	22,662	22,668	22,139	20,505
Amortization of tenant improvements and allowances	4,429	4,694	3,521	4,039	4,448
Amortization of deferred leasing costs	1,599	1,737	1,652	2,057	1,468
Depreciation and amortization on unconsolidated joint ventures	1,518	1,499	1,505	1,719	1,618
(Gain)/loss on sale of properties	(11,864)	6,047	19	—	(18,734)
Loss on sale of property of unconsolidated joint venture	—	—	462	—	—
Funds from Operations Applicable to Common and Class A Common Stockholders	\$ 52,251	\$45,172	\$51,955	\$55,171	\$ 43,203
Funds from Operations (Diluted) Per Share:					
Common	\$1.22	\$1.06	\$1.22	\$1.30	\$1.02
Class A Common	\$1.36	\$1.19	\$1.37	\$1.47	\$1.15
Weighted Average Number of Shares Outstanding (Diluted):					
Common and Common Equivalent	9,608	9,385	9,349	9,114	9,026
Class A Common And Class A Common Equivalent	29,753	29,576	29,654	29,513	29,503

Year Ended October 31,

	2016	2015	2014	2013	2012
Net Income Applicable to Common and Class A Common Stockholders	\$19,436	\$ 34,659	\$ 49,469	\$10,613	\$ 12,966
Real property depreciation	18,866	18,750	15,361	14,194	13,277
Amortization of tenant improvements and allowances	3,517	3,161	3,298	2,957	2,906
Amortization of deferred leasing costs	557	449	520	593	479
Depreciation and amortization on unconsolidated joint ventures	1,589	1,414	1,255	974	911
(Gain)/loss on sale of properties	(362)	(20,377)	(36,871)	175	88
Loss on sale of property of unconsolidated joint venture	—	—	—	—	—
Funds from Operations Applicable to Common and Class A Common Stockholders	<u>\$43,603</u>	<u>\$ 38,056</u>	<u>\$ 33,032</u>	<u>\$29,506</u>	<u>\$ 30,627</u>
Funds from Operations (Diluted) Per Share:					
Common	<u>\$1.10</u>	<u>\$0.99</u>	<u>\$0.95</u>	<u>\$0.86</u>	<u>\$0.98</u>
Class A Common	<u>\$1.25</u>	<u>\$1.12</u>	<u>\$1.06</u>	<u>\$0.95</u>	<u>\$1.08</u>
Weighted Average Number of Shares Outstanding (Diluted):					
Common and Common Equivalent	<u>8,910</u>	<u>8,728</u>	<u>8,536</u>	<u>8,383</u>	<u>8,204</u>
Class A Common And Class A Common Equivalent	<u>27,112</u>	<u>26,332</u>	<u>23,427</u>	<u>23,357</u>	<u>20,964</u>

DIRECTORS

KEVIN J. BANNON
Director
PGIM Retail Mutual Funds

CATHERINE U. BIDDLE
Executive Vice President
Urstadt Property Company, Inc.

WILLING L. BIDDLE
President and
Chief Executive Officer
Urstadt Biddle Properties Inc.

NOBLE O. CARPENTER, JR.
Senior Managing Director
Banyan Street Capital

BRYAN O. COLLEY
Principal of entities that own and
operate multiple McDonalds
restaurants

RICHARD GRELLIER
Managing Director
Deutsche Bank Securities Inc.

ROBERT J. MUELLER
Retired Senior Executive
Vice President
The Bank of New York

WILLIS H. STEPHENS, JR.
Principal
Stephens Law Firm PLLC

CHARLES D. URSTADT
Chairman
Urstadt Biddle Properties Inc.

OFFICERS

CHARLES D. URSTADT
Chairman

WILLING L. BIDDLE
President and
Chief Executive Officer

JOHN T. HAYES
Senior Vice President,
Chief Financial Officer
and Treasurer

STEPHAN A. RAPAGLIA
Senior Vice President,
Chief Operating Officer,
Real Estate Counsel and
Assistant Secretary

MIYUN SUNG
Senior Vice President,
Chief Legal Officer and
Secretary

JAMES M. ARIES
Senior Vice President
Director of Acquisitions

LINDA LACEY
Senior Vice President
Director of Leasing

ANDREW ALBRECHT
Vice President
Director of Management
and Construction

JOSEPH ALLEGRETTI
Vice President
Leasing

NICHOLAS CAPUANO
Vice President and
Real Estate Counsel

SUZANNE MOORE
Vice President and Director of
Accounts Receivable

CHRISTOPHER PEREZ
Vice President and Controller

SUZANNE CRISCITELLI
Assistant Vice President/Lease
Administration

STEVE DUDZIEC
Assistant Vice President
Leasing

ELLEN HANRAHAN
Assistant Vice President and
Assistant Secretary

JANINE IAROSSO
Assistant Vice President
Insurance and
Benefits Administrator

MARY MURRAY
Assistant Vice President and
Director of Operations

MONICA ROTH
Assistant Vice President
Environmental Project Manager,
Management and Construction

JEREMY SCHWARTZ
Assistant Vice President
Leasing

BRENDAN SHANLEY
Assistant Vice President
Property Management
and Sustainability Manager

CORPORATE INFORMATION

SECURITIES TRADED

New York Stock Exchange Symbols: UBA, UBP, UBPPRH and UBPPRK Stockholders of Record as of December 31, 2021:
Common Stock: 488 and
Class A Common Stock: 585

ANNUAL MEETING

The annual meeting of stockholders will be on March 17, 2022 conducted live via audio webcast at 2:00 P.M., Eastern Time via www.virtualshareholdermeeting.com/UBA2022.

FORM 10-K

A copy of the Company's 2021 Annual Report on Form 10-K filed with the Securities and Exchange Commission, without exhibits, may be obtained by stockholders without charge by writing to the Secretary of the Company at its executive office.

SHAREHOLDER INFORMATION AND DIVIDEND REINVESTMENT PLAN

Inquiries regarding stock ownership, dividends or the transfer of shares can be made by writing to our Transfer Agent, Shareholder Services at Computershare, P.O. Box 505000, Louisville, KY 40233-5000 or by calling toll-free at 1-866-203-6250. The Company has a dividend reinvestment plan that provides stockholders with a convenient means of increasing their holdings without incurring commissions or fees. For information about the plan, stockholders should contact the Transfer Agent. Other shareholder inquiries should be directed to Miyun Sung, Secretary, telephone (203) 863-8200.

INVESTOR RELATIONS

Investors desiring information about the Company can contact Laura Santangelo, in our Investor Relations Department, telephone (203) 863-8225. Investors are also encouraged to visit our website at: www.ubproperties.com

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

PKF O'Connor Davies, LLP

GENERAL COUNSEL

Baker & McKenzie LLP

INTERNAL AUDIT

Berdon LLP, CPAs and Advisors

EXECUTIVE OFFICE OF THE COMPANY

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Greenwich, CT 06830
Tel: (203) 863-8200
Fax: (203) 861-6755
Website: www.ubproperties.com

MEMBERSHIPS

National Association of Real Estate Investment Trusts, Inc. (NAREIT); International Council of Shopping Centers (ICSC)



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Greenwich, CT 06830



Goodwives Shopping Center,
Darien, CT