

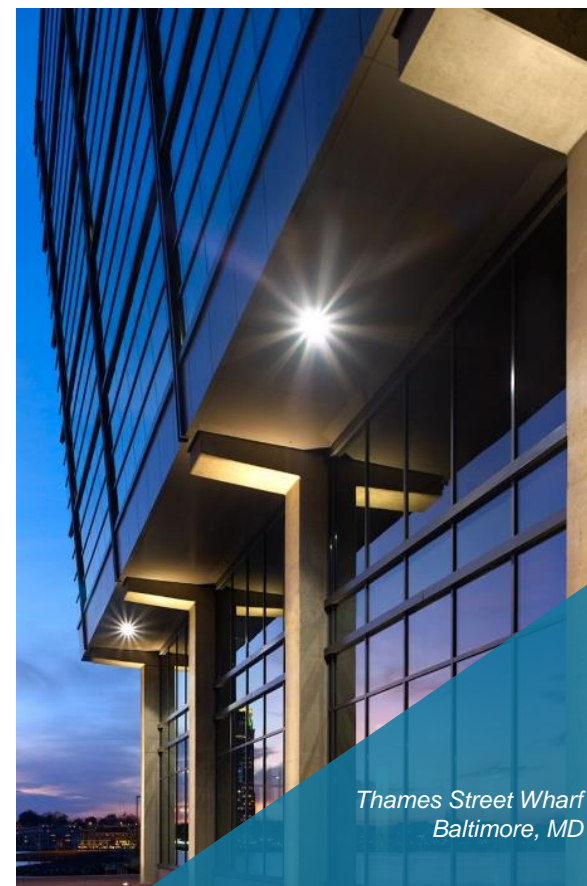


# 2020 GUIDANCE PRESENTATION



**ARMADA HOFFLER**  
PROPERTIES

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*Thames Street Wharf  
Baltimore, MD*

# FORWARD LOOKING STATEMENTS

This presentation should be read in conjunction with the unaudited condensed consolidated financial statements appearing in our press release dated February 6, 2020, which has been furnished as Exhibit 99.1 to our Form 8-K filed on February 6, 2020. The Company makes statements that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). In particular, statements pertaining to our capital resources, portfolio performance and results of operations contain forward-looking statements. Likewise, all of our statements regarding our 2020 outlook and related assumptions, projections, anticipated growth in our funds from operations, normalized funds from operations, adjusted funds from operations, funds available for distribution and net operating income are forward-looking statements. You can identify forward-looking statements by the use of forward-looking terminology such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “intends,” “plans,” “estimates” or “anticipates” or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods which may be incorrect or imprecise and the Company may not be able to realize them. The Company does not guarantee that the transactions and events described will happen as described (or that they will happen at all). For further discussion of risk factors and other events that could impact our future results, please refer to the section entitled “Risk Factors” in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (the “SEC”), and the documents subsequently filed by us from time to time with the SEC. The Company expressly disclaims any obligation or undertaking to update or revise any forward-looking statement contained herein, to reflect any change in the Company's expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based, except to the extent otherwise required by applicable law.

The Company does not provide a reconciliation for its guidance range of Normalized FFO per diluted share to net income per diluted share, the most directly comparable forward-looking GAAP financial measure, because it is unable to provide a meaningful or accurate estimate of reconciling items and the information is not available without unreasonable effort as a result of the inherent difficulty of forecasting the timing and/or amounts of various items that would impact net income per diluted share. For the same reasons, the Company is unable to address the probable significance of the unavailable information and believes that providing a reconciliation for its guidance range of Normalized FFO per diluted share would imply a degree of precision for its forward-looking net income per diluted share that could be misleading to investors.

	LOW	HIGH
Total NOI	\$117.5M	\$118.5M
Construction Segment Gross Profit	\$7.3M	\$8.0M
G&A Expenses	\$12.9M	\$13.5M
Mezzanine Interest Income	\$21.7M	\$22.1M
Interest Expense	\$35.2M	\$36.2M
Normalized FFO Per Diluted Share	\$1.16	\$1.20

## GUIDANCE ASSUMPTIONS

- Asset recycling program completed during 2Q20.
- Interest expense is calculated based on Forward LIBOR Curve, which forecasts rates ending the year at 1.48%.
- Opportunistic sale of approximately \$80 million through the ATM program, resulting in a full-year weighted average share count of 79.7 million.



# 2019/2020 ASSET RECYCLING

PROPERTY	ANCHOR TENANT	LOCATION	CASH CAP RATE	ESTIMATED PRICE	ANNUAL CASH NOI
<b>DISPOSITIONS</b>					
Lightfoot Marketplace <sup>(1)</sup>	Harris Teeter	Williamsburg, VA	5.8%	\$30M	-\$1.7M
Greentree Marketplace	Various small shops	Chesapeake, VA	7.5%	\$4M	-\$0.3M
7 Shopping Centers (Signed LOI)	Various	Various	7.8%	\$108M	-\$8.4M
<b>DISPOSITION NOI</b>					<b>-\$10.5M</b>
<b>ACQUISITIONS</b>					
The Edison Apartments	Multifamily	Richmond, VA	6.8%	\$25M	\$1.7M
Delray Beach Plaza and West Market Street Station	Whole Foods	Delray Beach, FL Akron, OH	6.0%	\$48M	\$2.9M
Nexton Square	Mixed-Use Retail	Summerville, SC	7.4%	\$42M	\$3.1M
TBD	-	-	~6.5%	~\$20M	\$1.3M
<b>ACQUISITION NOI</b>					<b>\$9.0M</b>
<b>NET NOI EFFECT</b>					<b>-\$1.5M</b>



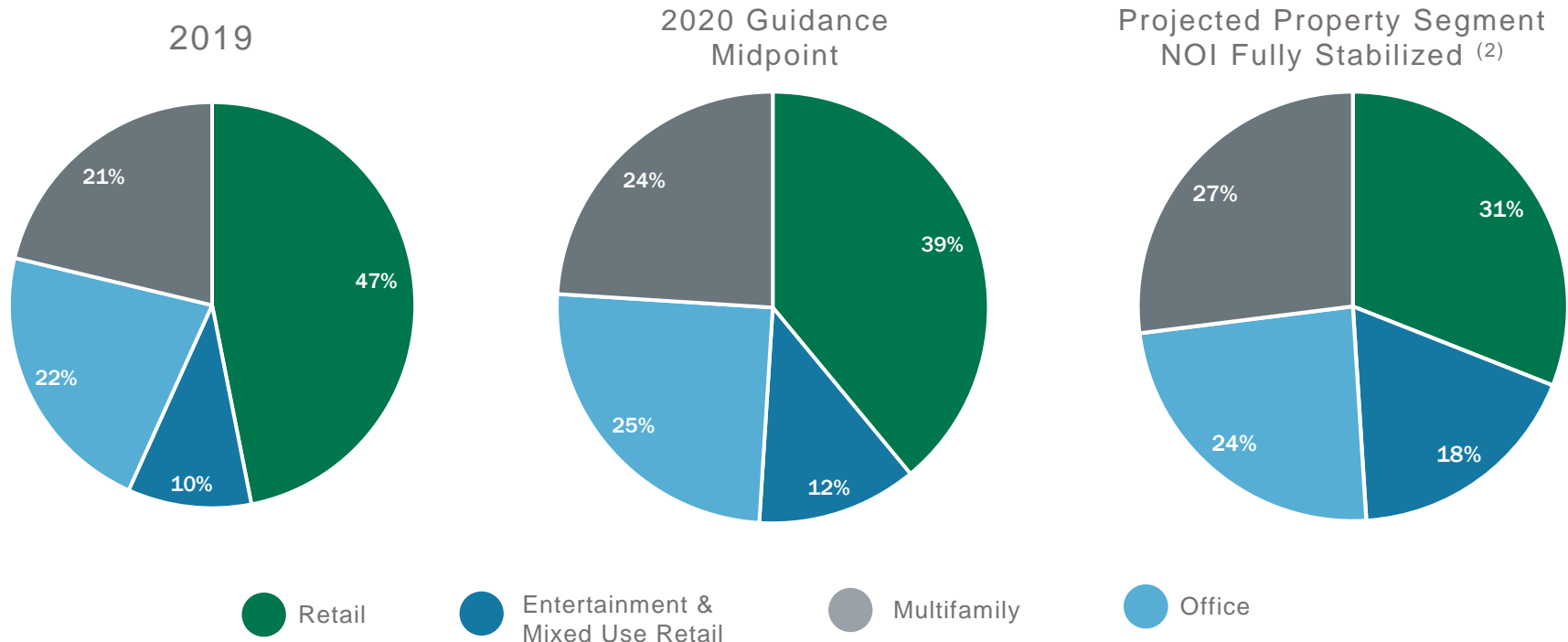
(1) Majority interest in JV development

# EVOLVING PORTFOLIO GAAP NOI COMPOSITION

\$ in millions

PORTFOLIO COMPOSITION <sup>(1)</sup>	2019	2020 GUIDANCE MIDPOINT	FULLY STABILIZED <sup>(2)</sup>
<b>RETAIL</b>	<b>\$50</b>	<b>\$47</b>	<b>\$48</b>
<b>ENTERTAINMENT &amp; MIXED-USE RETAIL</b>	<b>\$9</b>	<b>\$14</b>	<b>\$27</b>
MULTIFAMILY	\$24	\$31	\$37
<b>OFFICE</b>	<b>\$23</b>	<b>\$30</b>	<b>\$41</b>
<b>TOTAL</b>	<b>\$106</b>	<b>\$121</b>	<b>\$153</b>

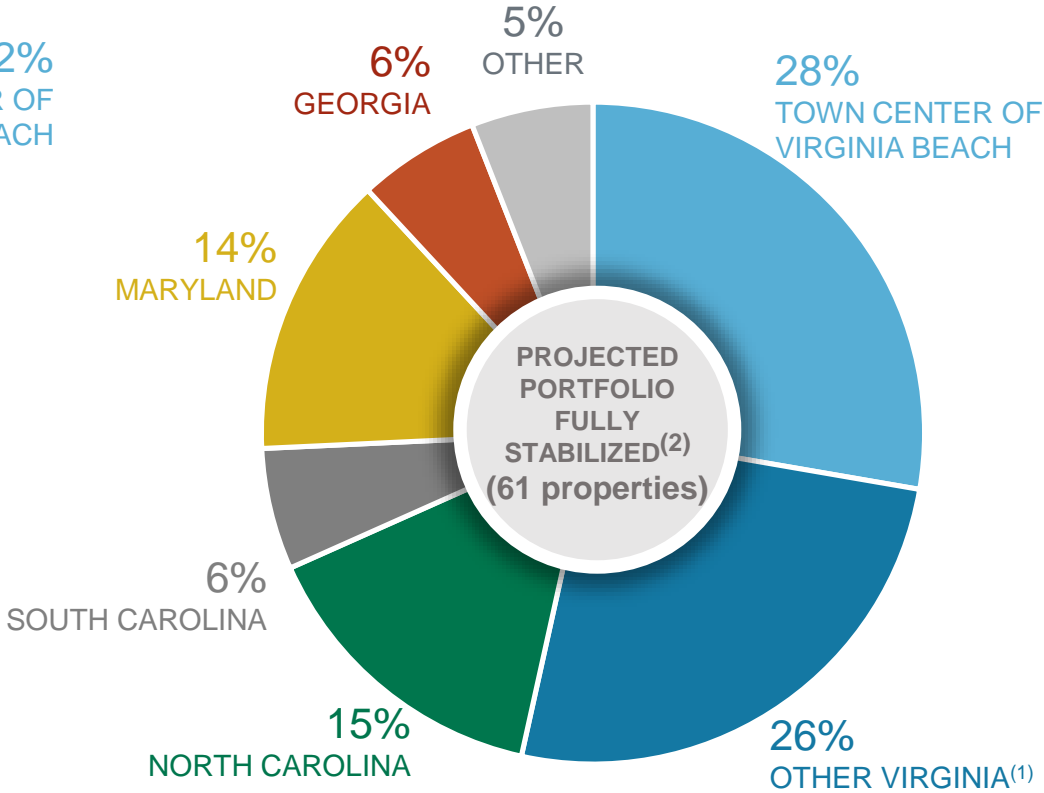
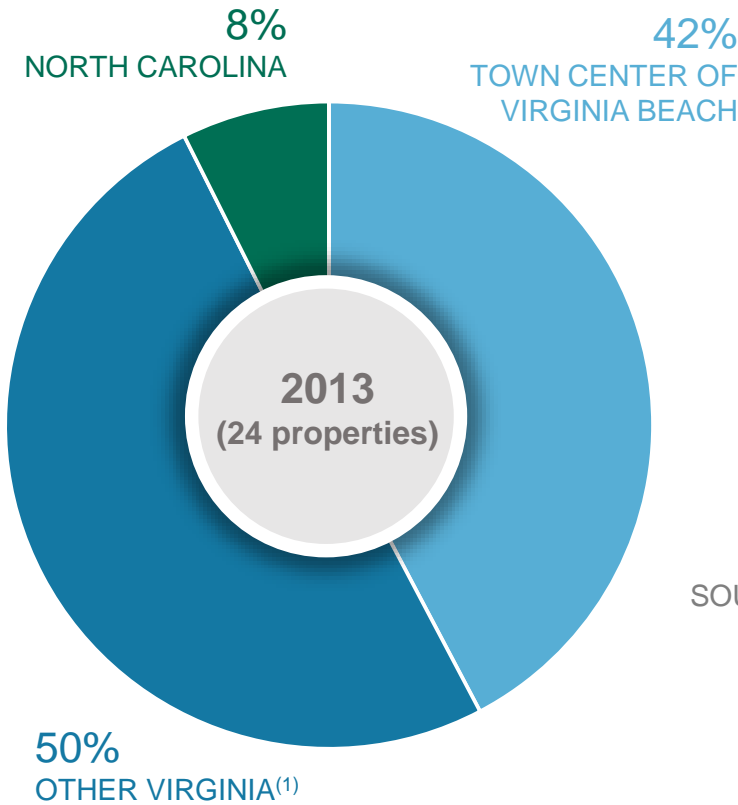
*Fully stabilized portfolio expected to bring over 40% of NOI growth*



(1) Numbers exclude AHH rent elimination and expenses associated with the Company's in house asset management division

(2) Fully Stabilized Portfolio assumes announced pipeline is delivered and stabilized per schedule (see page 8 for schedule)

# NOI CONTRIBUTION BY LOCATION



(1) Excludes properties in Town Center of Virginia Beach

(2) Fully Stabilized Portfolio assumes announced pipeline is delivered and stabilized per schedule (see page 8 for schedule)

# PROJECTS UNDER DEVELOPMENT AND REDEVELOPMENT

DEVELOPMENT PROJECTS <sup>(1)</sup>	PROPERTY TYPE	SIZE	% Leased or LOI	INITIAL OCCUPANCY <sup>(2)</sup>	STABILIZED OPERATION <sup>(2)</sup>	ESTIMATED COST <sup>(2)</sup>	
Chronicle Mill <sup>(3)</sup> Belmont, NC	Multifamily	239 units / 10,000 sf	-	1Q22	1Q23	\$45M	
Premier Retail Virginia Beach, VA	Mixed-Use	39,000 sf	76%	3Q18	1Q21	\$15M	
Southern Post-Multifamily <sup>(3)</sup> Roswell, GA	Multifamily	138 units	-	3Q21	3Q22	\$39M	
Southern Post-Retail/Office <sup>(3)</sup> Roswell, GA	Mixed-Use	137,000 sf	6%	3Q21	TBD	\$51M	
Summit Place <sup>(3)</sup> Charleston, SC	Multifamily	357 beds	-	3Q20	4Q20	\$56M	
Ten Tryon <sup>(3)</sup> Charlotte, NC	Mixed-Use	220,000 sf	38%	2Q22	TBD	\$95M	
Wills Wharf Baltimore, MD	Office	325,000 sf	68%	2Q20	2Q21	\$120M	
<b>TOTAL INVESTMENT</b>						<b>\$421M</b>	
REDEVELOPMENT PROJECTS <sup>(1)</sup>	PROPERTY TYPE	OUT OF SERVICE	Projected ROI	% Leased or LOI	ANTICIPATED COMPLETION <sup>(2)</sup>	RESTALLIZED OPERATION <sup>(2)</sup>	ESTIMATED COST <sup>(2)</sup>
The Cosmopolitan Virginia Beach, VA	Multifamily	42 units	9%	80% <sup>(4)</sup>	4Q20	1Q21	\$14M
Columbus Village I Virginia Beach, VA	Mixed-Use	28,250 sf	8%	95%	3Q20	4Q20	\$9M
Apex Entertainment Building (Formerly Dick's Sporting Goods) Virginia Beach, VA	Mixed-Use	84,000 sf	7%	100%	4Q20	1Q21	\$9M
<b>TOTAL INVESTMENT</b>						<b>\$32M</b>	

(1) For our ownership structure, see page 18 & 19 of the 4Q19 Supplemental package.

(2) Timing and investment amounts are estimates and subject to change as the development process demands.

(3) Majority Interest in joint venture with preferred return.

(4) Occupancy calculation excludes 42 units that are offline for redevelopment.



# MEZZANINE INVESTMENT PROGRAM

PROJECT	PRODUCT	LOCATION	PROJECTED PRINCIPAL MEZZANINE FINANCING <sup>(1)</sup>	PROJECTED TOTAL GROSS INTEREST INCOME <sup>(1)(2)</sup>	PROJECTED CONSTRUCTION FEES <sup>(1)</sup>	TOTAL PROJECTED AHH INCOME <sup>(1)</sup>
<b><u>Investments with Purchase Option</u></b>						
Delray Beach Plaza (Whole Foods)	Retail	Delray Beach, FL	\$10M	\$3M	N/A	\$3M
Nexton Square	Mixed-Use	Summerville, SC	\$13M	\$2M	\$1M	\$3M
<b><u>Short-Term Investment</u></b>						
The Residences at Annapolis Junction	Multifamily	Annapolis Junction, MD	\$36M	\$20M <sup>(3)</sup>	\$2M	\$22M
\$5M Annapolis Junction Loan Modification Fee				\$5M	N/A	\$5M
Solis Apartments at Interlock	Multifamily	Atlanta, GA	\$23M	\$10M	\$2M	\$12M
The Interlock	Mixed-Use	Atlanta, GA	\$67M	\$31M <sup>(3)</sup>	\$3M	\$34M
<b>Total Projected AHH Income</b>						\$79M
<b>Total Projected Mezzanine Interest Expense</b>						(\$17M)
<b>Total Projected Net Mezzanine Interest Income</b>						\$62M

(1) Timing, investment, and income amounts are estimates and subject to change as the development process demands

(2) Reflects projected pay off date that may be subject to change (page 15)

(3) Includes purchase option and/or exit fees

\$ in millions



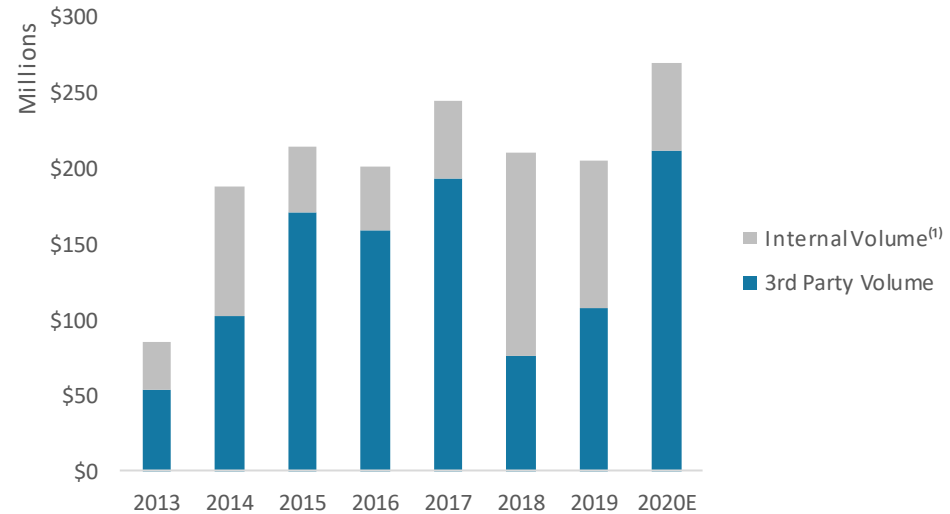
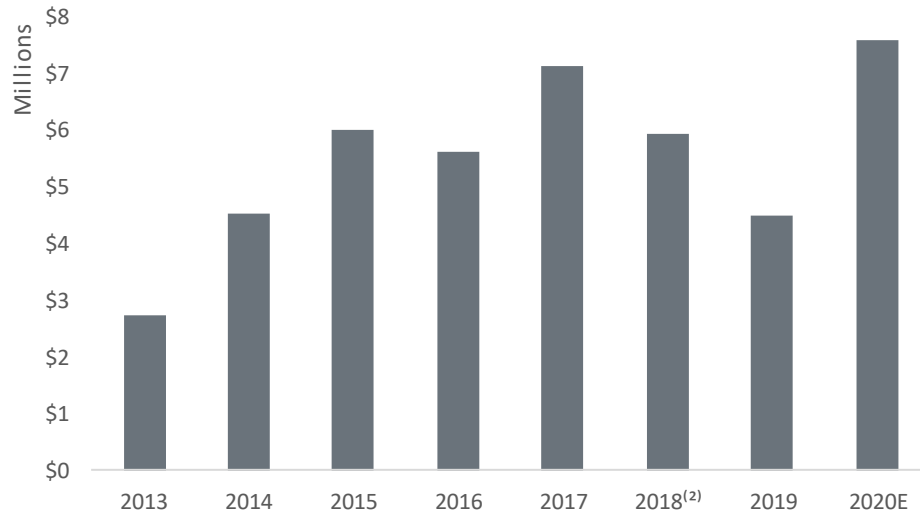
	2019	2020 Guidance Midpoint
Third-Party Construction and Development	\$4.3	\$7.6



Third-Party Construction Backlog	
As of 12/31/19	\$243

3rd Party Gross Profit<sup>(1)</sup>

Volume



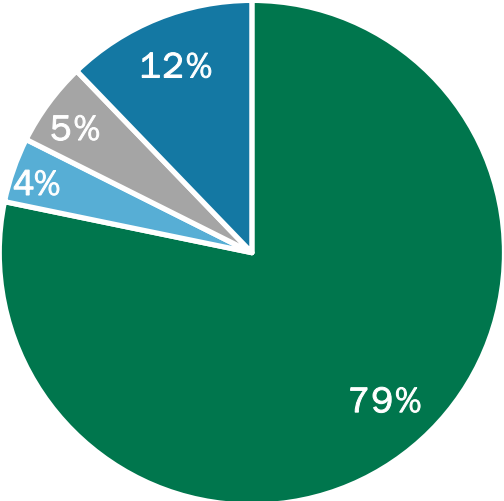
(1) No profit recognized on internal volume  
 (2) Includes \$3.4M sale of distribution center

# NORMALIZED FFO COMPONENTS

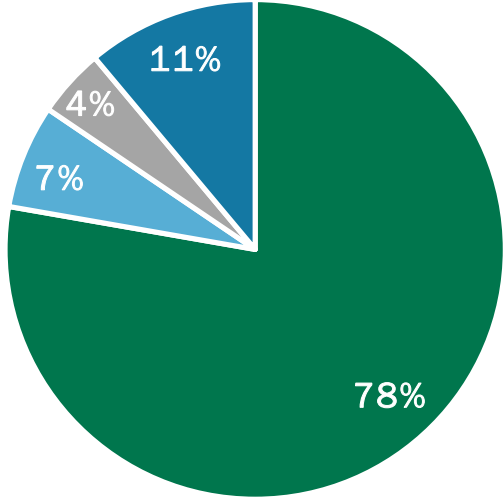
	2019	2020 Guidance Midpoint
Property FFO <sup>(1)</sup>	\$80.2M	\$87.7M
Construction Gross Profit	\$4.3M	\$7.6M
Purchase Option Sale/Exit Fee	\$5.6M	\$5.0M
Mezzanine Interest Income (Net of Interest Expense)	\$12.7M	\$12.5M
NFFO/Share <sup>(2)</sup>	\$1.17	\$1.18

## CONTRIBUTION TO NFFO/SHARE BY COMPONENT

2019

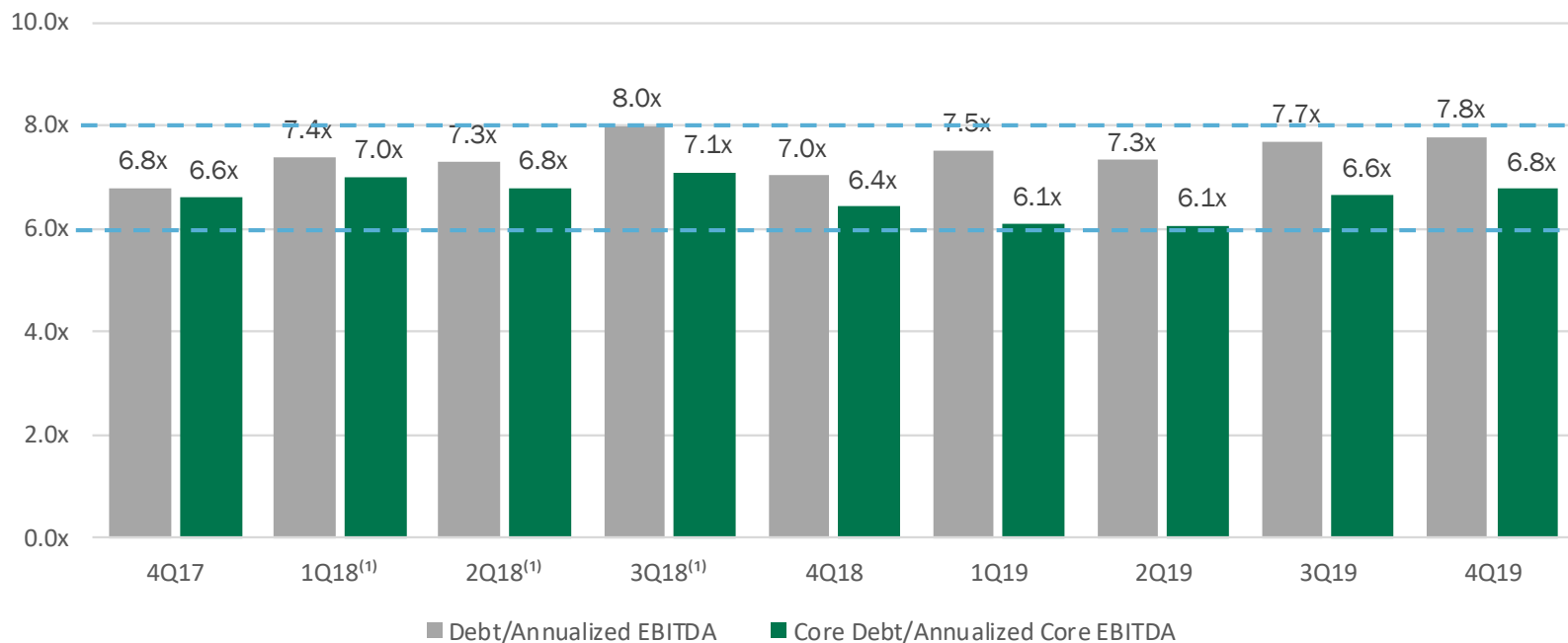


2020 Guidance Midpoint



(1) Property NOI, less associated interest expense  
 (2) Based on a weighted average shares of 76.8M for 2019 and 79.7M for 2020

# BALANCE SHEET TARGETS



## 2020 Capital Sources

## Timing

## \$

At The Market Program

1Q-4Q

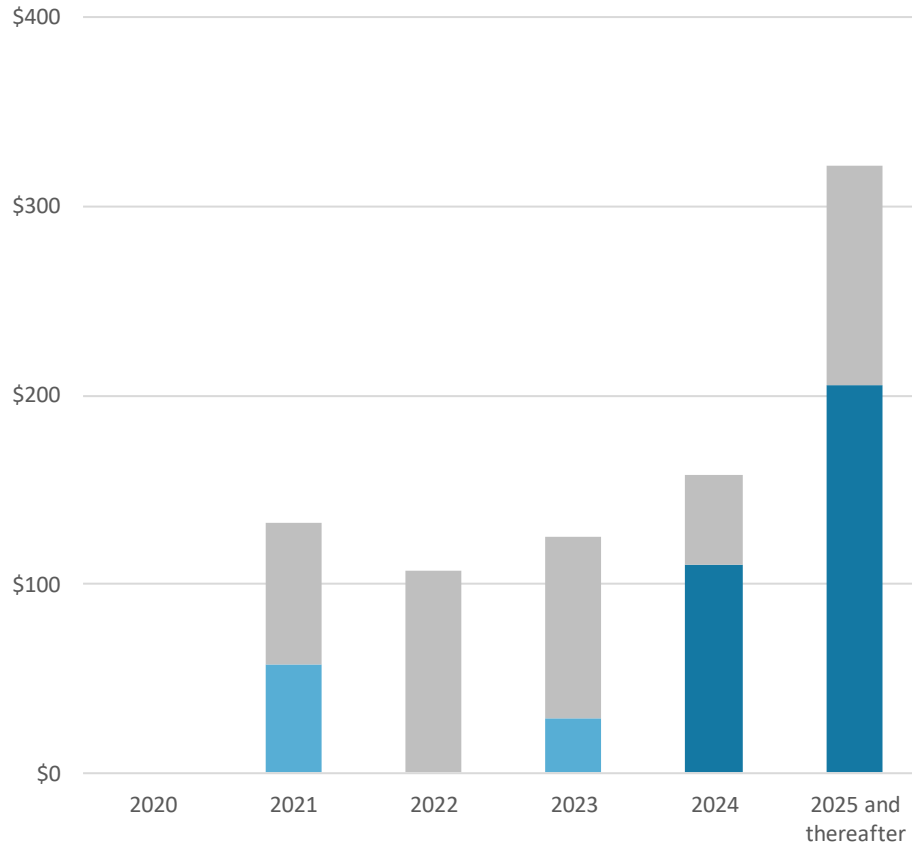
\$80M

**TARGET 8X DEBT/EBITDA AND 6X CORE DEBT/CORE EBITDA**

(1) 2018 leverage elevated due to construction of build-to-suit distribution center (sold in Dec 2018)

# DEBT MATURITIES

\$ in millions



Weighted Average Maturity **~5.8 Years**

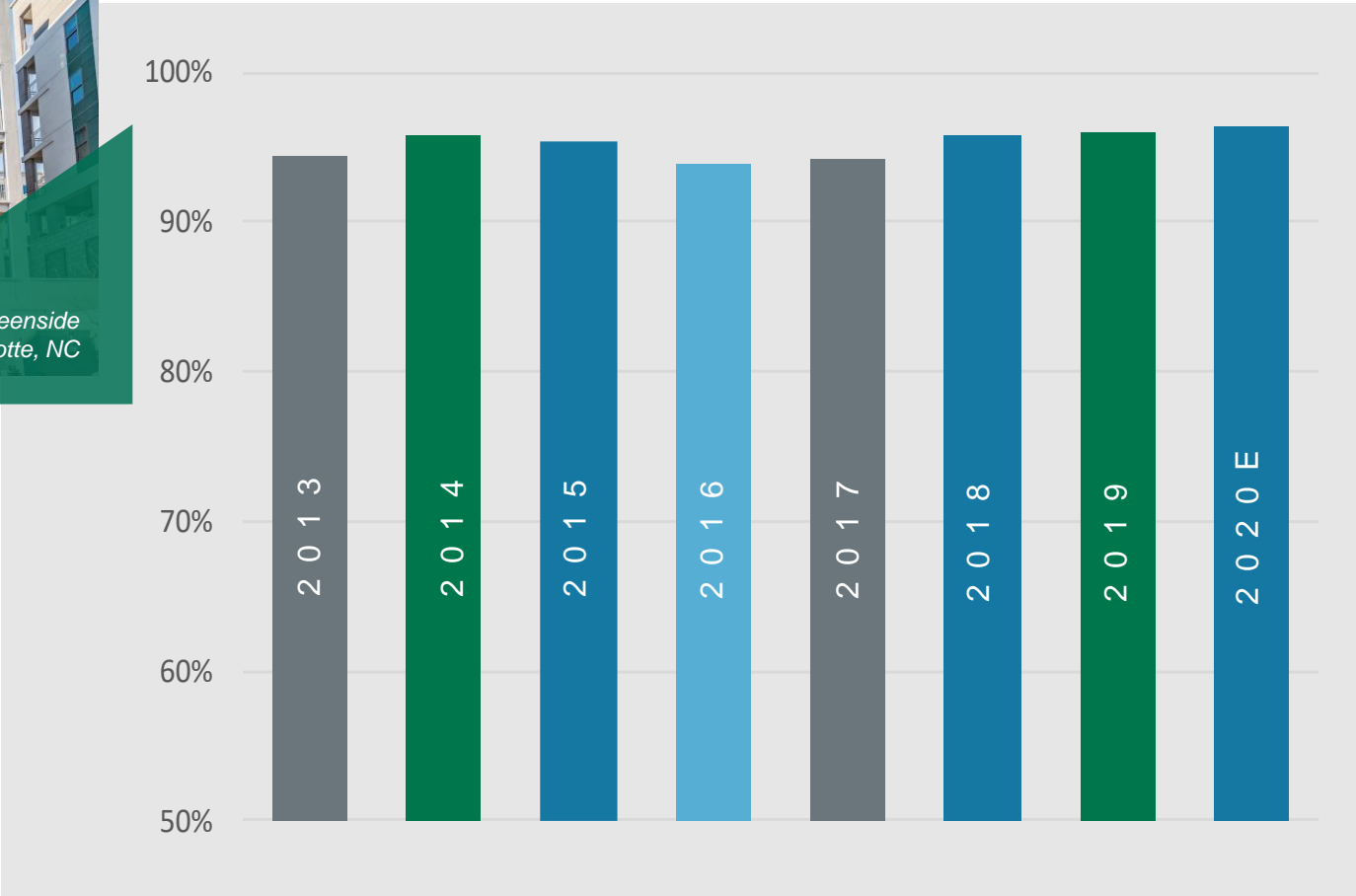


*Premier Apartments  
Virginia Beach, VA*

- CONSTRUCTION
- SECURED
- UNSECURED



# CORE OPERATING PORTFOLIO OCCUPANCY<sup>(1)</sup>



(1) 2013 through 2019 occupancy as of year end and 2020 expected 12/31

PROJECT	INTEREST RATE	PROJECTED PAYOFF	TOTAL 2020 PROJECTED MIDPOINT AHH INCOME
<u>Investments with Purchase Option</u>			
Delray Plaza (Whole Foods)	15%	2Q 2020	\$0.5M
Nexton Square	10%	2Q 2020	\$0.4M
<u>Short-Term Investments</u>			
Annapolis Junction	10%	3Q 2020	\$5.2M <sup>(1)</sup>
Solis Interlock	13%	4Q 2021	\$3.3M
The Interlock	15%	4Q 2021	\$12.5M <sup>(1)</sup>
<b>Total Projected Gross Mezzanine Interest Income</b>			<b>\$21.9M</b>
<b>Total Projected Mezzanine Interest Expense</b>			<b>-\$4.2M</b>
<b>Total Projected Net Mezzanine Interest Income</b>			<b>\$17.7M</b>

(1) Includes amortization of exit fees

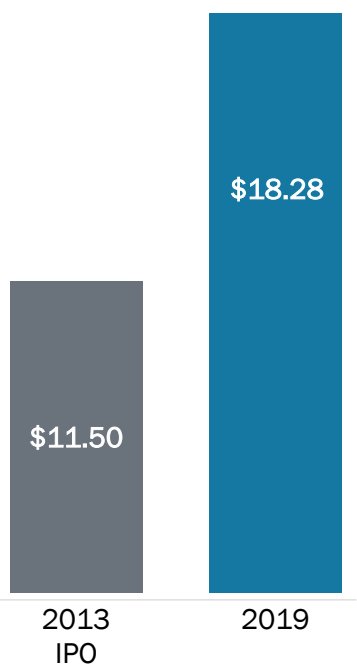
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## GUIDANCE ASSUMPTIONS

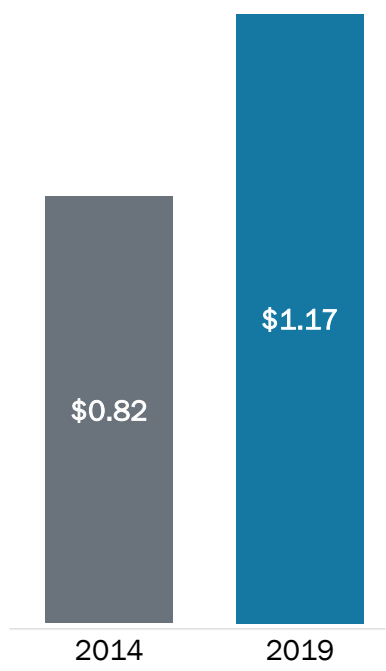
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# PROVEN PERFORMANCE SINCE IPO

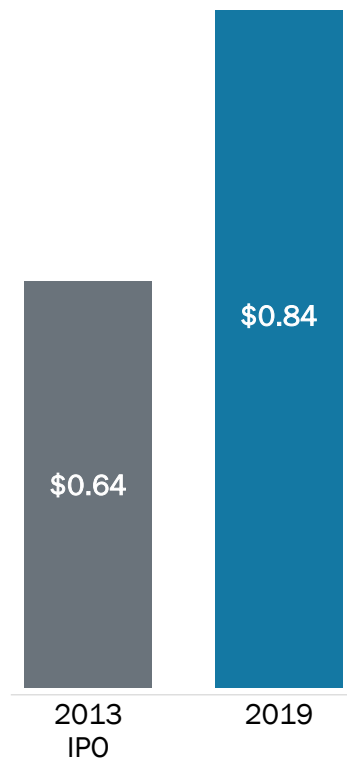
**NAV per Share  
Consensus<sup>(1)</sup>**  
59% Growth



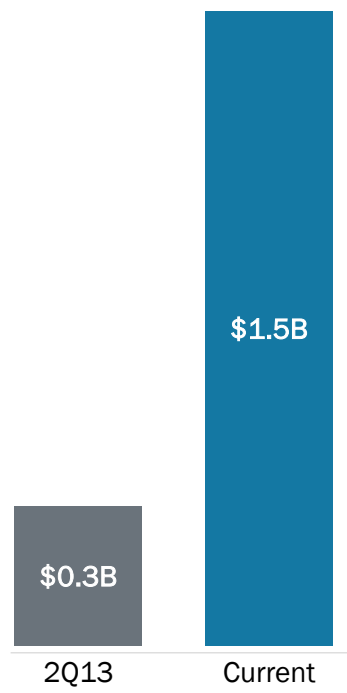
**Normalized FFO  
per Share**  
43% Growth



**Common Stock  
Dividends Per Share**  
31% Growth



**Equity Market Cap**



(1) Source: Average of most recent sell-side research analysts estimates