



VERIS RESIDENTIAL

VERIS: REVIEW OF CURRENT SITUATION

OCTOBER 2022

Introduction

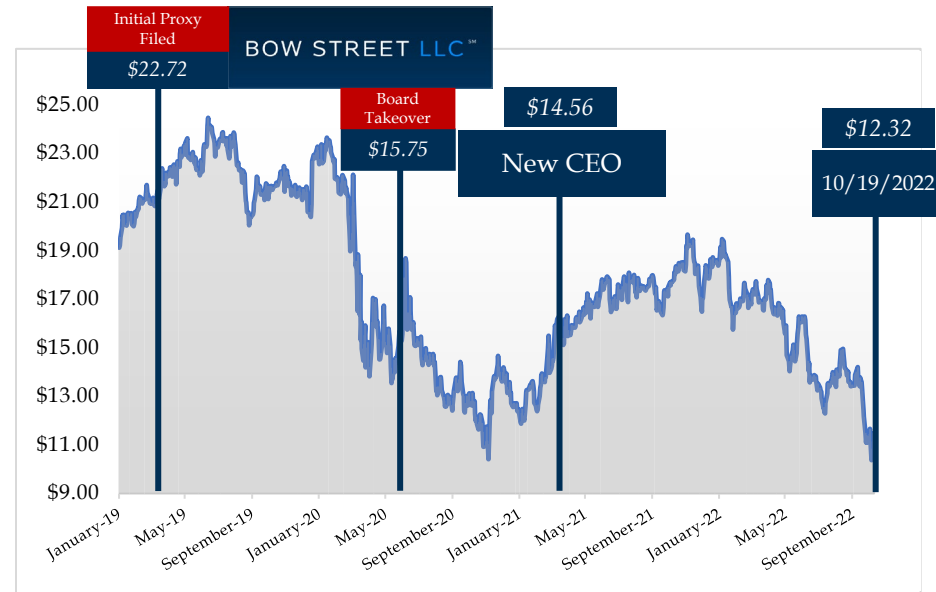
As a follow up to the letter submitted on October 20th, 2022, please note the following:

- The Veris Board has repeatedly rebuffed proposals from Kushner that would immediately unlock substantial value for all Veris shareholders
- The same Board has presided over a multi-year record of financial and operational mismanagement and underperformance - the Board's assurances that the Company's transformation is 'on track' are not credible
- Veris has stated that the Board is committed to high standards of governance and to evaluating the best opportunities to unlock value for shareholders. It's time for the Board to demonstrate that commitment, by engaging in a thorough exploration of Kushner's proposals
- Kushner stands ready to engage with the Veris Board on our proposals and to deliver immediate value to all Veris shareholders

Please review the following materials:

How Did Veris Get Here?

In May 2019 the activist hedge fund, Bow Street, orchestrated an aggressive proxy contest to seek the removal of the Mack-Cali Board and management team, and proceeded to replace the entire Board and management team. At the time of Bow Street’s activism against the old Mack-Cali Board and management, Bow Street was very public and very aggressive in their criticism of that Board and management



Bow Street May 2019 Proxy Presentation	Reality Since Proxy
“Cautionary Tale for [Veris’] Board: Macerich (Macerich was a mall REIT that was offered a buyout; after rejecting the buyout offer the REIT went down over 50%. Macerich was a cautionary tale stated by Bow Street in their 2019 proxy presentation materials) [1A]	Since the beginning of Bow Street’s takeover process, Veris’ stock price has declined 46% [1B]
“[Veris] is significantly over-levered, with no credible path to reduce debt” [2A]	Veris has continued to increase leverage from 9.5x [2B] in Q4 2019 to 14.1x [3B] in Q2 2022
“Over the last 15 years, shareholders have seen their dividends decline ~70%” [3A]	Veris has reduced dividends by 100%, to zero. Shareholders have not received any dividends since Bow Street management took over [4B]
“[Veris] must continue to invest in its attractive multifamily development platform” [4A]	Veris has sold four of their most valuable Hudson Waterfront pieces of land and is planning to put more on the market
“[Veris] does not have not have a single “Buy” rating amongst the eight analysts covering the stock; average analyst price target: \$21/share” [5A]	Veris currently only has ONE “Buy” rating at an outlier price of the eight analysts that cover the stock; average analyst price target: \$16.29 (22.40% lower than the time of proxy bid) [5B]

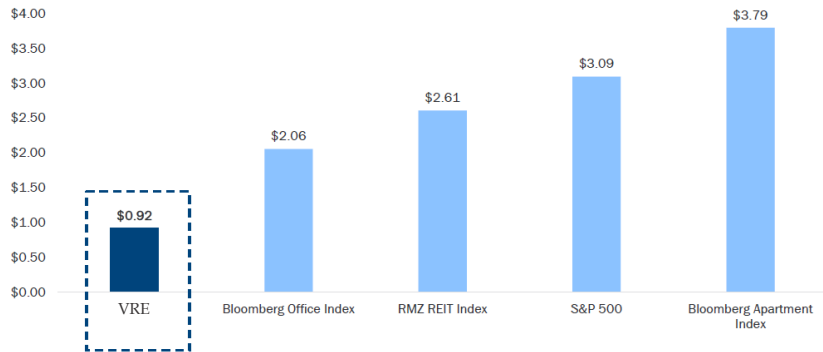
[1A] Bow Street May 2019 Proxy, Page 48
 [2A] Bow Street May 2019 Proxy, Page 37
 [3A] Bow Street May 2019 Proxy, Page 9
 [4A] Bow Street May 2019 Proxy, Page 40
 [5A] Bow Street May 2019 Proxy, Page 46

[1B] Bloomberg, \$22.72/share on May 13, 2019, to \$12.32/share on October 19, 2022
 [2B] Veris Q4 2019 Supplemental, Page 6
 [3B] Veris Q2 2022 Supplemental, Page 7
 [4B] Nasdaq Dividend History
 [5B] Bloomberg; Consensus Rating

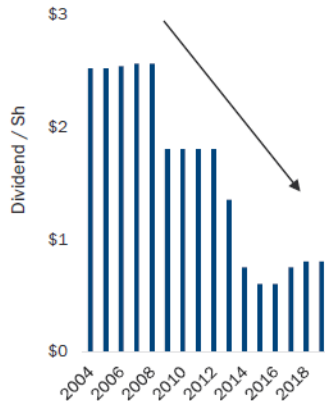
Bow Street Proxy - Key Metrics

Bow Street – May 2019 Proxy Materials^[1]

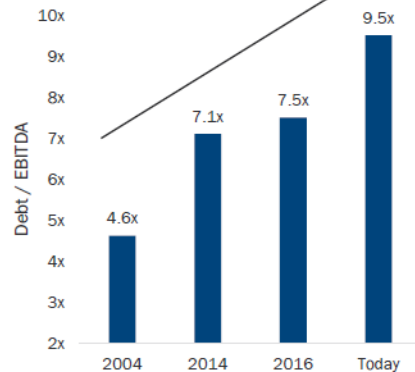
What \$1 invested at RMZ inception is worth today (total return)^[4]



Dividend cut by nearly ~70%...

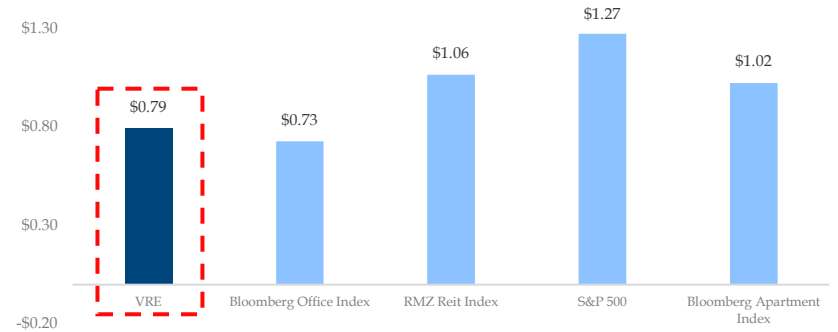


...leverage has more than doubled ...



Current Reality as of October 19, 2022

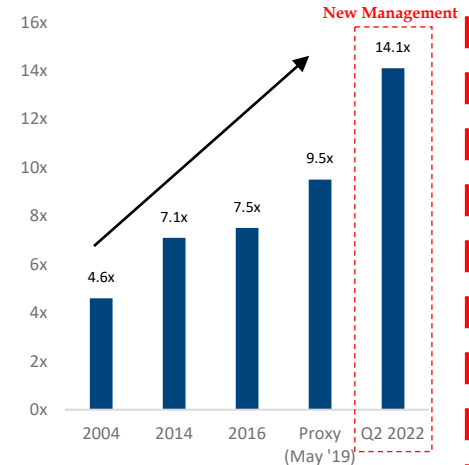
What \$1 Invested at Bow Street's takeover of the board (June 11, 2020) is worth today^[2]



Dividends Cut 100%



...leverage has increased again^[3]



The market has continued to disagree with Veris' strategy under Bow Street management, despite tailwinds for multifamily real estate

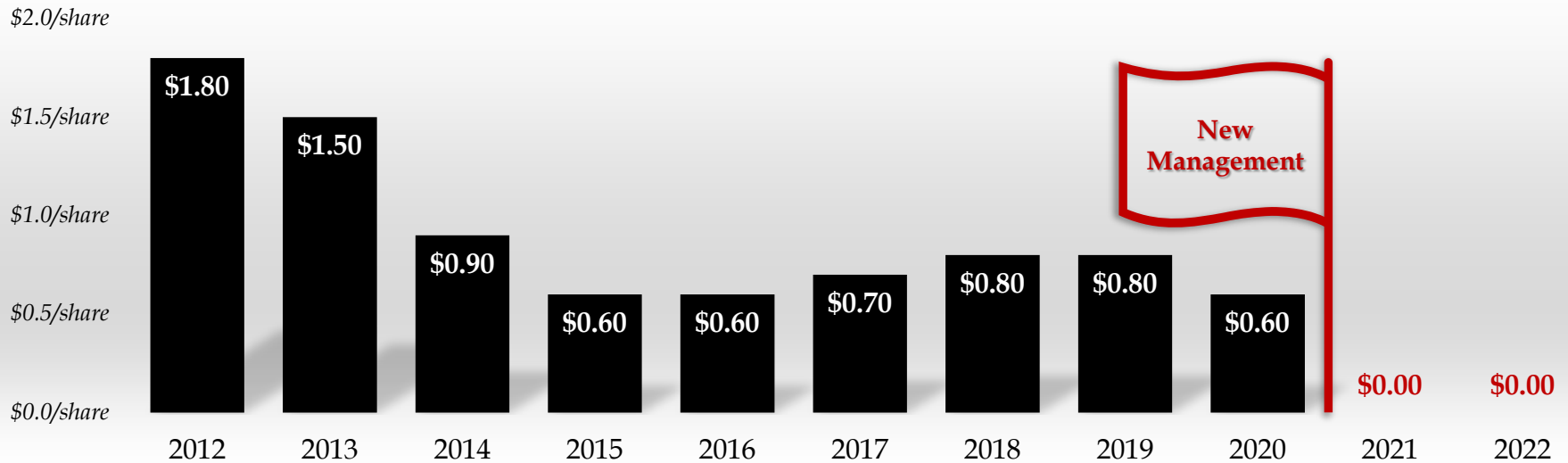
[1] Bow Street May 2019 Proxy, Page 8 & 9

[2] Bloomberg; Annual dividends calculated based on declaration date, total return reinvested dividends, total return period to October 19, 2022

[3] Veris Q2 2022 Supplemental, Page 7

Veris Dividends

Veris Historical Dividends^[1]



Veris has not made a distribution to shareholders since July of 2020

Veris' peer group has continued to return dividends to their shareholders during the same period^[1]












Kushner's proposed G&A savings would free up \$47.5 million of cash flow for dividends

^[1] Dividend Data From Nasdaq

Veris General and Administrative Costs

General and Administrative costs for Veris are multiples higher than its peers

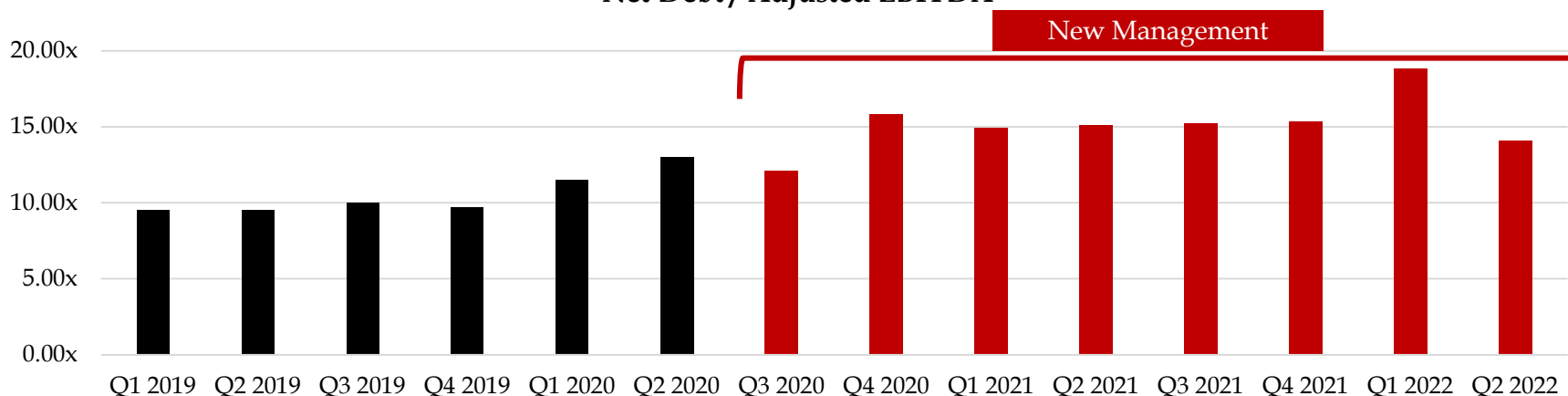
									
NUMBER OF PROPERTIES	22	299	75	176	254	310	292	181	27
NUMBER OF UNITS	7,441	89,037	25,363	60,267	62,661	80,227	98,778	58,328	8,868
SAME STORE AVERAGE MONTHLY RENT PER HOME	\$3,176	\$2,760	\$2,589	\$1,839	\$2,461	\$2,900	\$1,529	\$2,377	\$1,781
AVERAGE ASSET AGE	6	15	38	13	28	23	19	23	41
2021 TOTAL G&A (MILLIONS)	\$57.20	\$69.61	\$18.59	\$59.37	\$51.84	\$56.51	\$52.88	\$57.54	\$27.54
2021 G&A AS % OF ASSETS	0.87%	0.29%	0.19%	0.20%	0.17%	0.18%	0.23%	0.26%	1.04%
VERIS' G&A % MULTIPLE RELATIVE TO PEERS (% OF ASSETS)	VERIS	3.0X	4.6X	4.4X	5.1X	4.8X	3.8X	3.3X	0.8X
2021 G&A DOLLAR PER UNIT	\$7,687	\$782	\$733	\$985	\$827	\$704	\$535	\$986	\$3,105
VERIS' G&A MULTIPLE RELATIVE TO PEERS (\$/UNIT)	VERIS	9.8X	10.5X	7.8X	9.3X	10.9X	14.4X	7.8X	2.5X

Veris Residential Properties as of 06.30.2022. Peer comparable data as of Q2 2022 reporting.
(Per Veris' Q2, 2022 Supplemental, Page 31); G&A as % of assets per Greenstreet.

Debt Repayment

- Veris' management has incorrectly claimed to shareholders in recent public presentations that they have paid down \$1.2 billion in debt since 2021^[1]
- Veris' redemption of Senior Unsecured Notes of \$575 million in May 2021 required the Company to draw upon two additional secured loans and credit facilities, each with higher interest rates than the previously redeemed unsecured notes, for a combined total of \$295 million^[2]
- Veris' total net mortgage and loans payable obligations have decreased by only \$53 million since the end of 2020, from \$2.20 billion to \$2.15 billion at the end of Q2 2022^[3]
- Despite a total net debt reduction of \$574.3 million since the end of 2020, Veris' interest expenses have increased, from \$17.6 million in Q1 2021 to \$17.7 million in Q2 2022^[4]
- The Weighted Average Maturity of Veris' total debt has shortened from 4.85 years in Q4 2020 to 4.02 years Q2 2022, a rising headwind given the escalating cost of capital^[5]

Net Debt / Adjusted EBITDA^[6]



^[1] Veris "Strategic Transformation" Announcement October 10, 2022

^[2] Veris Q2 2021, Page 26; Veris Q2 2022, Page 27

^[3] Veris Q2 2021, Page 29; Veris Q2 2022, Page 28

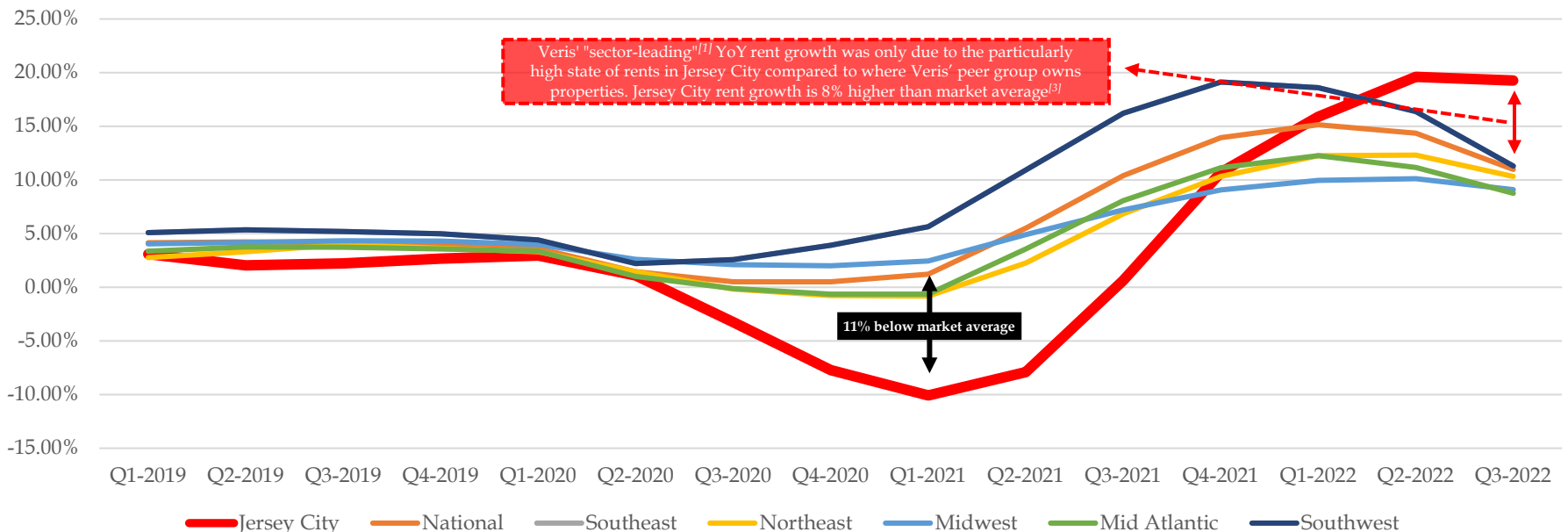
^[4] Veris Q4 2020, Page 57; Veris Q2 2022, Page 29; Veris Q1 2021, Page 7; Veris Q2 2022, Page 7

^[5] Veris Q4 2020, Page 57; Veris Q2 2022, Page 62

^[6] Veris Q1 2019 - Q2 2022 Supplementals

Same Store NOI and Net Rental Growth

- Veris' management has stated to shareholders that the Company's Net Operating Income and Blended Net Rental year-over-year growth rates for Q2 2022, including relative to the Company's peers, are "sector-leading"^[1]
- However, Veris has selectively represented this data to inaccurately claim success
 - From Q2 2020 to Q2 2021 Veris' multifamily NOI shrunk by nearly 40%. The appearance of YoY growth in Q2 2022 is only relative to the particular under-performance in Q2 2021, during which time the Board was controlled by Bow Street affiliates^[2]
 - Veris' benchmarking of Q2 2022 YoY growth against peers with assets nationwide overlooks the particular depression of rent prices in Jersey City, where the Company is uniquely concentrated relative to peers (see below for Jersey City YoY rent growth in **RED** compared to YoY rent growth in other regions where Veris' peers own properties^[3])



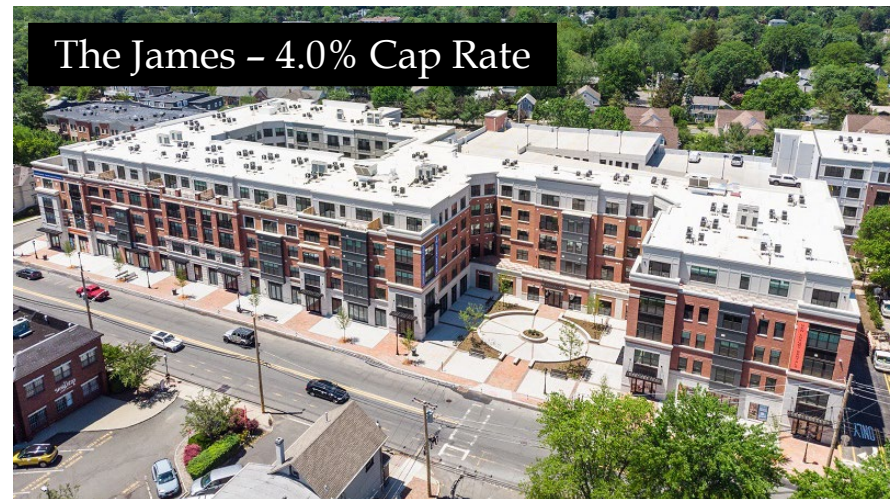
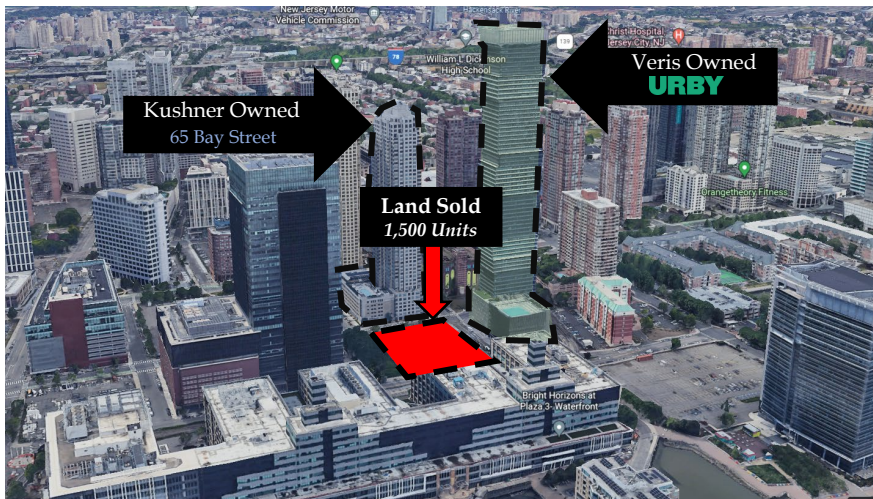
^[1] Veris "Strategic Transformation" Announcement; October 10, 2022

^[2] Veris Q2 2020, Page 61; Veris Q2 2021, Page 50

^[3] Yardi Matrix Market Reports

Bad Sales & Purchases

- Bow Street stated in their 2019 presentation that it “must continue to invest in its attractive multi-family development platform” and the only way to do so was through elevated leverage or dilutive joint ventures^[1]
 - Instead of maximizing the value in their development platform through de-levering other assets, Veris made the decision to sell four of their most valuable pieces of land in their development portfolio
 - These pieces of land would have yielded a 6.00%+ return on cost if developed^[2]
 - Instead of using the sales proceeds to pay down the highly criticized preferred equity or debt, Veris used the land proceeds to purchase The James in Park Ridge, New Jersey^[3]
 - Veris purchased The James at the top of the market for a very high valuation producing **extremely** tight returns for investors (4.00% cap rate)^[3]



^[1] May 2019 Proxy Bow Street, Page 40

^[2] Kushner Internal Analysis

^[3] Veris Q1 2022 Supplemental, Page 5

Office Sale



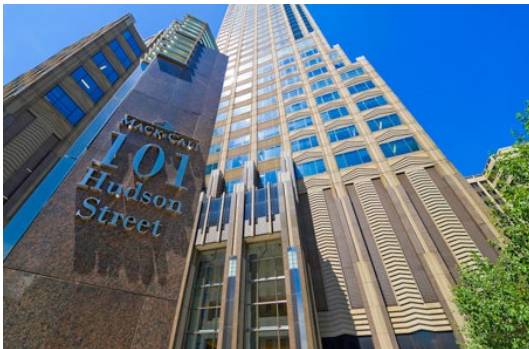
Veris waited until Q2 2022 to sell Harborside and let themselves get pulled off the cliff as the market deteriorated dramatically, instead of re-evaluating if a sale in the current market environment was the best for shareholders



Veris' decision to fire-sell commercial real estate assets with potential long-term value indicates their inability to preserve and create shareholder value



Sale process was prolonged due to management's decision to sell the entire campus as one portfolio rather than selling individual assets with different risk profiles



Veris allowed the buyer of 101 Hudson to string them out for a year until the office market in Jersey City deteriorated rapidly



Property eventually sold for \$34 million less than the original contract price, costing shareholders \$27/psf in the disposition

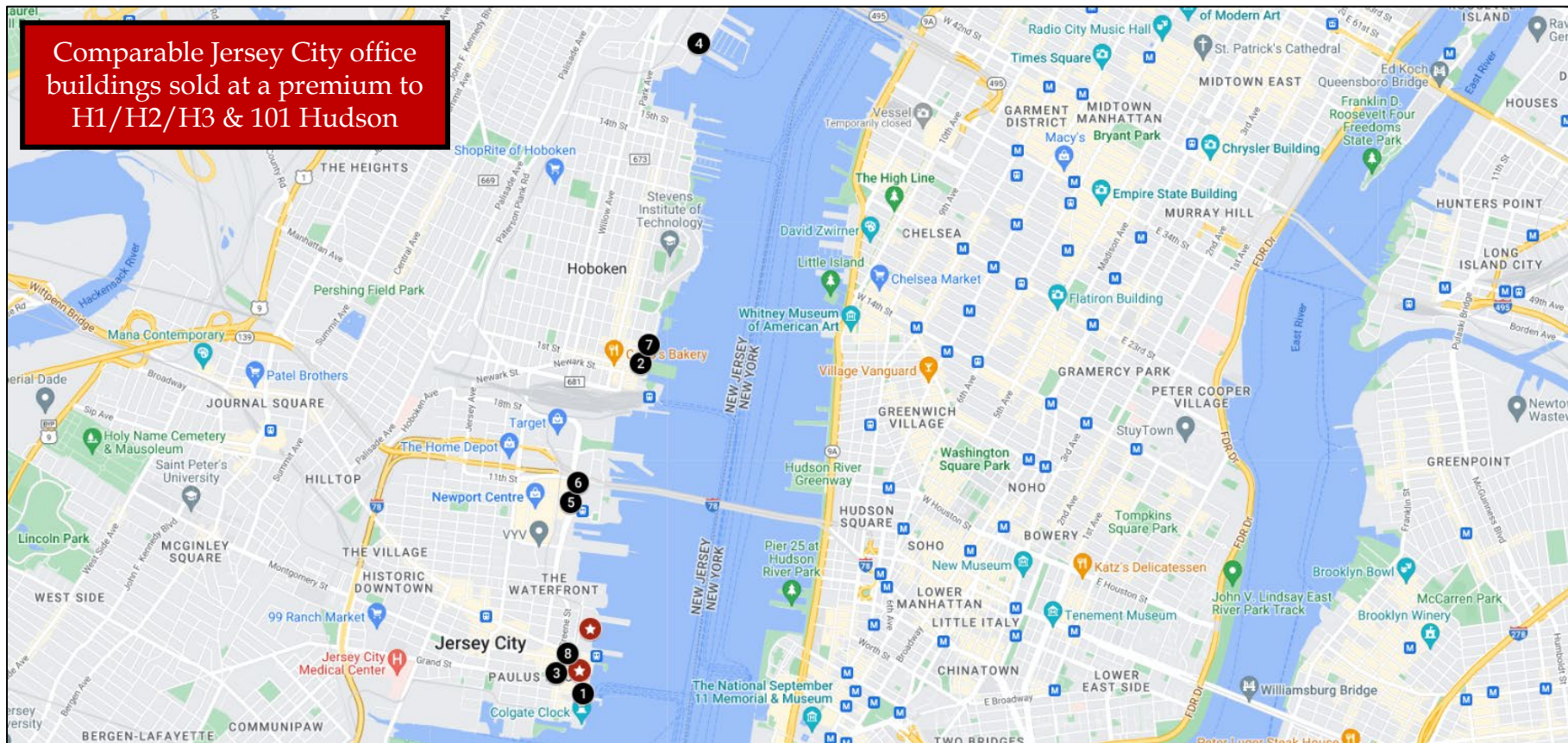
^[1] Commercial Observer Article, September 23, 2021

^[2] Jerseydigs.com Article, February 17, 2022,

^[3] Nasdaq Article, October 10, 2022

Office Sale

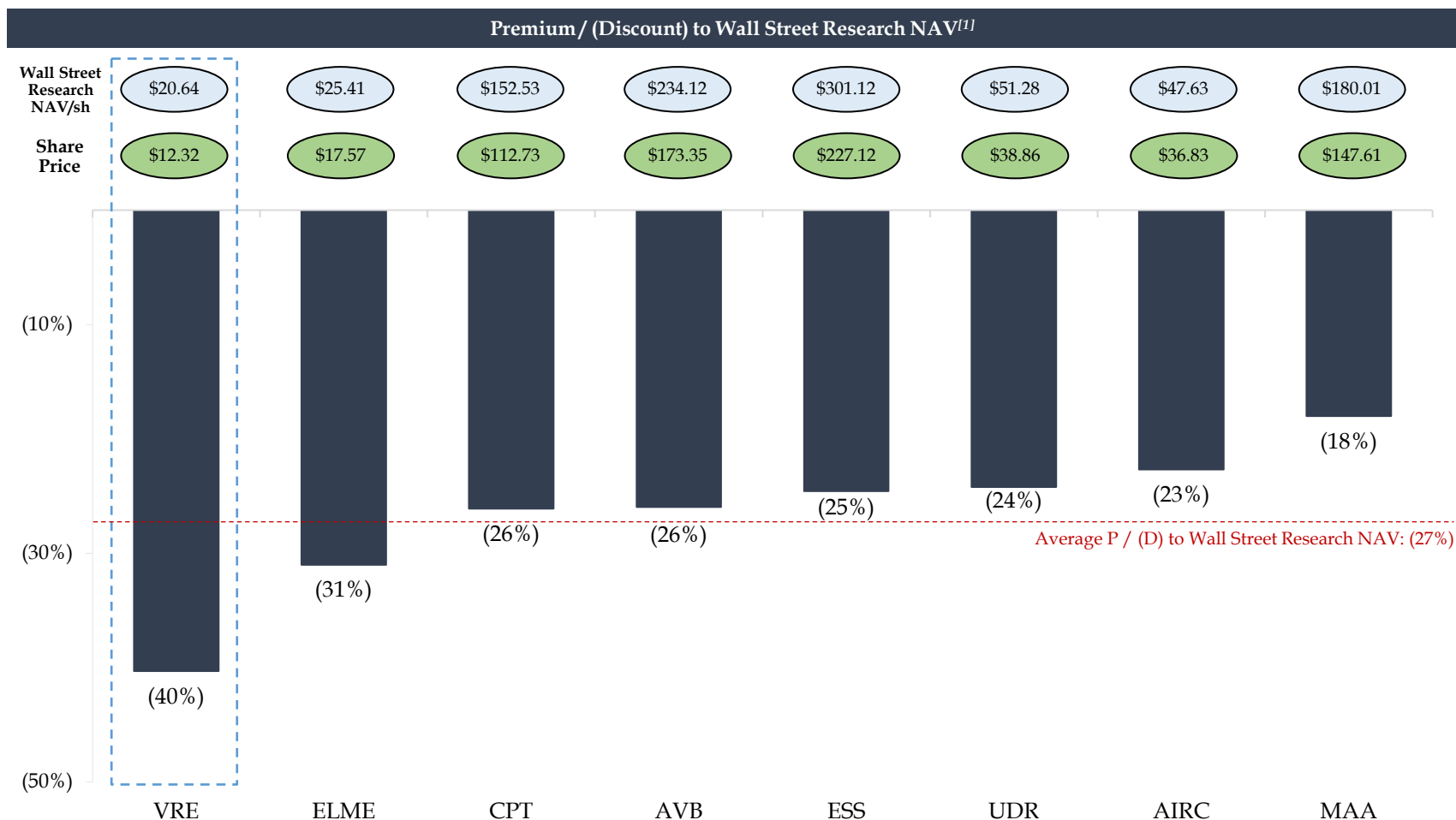
Comparable Jersey City office buildings sold at a premium to H1/H2/H3 & 101 Hudson



#	Subject	Subject	#1	#2	#3	#4	#5	#6	#7	#8
Address	H1/H2/H3	101 Hudson	70 Hudson	Waterfront Corp Center I	95 Greene St	1000 Harbor Blvd.	545 Washington Blvd	570 Washington Blvd	Waterfront Corp Center III	30 Montgomery
Date	Under Contract	October 2022	February 2022	January 2022	January 2020	December 2020	January 2020	February 2019	November 2016	July 2016
SF	1,886,798	1,246,283	431,281	557,864	340,000	614,218	866,706	350,000	511,000	305,000
Sales Price	\$420,000,000	\$346,000,000	\$300,000,000	\$210,000,000	\$94,500,000	\$219,000,000	\$372,750,000	\$165,000,000	\$275,000,000	\$101,000,000
Price PSF	\$223	\$278	\$696	\$376	\$278	\$357	\$430	\$471	\$538	\$331
Occupancy	68.90%	83%	94%	82%	0%	100%	100%	100%	100%	70%
Buyer	N/A	Birch	Hana / Vision	DWREI / SJP	Thor & PFA	Wharton/KTB	Harbor Group	ISTAR	Mitsui Fudosan	ARA
Seller	Veris	Veris	Spears Street / PFA	Veris	Prudential / SJP	Hartz Mountain	Lefrak	Lefrak	SJP / USAA	Onyx / Rubenstein

Veris NAV Discount

Prior to the Kushner's October 20, 2022, proposal to acquire Veris for \$16.00 per share or to enter into a management agreement, Veris traded at a 40% discount to Wall Street Research NAV, while the average peer discount was 27%



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