
UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES AND EXCHANGE ACT OF 1934**

Date of report (date of earliest event reported): March 8, 2016

WHEELER REAL ESTATE INVESTMENT TRUST, INC.

(Exact name of registrant as specified in its charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

001-35713
(Commission
File Number)

45-2681082
(IRS Employer
Identification No.)

**2529 Virginia Beach Blvd., Suite 200
Virginia Beach, VA 23452**

Registrant's telephone number, including area code: (757) 627-9088

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

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

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On March 8, 2016, Wheeler Real Estate Investment Trust, Inc. (the "Company"), issued a press release announcing its financial results for the three months and year ended December 31, 2015. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference. A copy of the Company's Supplemental Operating and Financial Data for the three months and year ended December 31, 2015 is attached as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial statement of businesses acquired.

Not applicable.

(b) Pro forma financial information.

Not applicable.

(c) Shell company transactions.

Not Applicable.

(d) Exhibits.

99.1 Press release, dated March 8, 2016, announcing the Company's financial results for the three months and year ended December 31, 2015.

99.2 Supplemental Operating and Financial Data for the three months and year ended December 31, 2015.

EXHIBIT INDEX

<u>Number</u>	<u>Description of Exhibit</u>
99.1	Press release, dated March 8, 2016, announcing the Company's financial results for the three months and year ended December 31, 2015.
99.2	Supplemental Operating and Financial Data for the three months and year ended December 31, 2015.



FOR IMMEDIATE RELEASE

WHEELER REAL ESTATE INVESTMENT TRUST, INC. ANNOUNCES 2015 ANNUAL RESULTS

Reconciliation of non-GAAP financial measures, including FFO, Adjusted FFO, Property NOI, EBITDA and Adjusted EBITDA are included in the accompanying financial tables.

- **Fourth Quarter and Full Year 2015 Year-over Year Same Store Retail NOI Growth of 14.4% and 6.9%, respectively**
- **Fourth Quarter 2015 AFFO Per Share of \$0.11 on Annualized Basis**

Virginia Beach, VA – March 8, 2016 – Wheeler Real Estate Investment Trust, Inc. (NASDAQ:WHLR) (“Wheeler” or the “Company”) today reported operating and financial results for its year ended December 31, 2015.

2015 Fourth Quarter Highlights (all comparisons to the same prior year period unless otherwise noted)

- Total revenue from continuing operations increased 80.4% or \$4.1 million.
- Property Net Operating Income (“NOI”) from continuing operations increased by 83.4%, or \$2.8 million.
- Adjusted Funds from Operations (“AFFO”) of \$0.03 per common share and common unit (“Operating Partnership Unit” or “OP Unit”)
- Occupancy rate of 94.2% at December 31, 2015, compared to 95.6% at December 31, 2014.
- For the three month period, the Company declared monthly cash dividends of approximately \$0.0175 per share. On an annualized basis, this amounted to a dividend of \$0.21 per common share and OP Unit, or a 10.9% dividend yield based on the December 31, 2015 closing price of \$1.93 per share.

2015 Year-to-Date Highlights (all comparisons to prior year unless otherwise noted)

- Total revenue from continuing operations increased by 86.5% or \$12.9 million for the year ended December 31, 2015.
- NOI from continuing operations increased by 79.0% to approximately \$18.4 million for the year ended December 31, 2015.
- As of December 31, 2015, Wheeler’s property portfolio included 42 operating properties with a gross leasable area of 3,151,358 square feet, 10 undeveloped properties totaling approximately 81 acres of land and its corporate office building. As of December 31, 2014, the Company owned 30 properties with a gross leasable area of 1,904,146 square feet, five undeveloped properties totaling approximately 64 acres of land and its corporate office building.
- Average rental rate increase on renewals signed during the year was 6.9%.
- Completed a private placement of \$93 million Series C Mandatorily Convertible Cumulative Perpetual Preferred Stock, no par value per share (“Series C Preferred Stock”), which subsequently converted into 46.5 million shares of the Company's common stock, \$0.01 par value per share (the “Common Stock”).
- Secured a \$45 million credit facility with KeyBank National Association. The facility includes a provision that under certain conditions allows for expansion of the facility to a maximum of \$100 million through syndication with other lenders.
- Completed an exchange offer (the “Exchange Offer”) with holders of the Series A Preferred Stock, no par value per share (the “Series A Preferred Stock”) and the Series B Convertible Preferred Stock, no par value per share (the “Series B Preferred Stock”) resulting in the tender of 1,247 shares or 69% of Series A Preferred Stock, and 865,481 shares or 54% of the Series B Preferred Stock in exchange for 11.4 million shares of Common Stock.

Jon S. Wheeler, Chairman and Chief Executive Officer, commented, “I am very pleased with the company’s performance for the fourth quarter and full year 2015. We ended the year strong with both revenues and NOI increasing over 80%, largely attributed to acquisitions and higher rental rates. Renewal leasing spreads were again positive for the twelfth straight quarter and the renewal of two of our anchors tenants confirms our belief that our properties are well located and tenants profitable. The success of our strategy to acquire stable, mainly grocery anchored shopping centers in the secondary and tertiary markets is clearly reflected in our results. The majority of our tenants are national or large regional companies that provide basic goods and services at a discount; making them less likely to

be adversely affected by market changes. Same store retail NOI increased 14.4% for the quarter and 6.9% for the year demonstrating our ability to create value within the portfolio.

While the capital markets volatility has been a concern for us and our peers, we feel that we have a very strong portfolio that has the ability to deliver value for our investors through increased revenues, contractual rent escalations and our ability to generate fees from third party services. We made great strides in cleaning up our balance sheet during the year, and we remain focused on creating internal value as we await stability in the equity markets. Our focus remains on increasing value to the accretive benefit of our shareholders. We continue to focus on both internal and external growth that includes a sizeable acquisition pipeline that we plan to discuss on the 4Q15 earnings call. As we move into 2016, we expect to continue to demonstrate the same positive trajectory towards dividend coverage that we experienced in 2015. ”

2015 Fourth Quarter Financial Review

- For the fourth quarter of 2015, total revenue from continuing operations increased by approximately 80.4% to \$9.2 million, compared with total revenue from continuing operations of \$5.1 million for the same prior year period.
- NOI from continuing operations increased by 83.4% to \$6.2 million for the three months ended December 31, 2015, as compared to NOI from continuing operations of \$3.4 million for the prior year period.
- Net loss attributable to Wheeler common shareholders for the three months ended December 31, 2015 was \$2.7 million, or \$0.04 per basic and diluted share, compared to a net loss of \$5.2 million or \$0.70 per basic and diluted share, during the same 2014 period. The decrease in net loss for the fourth quarter 2015 was primarily due to the \$2.8 million increase in NOI resulting from the 2015 and 2014 acquisitions, the \$2.1 million gain on sale of discontinued operations and the increase in weighted average shares outstanding. Excluding the gain on sale, the net loss attributable to Wheeler REIT common shareholders would have been \$4.8 million, or \$0.07 per basic and diluted share. Net loss attributable to Wheeler REIT common shareholders for the 2015 fourth quarter was also impacted by a \$2.8 million increase in depreciation and amortization due to the 2015 and 2014 acquisitions and a \$1.5 million decrease in corporate general and administrative expenses due to a reduction in acquisition activity during the 2015 4th quarter as compared to the prior year.
- Wheeler reported Funds From Operations (FFO) available to common shareholders and holders of OP Units for the three months ended December 31, 2015 of \$536,849, or \$0.01 per share of Common Stock and OP Unit, compared to \$(3.1) million, or \$(0.29) per share of Common Stock and OP Unit for the prior year period.
- AFFO for the three months ended December 31, 2015 was \$1.9 million, or \$0.03 per share of Common Stock and OP Unit, compared to \$(644,085), or \$(0.06) per common share and OP Unit for the same period of the prior year.
- Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (“Adjusted EBITDA”) was \$4.7 million for the three months ended December 31, 2015, as compared to \$2.1 million of Adjusted EBITDA for the three months ended December 31, 2014.

2015 Year-to-Date Financial Review

- For the year ended December 31, 2015, total revenue from continuing operations increased by approximately 86.5% to \$27.7 million, compared with total revenue from continuing operations of \$14.9 million for the same prior year period.
 - NOI from continuing operations increased by 79.0% to \$18.4 million for the year ended December 31, 2015, as compared to NOI from continuing operations of \$10.3 million for the year ended December 31, 2014.
 - Net loss attributable to Wheeler common shareholders for the year ended December 31, 2015 was \$103.8 million, or \$2.67 per basic and diluted share, compared to a net loss of \$13.3 million, or \$1.80 per basic and diluted share, for the year ended December 31, 2014. The increase in net loss for the year ended December 31, 2015 was primarily due to the \$72.6 million non-cash deemed dividend on the conversion of the Series C Preferred Stock and a \$9.5 million increase in depreciation and amortization. Earnings during the year were also impacted by internalizing management and \$7.4 million in non-recurring expenses related to acquisitions, capital activities, regulatory compliance and other activities during the year, as well as depreciation and amortization and preferred stock dividend payments.
 - Wheeler reported FFO available to common shareholders and holders of OP Units for the year ended December 31, 2015 of \$(8.1) million, or \$(0.19) per share of Common Stock and OP Unit, compared to \$(5.9) million, or \$(0.61) per share of Common Stock and OP Unit for the year ended December 31, 2014.
 - AFFO for the year ended December 31, 2015 was \$848,269, or \$0.02 per share of common stock and OP Unit, compared to \$(1.4) million, or \$(0.15) per common share and OP Unit for the year ended December 31, 2014.
 - Adjusted EBITDA was \$14.3 million for the year ended December 31, 2015, as compared to \$7.2 million of Adjusted EBITDA for the year ended December 31, 2014.
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Acquisition Activity

- On January 9, 2015, the Company acquired 1.5 acres of undeveloped land in Virginia Beach, Virginia. Wheeler expects to use the land for future development and acquired it for approximately \$1.6 million, of which \$150,000 was paid for in cash with the remaining balance being paid in OP Units during January 2016.
 - On January 14, 2015, the Company closed on the acquisition of Pierpont Centre, a 122,259 square foot shopping center located in Morgantown, West Virginia ("Pierpont") for a contract price of \$13.9 million. Pierpont was 100% leased as of the acquisition date and was acquired using a combination of cash and bank debt. Major tenants include GNC, Hallmark, Michael's, Ruby Tuesday and Outback Steakhouse.
 - On March 27, 2015, the Company acquired Brook Run Properties from a related party, a 2.0 acre parcel of undeveloped land located adjacent to Brook Run Shopping Center in Richmond, Virginia. The Company purchased the property for \$300,000 for potential development activities and to compliment the adjacent shopping center owned by the Company.
 - On April 1, 2015, the Company completed its acquisition of Alex City Marketplace, a 147,791 square foot shopping center located in Alexander City, Alabama ("Alex City") for a contract price of \$10.3 million, paid through a combination of cash and debt. Alex City was 86% leased as of the acquisition date and its major tenants include Winn Dixie and Goody's.
 - On April 15, 2015, the Company completed its acquisition of Butler Square, a 82,400 square foot shopping center located in Mauldin, South Carolina ("Butler Square") for a contract price of \$9.4 million, paid through a combination of cash and debt. Butler Square was 100% leased as of the acquisition date and its major tenants include Bi-Lo and Dollar Tree.
 - On June 2, 2015, the Company completed its acquisition of Brook Run Shopping Center, a 147,738 square foot shopping center located in Richmond, Virginia ("Brook Run") for a contract price of \$18.5 million. Brook Run was 92% leased as of the acquisition date, and its major tenants include Martin's Food Store and CVS. The Company acquired Brook Run from a related party through a combination of cash, the issuance of 574,743 OP Units and debt.
 - On July 1, 2015, the Company completed its acquisition of Beaver Ruin Village, a 74,048 square foot shopping center located in Lilburn, Georgia ("Beaver Ruin Village") for a contract price of \$12.4 million, paid through a combination of cash and debt. Beaver Ruin Village was 91% leased as of the acquisition date and its major tenants include Chase Bank, Firehouse Subs and State Farm Insurance.
 - On July 1, 2015, the Company completed its acquisition of Beaver Ruin Village II, a 34,925 square foot shopping center located in Lilburn, Georgia ("Beaver Ruin Village II") for a contract price of \$4.4 million, paid through a combination of cash and debt. Beaver Ruin Village II was 100% leased as of the acquisition date and its major tenants include AutoZone and Metro PCS.
 - On July 1, 2015, the Company completed its acquisition of Columbia Fire Station, consisting of two vacant buildings on a 1.0 acre land parcel located in Columbia, South Carolina ("Columbia Fire Station") for a contract price of \$2.4 million, paid through a combination of cash and debt. The Company plans to redevelop this property for retail use.
 - On July 10, 2015, the Company completed its acquisition of Chesapeake Square, a 99,848 square foot shopping center located in Onley, Virginia ("Chesapeake Square") for a contract price of \$6.3 million. Chesapeake Square was 76% leased as of the acquisition date and is anchored by a Food Lion grocery store. The Company acquired Chesapeake Square from a related party through a combination of cash and the issuance of 125,966 common units in the Operating Partnership.
 - On July 21, 2015, the Company completed its acquisition of Sunshine Plaza, a 111,189 square foot shopping center located in Lehigh Acres, Florida ("Sunshine Plaza") for a contract price of \$10.4 million. Sunshine Plaza was 96% leased as of the acquisition date and is anchored by a Winn-Dixie grocery store. The Company acquired Sunshine Plaza through a combination of cash and debt.
 - On July 24, 2015, the Company completed its acquisition of Carolina Place from a related party, consisting of a 2.14 acre parcel of land adjacent to Chesapeake Square for a contract price of \$250,000 in cash. The Company acquired the property for potential development and to compliment the adjacent shopping center.
 - On August 14, 2015, the Company completed its acquisition of 10.39 acres located in Hilton Head, South Carolina ("Hilton Head Land") for a contract price of \$1.0 million paid in cash. The Company acquired the property for potential development and to compliment an adjacent redevelopment project.
 - On August 21, 2015, the Company completed its acquisition of Cardinal Plaza, located in Henderson, North Carolina, Franklinton Square, located in Franklinton, North Carolina and Nashville Commons, located in Nashville, North Carolina (collectively known as the "Barnett Portfolio") for a contract price of \$15.3 million. The Barnett Portfolio properties total 171,466 square feet, were 91% leased as of the acquisition date and all are anchored by Food Lion grocery stores. The Company acquired the Barnett Portfolio through a combination of cash and debt.
 - On September 9, 2015, the Company completed its acquisition of Grove Park Shopping Center, a 106,557 square foot shopping center located in Orangeburg, South Carolina ("Grove Park") for a contract price of \$6.6 million. Grove Park was 90% leased as of the acquisition date and is anchored by a Bi-Lo grocery store. The Company acquired Grove Park through a combination of cash and debt.
 - On September 15, 2015, the Company completed its acquisition of Parkway Plaza Shopping Center, a 52,365 square foot shopping center and 2.1 acres of adjacent undeveloped land located in Brunswick, Georgia ("Parkway Plaza") for a contract price of \$6.1
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million. Parkway Plaza was 97% leased as of the acquisition date and is anchored by a Winn Dixie grocery store. The Company acquired Parkway Plaza through a combination of cash and debt.

- On September 30, 2015, the Company completed its acquisition of Fort Howard Square Shopping Center, a 113,652 square foot shopping center located in Rincon, Georgia ("Fort Howard Square") for a contract price of \$11.5 million. Fort Howard Square was 95% leased as of the acquisition date and is anchored by nationally recognized tenants Goodwill and Dollar Tree. The Company acquired Fort Howard Square through a combination of cash and debt.
- On September 30, 2015, the Company completed its acquisition of Conyers Crossing Shopping Center, a 170,475 square foot shopping center located in Conyers, Georgia ("Conyers Crossing") for a contract price of \$10.8 million. Conyers Crossing was 99% leased as of the acquisition date and is anchored by nationally recognized tenants Hobby Lobby and Burlington Coat Factory. The Company acquired Conyers Crossing through a combination of cash and debt.

Leasing Review

- For the three months ended December 31, 2015, the Company executed twenty renewals totaling 101,985 square feet at a weighted-average increase of \$0.21 per square foot, representing an increase of 2.04% over prior rates.
- For the year ended December 31, 2015, the Company executed sixty-two renewals totaling 334,928 square feet at a weighted-average increase of \$0.64 per square foot, representing an increase of 6.89% over prior rates.
- For the three months ended December 31, 2015, Wheeler signed seven new leases totaling approximately 16,441 square feet with a weighted-average rate of \$12.30 per square foot.
- For the year ended December 31, 2015, Wheeler signed twenty-three new leases totaling approximately 45,161 square feet with a weighted-average rate of \$13.35 per square foot.
- Approximately 5.97% of Wheeler's gross leasable area is subject to leases that expire during the year ending December 31, 2016. Based on recent market trends, the Company believes that tenants will renew these leases at amounts and terms comparable to existing lease agreements.

Balance Sheet Summary

- The Company's cash and cash equivalents increased to \$11.3 million at December 31, 2015, compared to \$10.0 million at December 31, 2014.
- Wheeler's net investment properties as of December 31, 2015 (including assets held for sale) were valued at \$240.0 million, as compared to \$152.3 million as of December 31, 2014.
- The Company's total debt was \$191.3 million (including debt associated with assets held for sale) at December 31, 2015, compared to \$141.5 million at December 31, 2014. Wheeler's weighted-average interest rate and term of its debt (including debt associated with assets held for sale) was 4.71% and 7.60 years, respectively, at December 31, 2015, compared to 5.14% and 6.04 years, respectively, at December 31, 2014.

Dividend Distribution

- For the three months ended December 31, 2015, the Company declared approximately \$3.7 million in dividend payments for common shareholders and OP unitholders.
- For the three months ended December 31, 2015, the Company declared approximately \$511,299 in dividends to the Series A and Series B preferred shareholders.
- For the year ended December 31, 2015, the Company declared approximately \$9.8 million in dividend payments for common shareholders and OP unitholders.
- For the year ended December 31, 2015, the Company declared approximately \$13.6 million in dividends to the Series A, Series B and Series C preferred shareholders.

2016 Outlook and Guidance

Management will discuss the company's outlook for 2016 as well as guidance for 1Q16 on the earnings call.

Supplemental Information

Further details regarding Wheeler Real Estate Investment Trust, Inc.'s operations and financials for the year ended December 31, 2015, including a supplemental presentation, are available through the Company's website by visiting www.whlr.us.

About Wheeler Real Estate Investment Trust, Inc.

Headquartered in Virginia Beach, VA, Wheeler Real Estate Investment Trust, Inc. is a fully-integrated, self-managed commercial real estate investment company focused on acquiring and managing income-producing retail properties with a primary focus on grocery-anchored centers. Wheeler's portfolio contains well-located, potentially dominant retail properties in secondary and tertiary markets that generate attractive, risk-adjusted returns, with a particular emphasis on grocery-anchored retail centers. For additional information about the Company, please visit: www.whlr.us.

Financial Information

A copy of Wheeler's Annual Report on Form 10-K, which includes the Company's consolidated financial statements and management's discussion & analysis of financial condition and results of operations, will be available upon filing via the U.S. Securities and Exchange Commission website (www.sec.gov) or through Wheeler's website at www.whlr.us.

FFO, AFFO, Pro Forma AFFO, Property NOI, EBITDA and Adjusted EBITDA are non-GAAP financial measures within the meaning of the rules of the Securities and Exchange Commission. Wheeler considers FFO, AFFO, Pro Forma AFFO, Property NOI, EBITDA and Adjusted EBITDA to be important supplemental measures of its operating performance and believes it is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs, many of which present FFO when reporting their results. FFO is intended to exclude GAAP historical cost depreciation and amortization of real estate and related assets, which assumes that the value of real estate assets diminishes ratably over time. Historically, however, real estate values have risen or fallen with market conditions. Because FFO excludes depreciation and amortization unique to real estate, gains and losses from property dispositions and extraordinary items, the Company believes that it provides a performance measure that, when compared year-over-year, reflects the impact to operations from trends in occupancy rates, rental rates, operating costs, development activities and interest costs, providing perspective not immediately apparent from the closest GAAP measurement, net income.

Management believes that the computation of FFO in accordance with NAREIT's definition includes certain items that are not indicative of the operating performance of the Company's real estate assets. These items include, but are not limited to, non-recurring expenses, legal settlements, legal and professional fees, and acquisition costs. Management uses AFFO, which is a non-GAAP financial measure, to exclude such items. Management believes that reporting AFFO and Pro Forma AFFO in addition to FFO is a useful supplemental measure for the investment community to use when evaluating the operating performance of the Company on a comparative basis. Management also believes that Property NOI, EBITDA and Adjusted EBITDA represent important supplemental measures for securities analysts, investors and other interested parties, as they are often used in calculating net asset value, leverage and other financial metrics used by these parties in the evaluation of REITs.

Forward-Looking Statement

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Act of 1934, as amended, including (i) the future generation of financial returns from the acquisition of 'necessity based' retail focused properties; (ii) the Company's ability to complete future acquisitions of properties and achieving proper scale; (iii) the Company's expectation of high occupancy rates; (iv) the future generation of financial growth from the Company's anticipated execution of its business plan; (v) the anticipated renewals of the Company's existing leases at amounts and terms comparable (or more favorable) to existing leases; (vi) the anticipated implementation of the Company's acquisition strategy; (vii) payment of future dividends on the Company's preferred stock and common stock; (viii) the Company's expectation to generate increased revenues from third party services; (ix) the anticipated ability to produce returns and growth for the Company and its shareholders; (x) the Company's ability to profitably develop future real estate projects; and (xi) the anticipated positive trajectory towards covering our dividend. These forward-looking statements are not historical facts but are the intent, belief or current expectations of management based on its knowledge and understanding of our business and industry. Forward-looking statements are typically identified by the use of terms such as "may," "will," "should," "potential," "predicts," "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," or the negative of such terms and variations of these words and similar expressions. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements.

Forward-looking statements that were true at the time made may ultimately prove to be incorrect or false. You are cautioned to not place undue reliance on forward-looking statements, which reflect management's view only as of the date of this press release. The Company undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results. Factors that could cause actual results to differ materially from any forward-looking statements made in this press release include:

- the imposition of federal taxes if the Company fails to qualify as a REIT in any taxable year or opts to forego an opportunity to ensure REIT status;
- uncertainties related to the national economy, the real estate industry in general and in our specific markets;
- legislative or regulatory changes, including changes to laws governing REITs;
- adverse economic or real estate developments in Virginia, Florida, Alabama, Georgia, South Carolina, North Carolina, New Jersey, Tennessee, Kentucky, West Virginia or Oklahoma;
- increases in interest rates and operating costs;
- inability to obtain necessary outside financing;
- litigation risks;
- lease-up risks;
- inability to obtain new tenants upon the expiration of existing leases;
- inability to generate sufficient cash flows due to market conditions, competition, uninsured losses, changes in tax or other applicable laws; and
- the need to fund tenant improvements or other capital expenditures out of operating cash flow.

Wheeler Real Estate Investment Trust, Inc.

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Wheeler Real Estate Investment Trust, Inc. and Subsidiaries
Consolidated Statements of Operations

	Three Months Ended December 31,		Years Ended December 31,	
	2015	2014	2015	2014
REVENUE:				
Rental revenues	\$ 6,810,000	\$ 3,622,188	\$ 20,553,870	\$ 11,348,955
Asset management fees	123,173	296,290	588,990	296,290
Commissions	54,692	158,876	361,984	158,876
Tenant reimbursement and other income	2,250,744	1,043,430	6,229,361	3,069,972
Total Revenue	9,238,609	5,120,784	27,734,205	14,874,093
OPERATING EXPENSES:				
Property operations	2,832,261	1,270,395	8,351,456	4,123,439
Non-REIT management and leasing services	209,587	—	1,110,705	—
Depreciation and amortization	5,160,298	2,331,420	16,882,462	7,387,729
Provision for credit losses	28,713	42,099	243,029	60,841
Corporate general & administrative	2,766,821	4,239,773	13,480,089	9,447,010
Total Operating Expenses	10,997,680	7,883,687	40,067,741	21,019,019
Operating Loss	(1,759,071)	(2,762,903)	(12,333,536)	(6,144,926)
Interest expense	(2,593,300)	(1,914,795)	(9,043,761)	(5,908,548)
Net Loss from Continuing Operations	(4,352,371)	(4,677,698)	(21,377,297)	(12,053,474)
Discontinued Operations				
Income from discontinued operations	151,698	84,965	499,781	307,659
Gain on sales	2,104,114	—	2,104,114	—
Net Income from Discontinued Operations	2,255,812	84,965	2,603,895	307,659
Net Loss	(2,096,559)	(4,592,733)	(18,773,402)	(11,745,815)
Less: Net income (loss) attributable to noncontrolling interests	78,571	(539,573)	(1,252,723)	(1,195,560)
Net Loss Attributable to Wheeler REIT	(2,175,130)	(4,053,160)	(17,520,679)	(10,550,255)
Preferred stock dividends	(511,300)	(1,165,937)	(13,627,532)	(2,718,257)
Deemed dividend related to beneficial conversion feature of preferred stock	—	—	(72,644,506)	—
Net Loss Attributable to Wheeler REIT Common Shareholders	\$ (2,686,430)	\$ (5,219,097)	\$ (103,792,717)	\$ (13,268,512)
Loss per share from continuing operations:				
Basic and Diluted	\$ (0.07)	\$ (0.71)	\$ (2.73)	\$ (1.83)
Earnings per share from discontinued operations	\$ 0.03	\$ 0.01	\$ 0.06	\$ 0.03
	\$ (0.04)	\$ (0.70)	\$ (2.67)	\$ (1.80)
Weighted-average number of shares:				
Basic and Diluted	66,189,261	7,460,109	38,940,463	7,352,433

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries
Consolidated Balance Sheet

	December 31,	
	2015	2014
ASSETS:		
Investment properties, net	\$ 238,764,631	\$ 128,994,061
Cash and cash equivalents	11,306,185	9,969,748
Rents and other tenant receivables, net	3,452,700	1,978,149
Goodwill	5,485,823	7,004,072
Assets held for sale	1,707,709	27,095,415
Above market lease intangibles, net	6,517,529	4,488,900
Deferred costs and other assets, net	46,735,275	25,440,923
	Total Assets	\$ 204,971,268
	\$ 313,969,852	\$ 204,971,268
LIABILITIES:		
Loans payable	\$ 189,340,456	\$ 122,296,547
Liabilities associated with assets held for sale	2,007,554	19,283,423
Below market lease intangible, net	7,721,335	5,182,437
Accounts payable, accrued expenses and other liabilities	7,533,769	5,085,434
	Total Liabilities	151,847,841
	206,603,114	151,847,841
Commitments and contingencies	—	—
EQUITY:		
Series A preferred stock (no par value, 4,500 shares authorized, 562 and 1,809 shares issued and outstanding, respectively)	452,971	1,458,050
Series B preferred stock (no par value, 3,000,000 shares authorized, 729,119 and 1,648,900 shares issued and outstanding, respectively)	17,085,147	37,620,254
Common stock (\$0.01 par value, 150,000,000 and 75,000,000 shares authorized, 66,259,673 and 7,512,979 shares issued and outstanding, respectively)	662,596	75,129
Additional paid-in capital	220,370,984	31,077,060
Accumulated deficit	(140,306,846)	(27,660,234)
	Total Shareholders' Equity	42,570,259
	98,264,852	42,570,259
Noncontrolling interests	9,101,886	10,553,168
	Total Equity	53,123,427
	107,366,738	53,123,427
Total Liabilities and Equity	\$ 313,969,852	\$ 204,971,268
	\$ 313,969,852	\$ 204,971,268

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries
Reconciliation of Funds From Operations (FFO)

Years Ended December 31,

	Same Stores		New Stores		Total		Period Over Period Changes	
	2015	2014	2015	2014	2015	2014	\$	%
	Net income (loss)	\$ (10,424,793)	\$ (7,354,027)	\$ (8,348,609)	\$ (4,391,788)	\$ (18,773,402)	\$ (11,745,815)	\$ (7,027,587)
Depreciation of real estate assets from continuing operations	5,428,204	5,903,392	11,454,258	1,484,337	16,882,462	7,387,729	9,494,733	128.52 %
Depreciation of real estate assets from discontinued operations	510,818	832,761	69,073	—	579,891	832,761	(252,870)	(30.37)%
Depreciation of real estate assets	5,939,022	6,736,153	11,523,331	1,484,337	17,462,353	8,220,490	9,241,863	112.42 %
Gain on sale of discontinued operations	(2,104,114)	—	—	—	(2,104,114)	—	(2,104,114)	— %
FFO	\$ (6,589,885)	\$ (617,874)	\$ 3,174,722	\$ (2,907,451)	\$ (3,415,163)	\$ (3,525,325)	\$ 110,162	3.12 %

Three Months Ended December 31,

	Same Stores		New Stores		Total		Period Over Period Changes	
	2015	2014	2015	2014	2015	2014	\$	%
	Net income (loss)	\$ (6,260)	\$ (2,427,073)	\$ (2,090,299)	\$ (2,165,660)	\$ (2,096,559)	\$ (4,592,733)	\$ 2,496,174
Depreciation of real estate assets from continuing operations	1,146,506	1,339,743	4,013,791	991,677	5,160,297	2,331,420	2,828,877	121.34 %
Depreciation of real estate assets from discontinued operations	—	162,279	—	—	—	162,279	(162,279)	(100.00)%
Depreciation of real estate assets	1,146,506	1,502,022	4,013,791	991,677	5,160,297	2,493,699	2,666,598	106.93 %
Gain on sale of discontinued operations	(2,104,114)	—	—	—	(2,104,114)	—	(2,104,114)	— %
FFO	\$ (963,868)	\$ (925,051)	\$ 1,923,492	\$ (1,173,983)	\$ 959,624	\$ (2,099,034)	\$ 3,058,658	145.72 %

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries
Reconciliation of Adjusted Funds From Operations (AFFO)

	Three Months Ended December 31,		Years Ended December 31,	
	2015	2014 (3)	2015	2014 (3)
Net (loss)	\$ (2,096,559)	\$ (4,592,733)	\$(18,773,402)	\$(11,745,815)
Depreciation of real estate assets from continuing operations	5,160,297	2,331,421	16,882,462	7,387,729
Depreciation of real estate assets from discontinued operations	—	162,279	579,891	832,761
Depreciation of real estate assets	5,160,297	2,493,700	17,462,353	8,220,490
Gain on sale of discontinued operations	(2,104,114)	—	(2,104,114)	—
FFO	959,624	(2,099,033)	(3,415,163)	(3,525,325)
Preferred stock dividends	(511,300)	(1,165,937)	(13,627,532)	(2,718,257)
Preferred stock accretion adjustments	88,525	197,728	8,925,221	379,584
FFO available to common shareholders and common unitholders	536,849	(3,067,242)	(8,117,474)	(5,863,998)
Acquisition costs	703,659	1,882,900	3,871,037	3,787,900
Capital related costs	207,584	—	2,655,474	—
Other non-recurring expenses (1)	203,944	—	770,757	—
Share-based compensation	191,000	266,988	547,000	456,988
Straight-line rent	(68,843)	(67,267)	(270,873)	(247,220)
Loan cost amortization	252,190	372,560	1,300,901	787,228
Above (below) market lease amortization	53,678	87,276	616,665	85,808
Perimeter legal accrual	5,478	—	133,282	—
Tenant improvement reserves	(103,200)	(53,500)	(302,600)	(194,400)
Recurring capital expenditures	(118,200)	(65,800)	(355,900)	(239,200)
AFFO	<u>\$ 1,864,139</u>	<u>\$ (644,085)</u>	<u>\$ 848,269</u>	<u>\$ (1,426,894)</u>
Weighted Average Common Shares	66,189,261	7,460,109	38,940,463	7,352,433
Weighted Average Common Units	4,058,398	3,191,209	3,863,339	2,275,888
Total Common Shares and Units	<u>70,247,659</u>	<u>10,651,318</u>	<u>42,803,802</u>	<u>9,628,321</u>
FFO per Common Share and Common Units	<u>\$ 0.01</u>	<u>\$ (0.29)</u>	<u>\$ (0.19)</u>	<u>\$ (0.61)</u>
AFFO per Common Share and Common Units	<u>\$ 0.03</u>	<u>\$ (0.06)</u>	<u>\$ 0.02</u>	<u>\$ (0.15)</u>
Pro Forma AFFO per Common Share and Common Units (2)	<u>\$ 0.03</u>	<u>\$ —</u>	<u>\$ 0.11</u>	<u>\$ —</u>

(1) Annual other non-recurring expenses are detailed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our 2015 Annual Report on Form 10-K.

(2) Pro forma AFFO assumes the following transactions had occurred on January 1, 2015: (i) the Pierpont Center, Alex City Marketplace, Butler Square, Brook Run Shopping Center, Beaver Ruin Village, Beaver Ruin Village II, Chesapeake Square, Sunshine Plaza, Barnett Portfolio, Grove Park, Parkway Plaza, Ft. Howard Square and Conyers Crossing acquisitions; the sales of Bixby Commons, Harps and Jenks Reasors; the Series C Preferred Stock capital raise and subsequent conversion; and the Series A Preferred Stock and Series B Convertible Preferred Stock exchange offer that closed on July 23, 2015. Additionally, we excluded all non-recurring expenses detailed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our December 2015 Annual Report on Form 10-K, the Lumber River loan which was paid off on May 1, 2015 and any additional common stock and common units issued during the year ended December 31, 2015 were outstanding for the entire period. The Pro forma AFFO is being presented solely for purposes of illustrating the potential impact of these transactions as if they occurred on January 1, 2015, based on information currently available to management, and is not necessarily indicative of what actual results would have been had the transactions referred to above occurred on January 1, 2015.

(3) We adjusted the 2014 previously reported AFFO to be consistent with the 2015 AFFO presentation, primarily as it relates to the treatment of preferred stock accretion adjustments, straight-line rent for AFFO calculation purposes, tenant improvement reserves and capital expenditures. Additionally, we did not provide Pro Forma AFFO per common share and common unit for 2014 as we consider it not meaningful to the 2015 presentation.

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries
Reconciliation of Property Net Operating Income

	Three Months Ended December 31,		Years Ended December 31,	
	2015	2014	2015	2014
Property revenues	\$ 9,060,744	\$ 4,665,618	\$ 26,783,231	\$ 14,418,927
Property expenses	2,832,261	1,270,395	8,351,456	4,123,439
Property Net Operating Income	6,228,483	3,395,223	18,431,775	10,295,488
Asset Management and Commission Revenues	177,865	455,166	950,974	455,166
Non-REIT management and leasing services	209,587	—	1,110,705	—
Depreciation and amortization	5,160,298	2,331,420	16,882,462	7,387,729
Provision for credit losses	28,713	42,099	243,029	60,841
Corporate general & administrative	2,766,821	4,239,773	13,480,089	9,447,010
Total Other Operating Expenses	8,165,419	6,613,292	31,716,285	16,895,580
Interest expense	2,593,300	1,914,795	9,043,761	5,908,548
Net Loss from Continuing Operations	(4,352,371)	(4,677,698)	(21,377,297)	(12,053,474)
Discontinued Operations				
Income from operations	151,698	84,965	499,781	307,659
Gain on sales	2,104,114	—	2,104,114	—
Net Income from Discontinued Operations	2,255,812	84,965	2,603,895	307,659
Net Loss	\$ (2,096,559)	\$ (4,592,733)	\$ (18,773,402)	\$ (11,745,815)

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries
Reconciliation of Earnings Before Interest, Taxes, Depreciation and Amortization - EBITDA

	Three Months Ended December 31,		Years Ended December 31,	
	2015	2014	2015	2014
Net Loss	\$ (2,096,559)	\$ (4,592,733)	\$ (18,773,402)	\$ (11,745,815)
Add back: Depreciation and amortization (1)	5,213,976	2,580,976	18,079,019	8,306,298
Interest Expense (2)	2,618,384	2,187,016	9,758,842	6,813,426
EBITDA	5,735,801	175,259	9,064,459	3,373,909
Adjustments for items affecting comparability:				
Acquisition costs	703,659	1,882,900	3,871,037	3,787,900
Capital related costs	207,584	—	2,655,474	—
Other non-recurring expenses (3)	203,944	—	770,757	—
Gain on sales	(2,104,114)	—	(2,104,114)	—
	\$ 4,746,874	\$ 2,058,159	\$ 14,257,613	\$ 7,161,809

(1) Includes above (below) market lease amortization and amounts associated with assets held for sale.

(2) Includes loan cost amortization and amounts associated with assets held for sale.

(3) Annual other non-recurring expenses are detailed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our 2015 Annual Report on Form 10-K.



Supplemental Operating and Financial Data

for the three months ended December 31, 2015



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Forward-Looking Statements

This document contains forward-looking statements that are based on current expectations, forecasts and assumptions that involve risks and uncertainties that could cause actual outcomes and results to differ materially. These risks include, without limitation: adverse economic or real estate developments in the retail industry or the markets in which Wheeler Real Estate Investment Trust, Inc. operates; defaults on or non-renewal of leases by tenants; increased interest rates and operating costs; decreased rental rates or increased vacancy rates; Wheeler Real Estate Investment Trust, Inc.'s failure to obtain necessary outside financing on favorable terms or at all; changes in the availability of additional acquisition opportunities; Wheeler Real Estate Investment Trust, Inc.'s inability to successfully complete real estate acquisitions or successfully operate acquired properties and Wheeler Real Estate Investment Trust, Inc.'s failure to qualify or maintain its status as a REIT. For a further list and description of such risks and uncertainties that could impact Wheeler Real Estate Investment Trust, Inc.'s future results, performance or transactions, see the reports filed by Wheeler Real Estate Investment Trust, Inc. with the Securities and Exchange Commission, including its quarterly reports on Form 10-Q and annual reports on Form 10-K. Wheeler Real Estate Investment Trust, Inc. disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Company Overview

Headquartered in Virginia Beach, VA, Wheeler Real Estate Investment Trust, Inc. is a fully-integrated, self-managed commercial real estate investment company focused on acquiring and managing income-producing retail properties with a primary focus on grocery-anchored centers. Wheeler's portfolio contains well-located, potentially dominant retail properties in secondary and tertiary markets that generate attractive, risk-adjusted returns, with a particular emphasis on grocery-anchored retail centers. Wheeler's common stock, Series B convertible preferred stock and common stock warrants trade publicly on the Nasdaq under the symbols "WHLR", "WHLRP" and "WHLRW", respectively.

Corporate Headquarters

Wheeler Real Estate Investment Trust, Inc.

Riversedge North

2529 Virginia Beach Boulevard

Virginia Beach, VA 23452

Phone: (757) 627-9088

Toll Free: (866) 203-4864

Email: info@whlr.us

Website: www.whlr.us

Executive Management

Jon S. Wheeler - Chairman & CEO

Wilkes J. Graham - CFO

Steven M. Belote - COO

Robin A. Hanisch - Secretary

David R. Kelly - Senior VP/Acquisitions

Jeffrey B. Parker - Director of Leasing

Board of Directors

Jon S. Wheeler, Chairman

Stewart J. Brown

Kurt R. Harrington

David Kelly

John McAuliffe

William W. King

Carl B. McGowan, Jr.

Ann L. McKinney

Jeffrey M. Zwerdling

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The Equity Group Inc.

800 Third Avenue, 36th Floor

New York, NY 10022

Adam Prior, Senior Vice President

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Transfer Agent and Registrar

Computershare Trust Company, N.A.

250 Royall Street

Canton, MA 02021

www.computershare.com

Financial and Portfolio Overview

For the Three Months Ended December 31, 2015 (Unaudited)

Financial Results

Net loss attributable to Wheeler REIT common stockholders	\$	(2,686,430)
Net loss per basic and diluted share	\$	(0.04)
Funds from operations available to common shareholders and Operating Partnership (OP) unitholders (FFO) (1)	\$	536,849
FFO per common share and OP unit	\$	0.01
Adjusted FFO (AFFO) (1)	\$	1,864,139
AFFO per common share and OP unit	\$	0.03
Pro forma AFFO per common share and OP unit (2)	\$	0.03

Assets

Investment Properties, net (less accumulated depreciation and amortization) (3)	\$	240,049,519
Total Assets	\$	313,969,852
Debt to Total Assets (3)		60.94%

Market Capitalization

Common shares outstanding		66,259,673
OP units outstanding		4,055,292
Total common shares and OP units		70,314,965
Range of Common Stock closing prices for the fourth quarter 2015		\$1.67-\$2.03
Common Stock closing price at year end	\$	1.93
Total number of Series B preferred shares		729,119
Range of Series B preferred closing prices for the fourth quarter 2015		\$22.50-\$23.50
Series B preferred closing price at year end	\$	23.25
Total debt (3)	\$	191,322,498
Common Stock market capitalization (as of December 31, 2015 closing stock price)	\$	127,881,169

Portfolio Summary

Total Gross Leasable Area (GLA) in sq. ft.		3,151,358
Occupancy Rate		94.2%
Annualized Base Rent	\$	27,291,152
Total number of leases signed or renewed during 2015		85
Total sq. ft. leases signed or renewed during 2015		380,089

(1) See page 13 for the Company's definition of this non-GAAP measurement and reasons for using it.

(2) See page 7 for the Company's calculation of Pro Forma AFFO.

(3) Investment properties, net includes investment properties held for sale. Debt to total assets includes debt associated with assets held for sale.

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries
Consolidated Balance Sheets

	December 31,	
	2015	2014
ASSETS:		
Investment properties, net	\$ 238,764,631	\$ 128,994,061
Cash and cash equivalents	11,306,185	9,969,748
Rents and other tenant receivables, net	3,452,700	1,978,149
Goodwill	5,485,823	7,004,072
Assets held for sale	1,707,709	27,095,415
Above market lease intangible, net	6,517,529	4,488,900
Deferred costs and other assets, net	46,735,275	25,440,923
Total Assets	\$ 313,969,852	\$ 204,971,268
LIABILITIES:		
Loans payable	\$ 189,340,456	\$ 122,296,547
Liabilities associated with assets held for sale	2,007,554	19,283,423
Below market lease intangible, net	7,721,335	5,182,437
Accounts payable, accrued expenses and other liabilities	7,533,769	5,085,434
Total Liabilities	206,603,114	151,847,841
Commitments and contingencies	—	—
EQUITY:		
Series A preferred stock (no par value, 4,500 shares authorized, 562 and 1,809 shares issued and outstanding, respectively)	452,971	1,458,050
Series B convertible preferred stock (no par value, 3,000,000 shares authorized, 729,119 and 1,648,900 shares issued and outstanding, respectively)	17,085,147	37,620,254
Common stock (\$0.01 par value, 150,000,000 and 75,000,000 shares authorized, 66,259,673 and 7,512,979 shares issued and outstanding, respectively)	662,596	75,129
Additional paid-in capital	220,370,984	31,077,060
Accumulated deficit	(140,306,846)	(27,660,234)
Total Shareholders' Equity	98,264,852	42,570,259
Noncontrolling interests	9,101,886	10,553,168
Total Equity	107,366,738	53,123,427
Total Liabilities and Equity	\$ 313,969,852	\$ 204,971,268

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries
Consolidated Statements of Operations

	Three Months Ended December 31,		Years Ended December 31,	
	2015	2014	2015	2014
TOTAL REVENUES	\$ 9,238,609	\$ 5,120,784	\$ 27,734,205	\$ 14,874,093
OPERATING EXPENSES:				
Property operations	2,832,261	1,270,395	8,351,456	4,123,439
Non-REIT management and leasing services	209,587	—	1,110,705	—
Depreciation and amortization	5,160,298	2,331,420	16,882,462	7,387,729
Provision for credit losses	28,713	42,099	243,029	60,841
Corporate general & administrative	2,766,821	4,239,773	13,480,089	9,447,010
Total Operating Expenses	10,997,680	7,883,687	40,067,741	21,019,019
Operating Income	(1,759,071)	(2,762,903)	(12,333,536)	(6,144,926)
Interest expense	(2,593,300)	(1,914,795)	(9,043,761)	(5,908,548)
Net Loss from Continuing Operations	(4,352,371)	(4,677,698)	(21,377,297)	(12,053,474)
Discontinued Operations				
Income from discontinued operations	151,698	84,965	499,781	307,659
Gain on Sales	2,104,114	—	2,104,114	—
Net Income from Discontinued Operations	2,255,812	84,965	2,603,895	307,659
Net Loss	(2,096,559)	(4,592,733)	(18,773,402)	(11,745,815)
Less: Net income (loss) attributable to noncontrolling interests	78,571	(539,573)	(1,252,723)	(1,195,560)
Net Loss Attributable to Wheeler REIT	(2,175,130)	(4,053,160)	(17,520,679)	(10,550,255)
Preferred stock dividends	(511,300)	(1,165,937)	(13,627,532)	(2,718,257)
Deemed dividend related to beneficial conversion feature of preferred stock	—	—	(72,644,506)	—
Net Loss Attributable to Wheeler REIT Common Shareholders	\$ (2,686,430)	\$ (5,219,097)	\$ (103,792,717)	\$ (13,268,512)
Loss per share from continuing operations (basic and diluted):	\$ (0.07)	\$ (0.71)	\$ (2.73)	\$ (1.83)
Earnings per share from discontinued operations	\$ 0.03	\$ 0.01	\$ 0.06	\$ 0.03
	\$ (0.04)	\$ (0.70)	\$ (2.67)	\$ (1.80)
Weighted-average number of shares:				
Basic and Diluted	66,189,261	7,460,109	38,940,463	7,352,433

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries
Reconciliation of Non-GAAP Measures (1)

FFO and AFFO	Three Months Ended		Years Ended	
	December 31,		December 31,	
	2015	2014 (4)	2015	2014 (4)
Net (loss)	\$ (2,096,559)	\$ (4,592,733)	\$ (18,773,402)	\$ (11,745,815)
Depreciation of real estate assets from continuing operations	5,160,297	2,331,421	16,882,462	7,387,729
Depreciation of real estate assets from discontinued operations	—	162,279	579,891	832,761
Depreciation of real estate assets	5,160,297	2,493,700	17,462,353	8,220,490
Gain on sale of discontinued operations	(2,104,114)	—	(2,104,114)	—
Total FFO	959,624	(2,099,033)	(3,415,163)	(3,525,325)
Preferred stock dividends	(511,300)	(1,165,937)	(13,627,532)	(2,718,257)
Preferred stock accretion adjustments	88,525	197,728	8,925,221	379,584
FFO available to common shareholders and common unitholders	536,849	(3,067,242)	(8,117,474)	(5,863,998)
Acquisition costs	703,659	1,882,900	3,871,037	3,787,900
Capital related costs	207,584	—	2,655,474	—
Other non-recurring expenses (2)	203,944	—	770,757	—
Share-based compensation	191,000	266,988	547,000	456,988
Straight-line rent	(68,843)	(67,267)	(270,873)	(247,220)
Loan cost amortization	252,190	372,560	1,300,901	787,228
Above (below) market lease amortization	53,678	87,276	616,665	85,808
Perimeter legal accrual	5,478	—	133,282	—
Tenant improvement reserves	(103,200)	(53,500)	(302,600)	(194,400)
Recurring capital expenditures	(118,200)	(65,800)	(355,900)	(239,200)
AFFO	\$ 1,864,139	\$ (644,085)	\$ 848,269	\$ (1,426,894)
Weighted Average Common Shares	66,189,261	7,460,109	38,940,463	7,352,433
Weighted Average Common Units	4,058,398	3,191,209	3,863,339	2,275,888
Total Common Shares and Units	70,247,659	10,651,318	42,803,802	9,628,321
FFO per Common Share and Common Units	\$ 0.01	\$ (0.29)	\$ (0.19)	\$ (0.61)
AFFO per Common Share and Common Units	\$ 0.03	\$ (0.06)	\$ 0.02	\$ (0.15)
Pro forma AFFO per Common Share and Common Units (3)	\$ 0.03	\$ —	\$ 0.11	\$ —

(1) See page 13 for the Company's definition of this non-GAAP measurement and reasons for using it.

(2) Annual other non-recurring expenses are detailed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our December 2015 Annual Report on Form 10-K.

(3) Pro forma AFFO assumes the following transactions had occurred on January 1, 2015: (i) the Pierpont Center, Alex City Marketplace, Butler Square, Brook Run Shopping Center, Beaver Ruin Village, Beaver Ruin Village II, Chesapeake Square, Sunshine Plaza, Barnett Portfolio, Grove Park, Parkway Plaza, Ft. Howard Square and Conyers Crossing acquisitions; the sales of Bixby Commons, Harps and Jenks Reasors; the Series C Preferred Stock capital raise and subsequent conversion; and the Series A Preferred Stock and Series B Convertible Preferred Stock exchange offer that closed on July 23, 2015. Additionally, we excluded all non-recurring expenses detailed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our December 2015 Annual Report on Form 10-K, the Lumber River loan which was paid off on May 1, 2015 and any additional common stock and common units issued during the year ended December 31, 2015 were outstanding for the entire period. The Pro forma AFFO is being presented solely for purposes of illustrating the potential impact of these transactions as if they occurred on January 1, 2015, based on information currently available to management, and is not necessarily indicative of what actual results would have been had the transactions referred to above occurred on January 1, 2015.

(4) We adjusted the 2014 previously reported AFFO to be consistent with the 2015 AFFO presentation, primarily as it relates to the treatment of preferred stock accretion adjustments, straight-line rent for AFFO calculation purposes, tenant improvement reserves and capital expenditures. Additionally, we did not provide Pro Forma AFFO per common share and common unit for 2014 as we consider it not meaningful to the 2015 presentation.

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries
Reconciliation of Non-GAAP Measures (continued)

Property Net Operating Income	Three Months Ended		Years Ended	
	December 31,		December 31,	
	2015	2014	2015	2014
Property Revenues	\$ 9,060,744	\$ 4,665,618	\$ 26,783,231	\$ 14,418,927
Property Expenses	2,832,261	1,270,395	8,351,456	4,123,439
Property Net Operating Income	6,228,483	3,395,223	18,431,775	10,295,488
Asset Management and Commission Revenue	177,865	455,166	950,974	455,166
Non-REIT management and leasing services	209,587	—	1,110,705	—
Depreciation and amortization	5,160,298	2,331,420	16,882,462	7,387,729
Provision for credit losses	28,713	42,099	243,029	60,841
Corporate general & administrative	2,766,821	4,239,773	13,480,089	9,447,010
Total Other Operating Expenses	8,165,419	6,613,292	31,716,285	16,895,580
Interest Expense	2,593,300	1,914,795	9,043,761	5,908,548
Net Loss from Continuing Operations	(4,352,371)	(4,677,698)	(21,377,297)	(12,053,474)
Discontinued Operations				
Income from operations	151,698	84,965	499,781	307,659
Gain on Sales	2,104,114	—	2,104,114	—
Net Income from Discontinued Operations	2,255,812	84,965	2,603,895	307,659
Net Loss	\$ (2,096,559)	\$ (4,592,733)	\$ (18,773,402)	\$ (11,745,815)

EBITDA	Three Months Ended		Years Ended	
	December 31,		December 31,	
	2015	2014	2015	2014
Net Loss	\$ (2,096,559)	\$ (4,592,733)	\$ (18,773,402)	\$ (11,745,815)
Add back: Depreciation and amortization (1)	5,213,976	2,580,976	18,079,019	8,306,298
Interest Expense (2)	2,618,384	2,187,016	9,758,842	6,813,426
EBITDA	5,735,801	175,259	9,064,459	3,373,909
Adjustments for items affecting comparability:				
Acquisition costs	703,659	1,882,900	3,871,037	3,787,900
Capital related costs	207,584	—	2,655,474	—
Other non-recurring expenses (3)	203,944	—	770,757	—
Gain on sales	(2,104,114)	—	(2,104,114)	—
Adjusted EBITDA	\$ 4,746,874	\$ 2,058,159	\$ 14,257,613	\$ 7,161,809

(1) Includes above (below) market lease amortization and amounts associated with assets held for sale.

(2) Includes loan cost amortization and amounts associated with assets held for sale.

(3) Annual other non-recurring expenses are detailed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our December 2015 Annual Report on Form 10-K.

Debt Summary

For the Year Ended December 31, 2015

Loans Payable: \$191.3 million

Weighted Average Interest Rate: 4.71%

Total Debt to Total Assets: 60.94%

Debt from Continuing Operations:

Maturities by Year	Amount	% Total Maturities
2016	\$ 9,065,387	4.79 %
2017	7,035,351	3.72 %
2018	14,936,672	7.89 %
2019	2,505,641	1.32 %
2020	9,175,072	4.85 %
Thereafter	146,622,333	77.43 %
Total principal maturities	\$ 189,340,456	100.00 %

Debt Associated with Assets Held for Sale:

Maturities by Year	Amount	% Total Maturities
2016	\$ 20,948	1.06 %
2017	22,126	1.12 %
2018	23,274	1.17 %
2019	565,694	28.54 %
2020	—	0.00 %
Thereafter	1,350,000	68.11 %
Total principal maturities	\$ 1,982,042	100.00 %

Total Debt:

Maturities by Year	Amount	% Total Maturities
2016	\$ 9,086,335	4.75 %
2017	7,057,477	3.69 %
2018	14,959,946	7.82 %
2019	3,071,335	1.61 %
2020	9,175,072	4.80 %
Thereafter	147,972,333	77.33 %
Total principal maturities	\$ 191,322,498	100.00 %

Debt Summary (continued)

Property/Description	Monthly Payment	Interest Rate	Debt Maturity	December 31,	
				2015	2014
Shoppes at Eagle Harbor	\$ 25,100	4.34%	March 2018	\$ 3,634,085	\$ 3,773,319
Lumber River Plaza	\$ 18,414	5.65%	May 2015	—	2,894,862
Monarch Bank Building	\$ 9,473	4.15%	December 2017	1,376,452	1,430,961
Perimeter Square	\$ 28,089	6.38%	June 2016	4,166,406	4,294,216
Riversedge North	\$ 8,802	6.00%	January 2019	962,281	1,007,856
Walnut Hill Plaza	\$ 24,273	5.50%	July 2017	3,535,606	3,626,945
Harps at Harbor Point	\$ 18,122	3.99%	December 2015	—	3,251,552
Twin City Commons	\$ 17,827	4.86%	January 2023	3,225,473	3,279,076
Shoppes at TJ Maxx	\$ 33,880	3.88%	May 2020	6,081,272	6,248,349
Bixby Commons	Interest only	2.77%	June 2018	—	6,700,000
Bank Line of Credit	Interest only	4.25%	September 2016	—	2,074,432
Bank Line of Credit	Interest only	2.79%	May 2018	6,873,750	—
Forrest Gallery	\$ 50,973	5.40%	September 2023	8,926,712	9,045,880
Jenks Reasors	Interest only	4.25%	September 2016	—	8,550,000
Tampa Festival	\$ 50,797	5.56%	September 2023	8,627,294	8,746,860
Starbucks/Verizon	\$ 4,383	5.00%	July 2019	632,042	652,044
Winslow Plaza	Interest only	4.82%	December 2025	4,620,000	—
Cypress Shopping Center	Interest only	4.70%	July 2024	6,625,000	6,625,000
Harrodsburg Marketplace	\$ 19,112	4.55%	September 2024	3,677,501	3,735,739
Port Crossing	\$ 34,788	4.84%	August 2024	6,471,636	6,568,918
LaGrange Marketplace	\$ 13,813	5.00%	March 2020	2,418,212	2,463,909
Freeway Junction	Interest only	4.60%	September 2024	8,150,000	8,150,000
DF I-Courtland	\$ 1,411	6.50%	January 2019	—	115,728
DF I-Edenton	\$ 250,000 (1)	3.75%	September 2016	650,000	1,650,000
DF I-Moyock	\$ 10,665	5.00%	July 2019	418,538	522,430
Graystone Crossing	\$ 20,386	4.55%	October 2024	4,000,000	4,000,000
Bryan Station	Interest only	4.52%	November 2024	4,625,000	4,625,000
Crockett Square	Interest only	4.47%	December 2024	6,337,500	6,337,500
Harbor Point	\$ 11,024	5.85%	December 2016	732,685	1,544,567
Pierpont Centre	Interest only	3.95%	February 2025	9,800,000	—
Alex City Marketplace	Interest only	3.90%	April 2025	5,750,000	—
Butler Square	Interest only	4.08%	May 2025	5,640,000	—
Brook Run Shopping Center	Interest only	3.90%	June 2025	10,950,000	—
Beaver Ruin Village I and II	Interest only	4.73%	July 2025	9,400,000	—
Columbia Fire Station	Interest only	8.00%	December 2017	450,053	—
Sunshine Shopping Plaza	Interest only	4.57%	August 2025	5,900,000	—
Barnett Portfolio	Interest only	4.30%	September 2025	8,770,000	—
Grove Park Shopping Center	Interest only	4.52%	October 2025	3,800,000	—
Parkway Plaza	Interest only	4.57%	October 2025	3,500,000	—
Conyers Crossing	Interest only	4.67%	October 2025	5,960,000	—
Fort Howard Shopping Center	Interest only	4.57%	October 2025	7,100,000	—
Senior convertible notes	Interest only	9.00%	December 2018	3,000,000	6,000,000
Senior non-convertible notes	Interest only	9.00%	December 2015	—	4,000,000
Senior non-convertible notes	Interest only	9.00%	January 2016	2,160,000	2,160,000
South Carolina Food Lions Note	Interest only	5.25%	January 2024	12,375,000	12,375,000
Total Loans Payable (2)				\$ 191,322,498	\$ 136,450,143

(1) Represents quarterly payment.

(2) Includes debt associated with assets held for sale.

Portfolio Summary (as of December 31, 2015)

Property	Location	Number of Tenants	Net Leasable Square Feet	Total SF Leased	Percentage Leased	Annualized Base Rent	Annualized Base Rent per Leased Sq. Foot
Alex City Marketplace	Alexander City, AL	17	147,791	128,741	87.1%	\$ 913,691	\$ 7.10
Amscot Building	Tampa, FL	1	2,500	2,500	100.0%	115,849	46.34
Beaver Ruin Village	Liburn, GA	27	74,048	62,461	84.4%	1,006,968	16.12
Beaver Ruin Village II	Liburn, GA	4	34,925	34,925	100.0%	407,176	11.66
Berkley (2)	Norfolk, VA	—	—	—	—%	—	—
Brook Run Shopping Center	Richmond, VA	20	147,738	137,539	93.1%	1,547,303	11.25
Brook Run Properties (2)	Richmond, VA	—	—	—	—%	—	—
Bryan Station	Lexington, KY	9	54,397	54,397	100.0%	553,004	10.17
Butler Square	Mauldin, SC	16	82,400	82,400	100.0%	833,358	10.11
Cardinal Plaza	Henderson, NC	7	50,000	42,000	84.0%	424,500	10.11
Carolina Place (2)	Onley, VA	—	—	—	—%	—	—
Chesapeake Square	Onley, VA	9	99,848	74,648	74.8%	593,583	7.95
Clover Plaza	Clover, SC	10	45,575	45,575	100.0%	354,771	7.78
Columbia Fire Station (2)	Columbia, SC	—	—	—	—%	—	—
Conyers Crossing	Conyers, GA	14	170,475	170,475	100.0%	884,797	5.19
Courtland Commons (2)	Courtland, VA	—	—	—	—%	—	—
Crockett Square	Morristown, TN	4	107,122	107,122	100.0%	886,635	8.28
Cypress Shopping Center	Boiling Springs, SC	16	80,435	77,635	96.5%	804,020	10.36
Edenton Commons (2)	Edenton, NC	—	—	—	—%	—	—
Forrest Gallery	Tullahoma, TN	27	214,450	202,216	94.3%	1,204,701	5.96
Fort Howard Shopping Center	Rincon, GA	16	113,652	107,813	94.9%	941,329	8.73
Freeway Junction	Stockbridge, GA	16	156,834	151,924	96.9%	1,035,044	6.81
Franklinton Square	Franklinton, NC	11	65,366	56,300	86.1%	490,295	8.71
Graystone Crossing	Tega Cay, SC	11	21,997	21,997	100.0%	513,256	23.33
Grove Park	Grove, OK	16	106,557	95,829	89.8%	685,081	7.15
Harbor Point (2)	Grove, OK	—	—	—	—%	—	—
Harrodsburg Marketplace	Harrodsburg, KY	8	60,048	58,248	97.0%	438,556	7.53
Hilton Head (2)	Hilton Head, SC	—	—	—	—%	—	—
Jenks Plaza	Jenks, OK	5	7,800	7,800	100.0%	148,629	19.06
LaGrange Marketplace	LaGrange, GA	13	76,594	71,494	93.3%	388,385	5.43
Laskin Road (2)	Virginia Beach, VA	—	—	—	—%	—	—
Lumber River Village	Lumberton, NC	12	66,781	66,781	100.0%	503,506	7.54
Monarch Bank	Virginia Beach, VA	1	3,620	3,620	100.0%	250,538	69.21
Nashville Commons	Nashville, NC	12	56,100	56,100	100.0%	564,435	10.06
Parkway Plaza	Brunswick, GA	5	52,365	50,765	96.9%	533,398	10.51
Perimeter Square	Tulsa, OK	8	58,277	55,773	95.7%	742,287	13.31
Pierpont Centre	Morgantown, WV	20	122,259	122,259	100.0%	1,338,612	10.95
Port Crossing	Harrisonburg, VA	8	65,365	60,400	92.4%	780,445	12.92
Riversedge North (1)	Virginia Beach, VA	—	—	—	—%	—	—
Shoppes at TJ Maxx	Richmond, VA	18	93,552	93,552	100.0%	1,117,655	11.95
South Square	Lancaster, SC	5	44,350	39,850	89.9%	319,206	8.01
Starbucks/Verizon	Virginia Beach, VA	2	5,600	5,600	100.0%	185,695	33.16
St. George Plaza	St. George, SC	5	59,279	42,828	72.3%	293,421	6.85
Sunshine Plaza	Lehigh Acres, FL	21	111,189	107,486	96.7%	954,702	8.88
Surrey Plaza	Hawkinsville, GA	5	42,680	42,680	100.0%	291,495	6.83
Tampa Festival	Tampa, FL	20	137,987	134,766	97.7%	1,230,027	9.13
The Shoppes at Eagle Harbor	Carrollton, VA	7	23,303	23,303	100.0%	447,844	19.22
Tulls Creek (2)	Moyock, NC	—	—	—	—%	—	—
Twin City Commons	Batesburg-Leesville, SC	5	47,680	47,680	100.0%	450,310	9.44
Walnut Hill Plaza	Petersburg, VA	11	87,239	74,345	85.2%	596,162	8.02
Waterway Plaza	Little River, SC	9	49,750	48,550	97.6%	439,583	9.05
Westland Square	West Columbia, SC	10	62,735	57,665	91.9%	486,698	8.44
Winslow Plaza	Sicklerville, NJ	17	40,695	40,695	100.0%	594,202	14.60
Total		478	3,151,358	2,968,737	94.2%	\$ 27,291,152	\$ 9.19

(1) Riversedge North is our corporate office.

(2) This information is not available because the property is undeveloped.

Top Ten Tenants by Annualized Base Rent
(as of December 31, 2015)

Total Tenants : 478

Tenants	Total Net Leasable Square Feet	% of Total Net Leasable Square Feet	Annualized Base Rent (\$ in 000s)	% of Total Annualized Base Rent	Base Rent Per Leased Square Foot
Bi-Lo/Winn Dixie	392,898	12.47%	\$ 2,853	10.45%	\$ 7.26
Food Lion	325,576	10.33%	2,691	9.86%	8.27
Hobby Lobby	114,298	3.63%	675	2.47%	5.91
Kroger	84,938	2.70%	534	1.96%	6.29
Burlington Coat Factory	83,552	2.65%	176	0.64%	2.11
Family Dollar	67,626	2.15%	465	1.70%	6.88
Giant Food Stores, LLC	58,473	1.86%	380	1.39%	6.50
Goodwill	56,343	1.79%	433	1.59%	7.69
Dollar Tree	51,974	1.65%	441	1.62%	8.49
Goody's	51,275	1.63%	139	0.51%	2.71
	1,286,953	40.86%	\$ 8,787	32.19%	\$ 6.83

Leasing Summary
(as of December 31, 2015)

Gross Leasable Area: 3,151,358 square feet
Total Square Footage Leased: 2,968,737 square feet
Occupancy Rate: 94.2%

Lease Expiration Schedule

Lease Expiration Year	Number of Expiring Leases	Total Expiring Net Leasable Square Footage	% of Total Expiring Net Leasable Square Footage	% of Total Leased Square Footage Expiring	Expiring Base Rent (in 000s)	% of Total Base Rent	Expiring Base Rent Per Leased Square Foot
Available	—	182,621	5.79%	—%	\$ —	—	\$ —
2016	71	188,045	5.97%	6.33%	2,244	8.22%	11.93
2017	105	436,806	13.86%	14.71%	4,591	16.82%	10.51
2018	97	588,498	18.67%	19.82%	5,025	18.41%	8.54
2019	70	466,894	14.82%	15.73%	4,209	15.42%	9.01
2020	72	572,140	18.16%	19.27%	5,071	18.58%	8.86
2021	23	358,741	11.38%	12.08%	2,526	9.26%	7.04
2022	10	67,484	2.14%	2.27%	880	3.22%	13.04
2023	9	129,841	4.12%	4.37%	1,303	4.77%	10.04
2024	12	100,228	3.18%	3.38%	844	3.09%	8.42
2025 and thereafter	9	60,060	1.91%	2.04%	598	2.21%	9.94
		3,151,358	100.00%	100.00%	\$ 27,291	100.00%	\$ 9.19

Definitions

Funds from Operations (FFO):an alternative measure of a REIT's operating performance, specifically as it relates to results of operations and liquidity. FFO is a measurement that is not in accordance with accounting principles generally accepted in the United States (GAAP). Wheeler computes FFO in accordance with standards established by the Board of Governors of NAREIT in its March 1995 White Paper (as amended in November 1999 and April 2002). As defined by NAREIT, FFO represents net income (computed in accordance with GAAP), excluding gains (or losses) from sales of property, plus real estate related depreciation and amortization (excluding amortization of loan origination costs) and after adjustments for unconsolidated partnerships and joint ventures.

Most industry analysts and equity REITs, including Wheeler, consider FFO to be an appropriate supplemental measure of operating performance because, by excluding gains or losses on dispositions and excluding depreciation, FFO is a helpful tool that can assist in the comparison of the operating performance of a company's real estate between periods, or as compared to different companies. Management uses FFO as a supplemental measure to conduct and evaluate the business because there are certain limitations associated with using GAAP net income alone as the primary measure of our operating performance. Historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time, while historically real estate values have risen or fallen with market conditions.

Adjusted FFO (AFFO):Management believes that the computation of FFO in accordance with NAREIT's definition includes certain items that are not indicative of the operating performance of the Company's real estate assets. These items include, but are not limited to, non-recurring expenses, legal settlements, acquisition costs and capital raise costs. Management uses AFFO, which is a non-GAAP financial measure, to exclude such items. Management believes that reporting AFFO in addition to FFO is a useful supplemental measure for the investment community to use when evaluating the operating performance of the Company on a comparative basis. The Company also presents Pro Forma AFFO which shows the impact of certain activities assuming they occurred at the beginning of the year.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)another widely-recognized non-GAAP financial measure that the Company believes, when considered with financial statements prepared in accordance with GAAP, is useful to investors and lenders in understanding financial performance and providing a relevant basis for comparison among other companies, including REITs. While EBITDA should not be considered as a substitute for net income attributable to the Company's common shareholders, net operating income, cash flow from operating activities, or other income or cash flow data prepared in accordance with GAAP, the Company believes that EBITDA may provide additional information with respect to the Company's performance or ability to meet its future debt service requirements, capital expenditures and working capital requirements. The Company computes EBITDA by excluding interest expense, net loss attributable to noncontrolling interests, and depreciation and amortization, from income from continuing operations. The Company also presents Adjusted EBITDA which excludes affecting the comparability of the periods presented, including but not limited to, costs associated with acquisitions and capital related activities.

Net Operating Income (NOI) The Company believes that NOI is a useful measure of the Company's property operating performance. The Company defines NOI as property revenues (rental and other revenues) less property and related expenses (property operation and maintenance and real estate taxes). Because NOI excludes general and administrative expenses, depreciation and amortization, interest expense, interest income, provision for income taxes, gain or loss on sale or capital expenditures and leasing costs, it provides a performance measure, that when compared year over year, reflects the revenues and expenses directly associated with owning and operating commercial real estate properties and the impact to operations from trends in occupancy rates, rental rates and operating costs, providing perspective not immediately apparent from net income. The Company uses NOI to evaluate its operating performance since NOI allows the Company to evaluate the impact of factors, such as occupancy levels, lease structure, lease rates and tenant base, have on the Company's results, margins and returns. NOI should not be viewed as a measure of the Company's overall financial performance since it does not reflect general and administrative expenses, depreciation and amortization, involuntary conversion, interest expense, interest income, provision for income taxes, gain or loss on sale or disposition of assets, and the level of capital expenditures and leasing costs necessary to maintain the operating performance of the Company's properties. Other REITs may use different methodologies for calculating NOI, and accordingly, the Company's NOI may not be comparable to that of other REITs.