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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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

**Date of report (date of earliest event reported): August 5, 2019**

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**WHEELER REAL ESTATE INVESTMENT TRUST, INC.**

(Exact name of registrant as specified in its charter)

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**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**

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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))

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

Emerging growth company

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

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Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	WHLR	Nasdaq Capital Market
Series B Convertible Preferred Stock	WHLRP	Nasdaq Capital Market
Series D Cumulative Convertible Preferred Stock	WHLRD	Nasdaq Capital Market

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**ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.**

On August 5, 2019, Wheeler Real Estate Investment Trust, Inc. (the “Company”), issued a press release announcing its financial results for the three and six months ended June 30, 2019. 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 and six months ended June 30, 2019 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 August 5, 2019, announcing the Company's financial results for the three and six months ended June 30, 2019.](#)

[99.2](#) [Supplemental Operating and Financial Data for the three and six months ended June 30, 2019.](#)

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## EXHIBIT INDEX

<b><u>Number</u></b>	<b><u>Description of Exhibit</u></b>
<a href="#"><u>99.1</u></a>	<a href="#"><u>Press release, dated August 5, 2019, announcing the Company's financial results for the three and six months ended June 30, 2019.</u></a>
<a href="#"><u>99.2</u></a>	<a href="#"><u>Supplemental Operating and Financial Data for the three and six months ended June 30, 2019.</u></a>

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**SIGNATURE PAGE**

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

WHEELER REAL ESTATE INVESTMENT TRUST, INC.

By: /s/ David Kelly  
David Kelly  
Chief Executive Officer

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Dated: August 5, 2019

# WHLR

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REAL ESTATE INVESTMENT TRUST

FOR IMMEDIATE RELEASE

**WHEELER REAL ESTATE INVESTMENT TRUST, INC. ANNOUNCES 2019 SECOND QUARTER AND FIRST HALF FINANCIAL RESULTS**

Virginia Beach, VA – August 5, 2019 – Wheeler Real Estate Investment Trust, Inc. (NASDAQ:WHLR) (“WHLR” or the “Company”) today reported operating and financial results for the three and six months ended June 30, 2019.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net loss per common share	\$ (1.10)	\$ (0.51)	\$ (1.42)	\$ (1.08)
FFO per common share and common unit	(0.39)	0.20	(0.28)	0.36
AFFO per common share and common unit	0.16	0.25	0.27	0.46

**2019 SECOND QUARTER HIGHLIGHTS**

*(all comparisons to the same prior year period unless otherwise noted)*

- On April 25, 2019, the Company entered into a First Amendment to its Amended and Restated Credit Agreement with KeyBank (the "First Amendment"), which included:
  - a \$1.0 million principal payment on the KeyBank Line of Credit and monthly principal payments of \$250 thousand which began on May 1, 2019;
  - the over-advance being waived and replaced the borrowing base availability with an interest coverage ratio; and
  - a reduction of the line to \$27.0 million by July 31, 2019, \$7.5 million by September 30, 2019 with an interest rate increase to Libor plus 350 basis points on August 31, 2019 if the outstanding balance is not below \$11.0 million.

As of August 5, 2019, \$26.2 million remains on the KeyBank Line of Credit as a result of the \$2.0 million in principal payments confirmed in the First Amendment and the refinancing of the Village of Martinsville and Laburnum Square collateralized portion further reducing the balance by \$23.0 million.

- Paid the Bulldog Senior Convertible notes in full through scheduled principal and interest payments.
- A new grocer tenant, ALDI, began construction of an approximate 20,000 square foot building, which included demolishing an existing approximate 10,000 square foot outparcel building at JANAF Shopping Center. As a result, the Company incurred a \$331 thousand write-off.
- The 1,986,600 publicly traded warrants (CUSIP No.: 963025119) (NASDAQ: WHLRW) exchangeable into 248,325 shares of our common stock, \$0.01 par value per share ("Common Stock") expired on April 29, 2019.
- Recognized a \$5.0 million impairment charge on notes receivable bringing the carrying value to zero with pending legal proceedings providing additional uncertainty relating to the estimated fair market value of the Sea Turtle Development ("Sea Turtle"). The \$12.0 million in notes receivable are subordinated to the construction loans made by the Bank of Arkansas ("BOKF"), totaling \$20.00 million.

- In April 2019, BOKF filed a Verified Complaint in state court in Beauford County, South Carolina for Sea Turtle's default on payment of the BOKF construction loans, and for the appointment of a receiver, injunctive relief and accounting records.
- On May 7, 2019, Sea Turtle filed a Chapter 11 Voluntary Petition for Bankruptcy in the United States Bankruptcy Court for the District of South Carolina in Charleston. The bankruptcy petition automatically stayed BOKF's suit. The pleadings in the state court action and the bankruptcy action state that Sea Turtle has been in default on its payments to BOKF since September 2018. The pleadings further state that the project is \$8.00 million over budget as of August 8, 2018. Sea Turtle has retained a broker to try and sell the property. There is a possibility that a judicially approved sale of the property will not bring a price that exceeds what is owed to BOKF on its construction loans. If a sale is not approved through the bankruptcy court in 2019, it is expected that the bankruptcy petition will be dismissed and BOKF will resume its suit in South Carolina state court, possibly leading to a foreclosure on the property.
- Recognized a \$1.1 million impairment charge on an asset held for sale, Perimeter Square.
- Net loss attributable to WHLR's Common Stock shareholders of \$10.7 million, or (\$1.10) per share.
- Total revenue from continuing operations decreased by 8.32% or \$1.4 million primarily due to the 2018 early termination fees of \$980 thousand associated with the Berkley Center Shopping Center as well as the revenue declines from the impact of selling Graystone Crossing, Jenks Plaza, Shoppes at Eagle Harbor and the Monarch Bank building, approximately \$356 thousand.
- Property Net Operating Income ("NOI") from operations decreased by 11.52% to approximately \$10.9 million primarily due to the 2018 early termination fees of \$980 thousand associated with the Berkley Center Shopping Center as well as the NOI declines from the impact of selling Graystone Crossing, Jenks Plaza, Shoppes at Eagle Harbor and the Monarch Bank building, approximately \$270 thousand.
- Adjusted Funds from Operations ("AFFO") of \$0.16 per share of the Company's Common Stock and common unit ("Common Unit") in our operating partnership, Wheeler REIT, L.P.

#### **2019 YEAR-TO-DATE HIGHLIGHTS**

- Sold two properties and an undeveloped land parcel for \$8.8 million, resulting in a total gain of \$1.8 million and net proceeds of \$3.6 million.
- Paid the Revere Term Loan in full with proceeds from the following sources:
  - \$323 thousand with proceeds from the sale of Jenks Plaza;
  - \$30 thousand in conjunction with the sale of a 1.28-acre parcel at Harbor Pointe;
  - \$300 thousand in monthly scheduled principal payments and the remaining \$406 thousand balance and \$20 thousand Exit Fee from operating cash flows.
- As of August 5, 2019, paid down the KeyBank Line of Credit to \$26.2 million with proceeds from the following sources: \$23.0 million Village of Martinsville and Laburnum Square refinances, \$1.9 million in specific principal payments and \$1.0 million in monthly scheduled principal payments.
- Net loss attributable to WHLR's Common Stock shareholders of \$13.7 million, or (\$1.42) per share.
- Total revenue from continuing operations decreased by 5.14% or \$1.7 million primarily due to the 2018 early termination fees of \$1.3 million associated with Berkley Center Shopping Center and Southeastern Grocers ("SEG") recaptures as well as the revenue declines from the impact of selling Graystone Crossing, Jenks Plaza, Shoppes at Eagle Harbor and the Monarch Bank building in approximate amount of \$550 thousand partially offset by 10.15% increase in property revenues at JANAF.
- Property NOI from operations decreased by 7.37% to approximately \$22.1 million primarily due to the 2018 early termination fees of \$1.3 million associated with Berkley Center Shopping Center and SEG recaptures as well as the NOI declines from the impact of selling Graystone Crossing, Jenks Plaza, Shoppes at Eagle Harbor and the Monarch Bank building in the approximate amount of \$401 thousand.
- AFFO of \$0.27 per share of the Company's Common Stock and Common Unit in our operating partnership, Wheeler REIT, L.P.

#### **SUBSEQUENT EVENTS**

- On July 12, 2019, the Company completed the sale of Perimeter Square for a contract price of \$7.2 million, and subsequently extinguished the associated \$6.5 million loans on the property.
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- On August 1, 2019, the Company refinanced the Laburnum Square collateralized portion of the KeyBank Line of Credit reducing the line as required by the First Amendment. The executed promissory note for the Laburnum Square refinance is \$7.7 million at a rate of 4.28%.

#### **BALANCE SHEET**

- Cash and cash equivalents totaled \$3.9 million at June 30, 2019, compared to \$3.5 million at December 31, 2018.
- Total debt was \$357.5 million at June 30, 2019 (including debt associated with assets held for sale), compared to \$369.6 million at December 31, 2018. The decrease of \$12.1 million in debt is primarily a result of:
  - \$1.1 million Revere Term Loan pay-off;
  - \$5.8 million in payoffs as a result of asset sales;
  - \$2.4 million of additional principal pay-downs on the KeyBank Line of Credit; and
  - regularly scheduled principal payments.
- WHLR's weighted-average interest rate was 4.77% with a term of 4.32 years at June 30, 2019 (including debt associated with assets held for sale). This compares to an interest rate of 4.84% with a term of 4.31 years at December 31, 2018.
- The fixed interest rates on the refinances of Village of Martinsville and Laburnum Square are approximately 62 basis points below the interest rate at June 30, 2019 on the KeyBank Line of Credit.
- Net investment properties as of June 30, 2019 totaled at \$429.1 million (including assets held for sale), compared to \$441.4 million as of December 31, 2018.

#### **DIVIDENDS**

- At June 30, 2019, the Company had accumulated undeclared dividends of approximately \$10.0 million to holders of shares of our Series A Preferred Stock, Series B Preferred Stock, and Series D Preferred Stock of which \$3.5 million and \$7.0 million are attributable to the three and six months ended June 30, 2019, respectively.

#### **OPERATIONS AND LEASING**

- The Company's real estate portfolio is 89.3% leased as of June 30, 2019.
- Q2-2019 Leasing Activity
  - Executed 34 lease renewals totaling 98,796 square feet at a weighted-average increase of \$0.49 per square foot, representing an increase of 3.50% over prior rates.
  - Signed 11 new leases totaling approximately 16,018 square feet with a weighted-average rate of \$14.89 per square foot.
- YTD 2019 Leasing Activity
  - Executed 62 lease renewals totaling 219,710 square feet at a weighted-average increase of \$0.25 per square foot, representing an increase of 2.29% over prior rates.
  - Signed 19 new leases totaling approximately 47,218 square feet with a weighted-average rate of \$13.49 per square foot.
- The Company's gross leasable area ("GLA"), which is subject to leases that expire over the next six months, including month-to-month leases increased to approximately 4.17% at June 30, 2019, compared to 2.50% at June 30, 2018. At June 30, 2019, 39.81% of this expiring GLA is subject to renewal options.

#### **SAME STORE RESULTS**

- Excluding 2018 early termination fees and NOI associated with sold properties of Graystone Crossing, Jenks Plaza, Shoppes at Eagle Harbor and the Monarch Bank property, same-store NOI for the three months ended June 30, 2019 compared to June 30, 2018, declined by 1.44% and increased by 4.08% on a cash basis. The same-store pool for the three months ended June 30, 2019, was comprised of 4.9 million square feet that the Company owned as of January 1, 2018. Same-store results were driven by a 0.45% decrease in property revenues, primarily a result of rent modifications to certain 2018 SEG leases, reduced rent at the three SEG recaptured and backfilled locations and incremental vacancies. Same Store property expenses increased 1.93%.
  - Excluding 2018 early termination fees and NOI associated with sold properties of Graystone Crossing, Jenks Plaza, Shoppes at Eagle Harbor and the Monarch Bank property, same-store NOI for the six months ended June 30, 2019 compared to June 30, 2018, declined by 1.98% and 0.04% on a cash basis. The same-store pool for the six months
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ended June 30, 2019, was comprised of 4.9 million square feet that the Company owned as of January 1, 2018. Same-store results were driven by a 1.02% decrease in property revenues, primarily a result of rent modifications to certain 2018 SEG leases, reduced rent at the three SEG recaptured and backfilled locations and incremental vacancies. Same Store property expenses increased 1.31%.

#### **ACQUISITIONS**

- In April 2019, the Company absorbed an approximately 25,000 square foot outparcel at JANAF as a result of an unlawful detainer with a delinquent tenant, Mariner Investments, LTD. The Company inadvertently disclosed the former tenant as Mariner Finance, LLC in the Form 10-Q for the three months ended March 31, 2019 in error.

#### **DISPOSITIONS**

- Sold Jenks Plaza for a contract price of \$2.2 million, generating a gain of \$387 thousand and net proceeds of \$1.8 million.
- Sold a 1.28-acre portion of an undeveloped land parcel at Harbor Pointe for a contract price of \$550 thousand resulting in net proceeds of \$19 thousand, paying off associated debt and retaining an approximately 4-acre unleveraged parcel.
- Sold Graystone Crossing for a contract price of \$6.0 million, generating a gain of \$1.5 million and net proceeds of \$1.7 million.

#### **SUPPLEMENTAL INFORMATION**

Further details regarding Wheeler Real Estate Investment Trust, Inc.'s operations and financials for the period ended June 30, 2019, including a supplemental presentation, are available at <https://ir.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 owning and operating 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](http://www.whlr.us).

A copy of Wheeler's Quarterly Report on Form 10-Q, which includes the Company's condensed 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](http://www.sec.gov)) or through Wheeler's website at [www.whlr.us](http://www.whlr.us).

#### **DEFINITIONS**

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 and gains and losses from property dispositions, 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.

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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, nonrecurring 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 STATEMENTS**

This press release may contain "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995. When the Company uses words such as "may," "will," "intend," "should," "believe," "expect," "anticipate," "project," "estimate" or similar expressions that do not relate solely to historical matters, it is making forward-looking statements. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that may cause the actual results to differ materially from the Company's expectations discussed in the forward-looking statements. The Company's expected results may not be achieved, and actual results may differ materially from expectations. Specifically, the Company's statements regarding future generation of financial returns from its portfolio are forward-looking statements. 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. For these reasons, among others, investors are cautioned not to place undue reliance upon any forward-looking statements in this press release.

Additional factors are discussed in the Company's filings with the U.S. Securities and Exchange Commission, which are available for review at [www.sec.gov](http://www.sec.gov). The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof.

Mary Jensen  
Investor Relations  
(757) 627-9088 / [mjensen@whlr.us](mailto:mjensen@whlr.us)

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**Wheeler Real Estate Investment Trust, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Operations**  
(in thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
<b>REVENUE:</b>				
Rental revenues	\$ 15,391	\$ 15,711	\$ 31,161	\$ 31,532
Asset management fees	13	47	26	172
Commissions	5	36	47	50
Other revenues	123	1,147	293	1,480
<b>Total Revenue</b>	<b>15,532</b>	<b>16,941</b>	<b>31,527</b>	<b>33,234</b>
<b>OPERATING EXPENSES:</b>				
Property operations	4,595	4,518	9,321	9,117
Non-REIT management and leasing services	1	—	24	36
Depreciation and amortization	5,287	7,422	11,103	14,898
Impairment of notes receivable	5,000	—	5,000	—
Impairment of assets held for sale	1,147	—	1,147	—
Corporate general & administrative	1,380	2,268	3,194	4,776
<b>Total Operating Expenses</b>	<b>17,410</b>	<b>14,208</b>	<b>29,789</b>	<b>28,827</b>
(Loss) gain on disposal of properties	(331)	—	1,508	1,055
<b>Operating (Loss) Income</b>	<b>(2,209)</b>	<b>2,733</b>	<b>3,246</b>	<b>5,462</b>
Interest income	—	1	1	2
Interest expense	(4,947)	(5,180)	(9,740)	(9,757)
<b>Net Loss from Continuing Operations Before Income Taxes</b>	<b>(7,156)</b>	<b>(2,446)</b>	<b>(6,493)</b>	<b>(4,293)</b>
Income tax expense	(7)	(17)	(15)	(42)
<b>Net Loss from Continuing Operations</b>	<b>(7,163)</b>	<b>(2,463)</b>	<b>(6,508)</b>	<b>(4,335)</b>
<b>Income from Discontinued Operations</b>	<b>—</b>	<b>903</b>	<b>—</b>	<b>903</b>
<b>Net Loss</b>	<b>(7,163)</b>	<b>(1,560)</b>	<b>(6,508)</b>	<b>(3,432)</b>
Less: Net loss attributable to noncontrolling interests	(112)	(35)	(99)	(82)
<b>Net Loss Attributable to Wheeler REIT</b>	<b>(7,051)</b>	<b>(1,525)</b>	<b>(6,409)</b>	<b>(3,350)</b>
Preferred Stock dividends - declared	—	(3,206)	—	(6,413)
Preferred Stock dividends - undeclared	(3,658)	—	(7,315)	—
<b>Net Loss Attributable to Wheeler REIT Common Shareholders</b>	<b>\$ (10,709)</b>	<b>\$ (4,731)</b>	<b>\$ (13,724)</b>	<b>\$ (9,763)</b>
Loss per share from continuing operations (basic and diluted)	\$ (1.10)	\$ (0.61)	\$ (1.42)	\$ (1.18)
Income per share from discontinued operations	—	0.10	—	0.10
	<b>\$ (1.10)</b>	<b>\$ (0.51)</b>	<b>\$ (1.42)</b>	<b>\$ (1.08)</b>
Weighted-average number of shares:				
Basic and Diluted	9,693,271	9,246,683	9,650,000	9,074,506

**Wheeler Real Estate Investment Trust, Inc. and Subsidiaries**  
**Condensed Consolidated Balance Sheets**  
(in thousands, except par value and share data)

	<b>June 30, 2019</b>	<b>December 31, 2018</b>
	<b>(unaudited)</b>	
<b>ASSETS:</b>		
Investment properties, net	\$ 422,506	\$ 436,006
Cash and cash equivalents	3,934	3,544
Restricted cash	16,426	14,455
Rents and other tenant receivables, net	5,546	5,539
Notes receivable, net	—	5,000
Assets held for sale	6,799	6,118
Above market lease intangibles, net	6,136	7,346
Operating lease right-of-use assets	11,762	—
Deferred costs and other assets, net	25,681	30,073
<b>Total Assets</b>	<b>\$ 498,790</b>	<b>\$ 508,081</b>
<b>LIABILITIES:</b>		
Loans payable, net	\$ 346,558	\$ 360,190
Liabilities associated with assets held for sale	6,850	4,520
Below market lease intangibles, net	8,576	10,045
Operating lease liabilities	11,937	—
Accounts payable, accrued expenses and other liabilities	10,001	12,116
<b>Total Liabilities</b>	<b>383,922</b>	<b>386,871</b>
Series D Cumulative Convertible Preferred Stock (no par value, 4,000,000 shares authorized, 3,600,636 shares issued and outstanding; \$96.82 million and \$91.98 million aggregate liquidation preference, respectively)	82,090	76,955
<b>EQUITY:</b>		
Series A Preferred Stock (no par value, 4,500 shares authorized, 562 shares issued and outstanding)	453	453
Series B Convertible Preferred Stock (no par value, 5,000,000 authorized, 1,875,748 shares issued and outstanding; \$46.90 million aggregate liquidation preference)	41,044	41,000
Common Stock (\$0.01 par value, 18,750,000 shares authorized, 9,693,271 and 9,511,464 shares issued and outstanding, respectively)	97	95
Additional paid-in capital	233,861	233,697
Accumulated deficit	(244,772)	(233,184)
Total Shareholders' Equity	30,683	42,061
Noncontrolling interests	2,095	2,194
<b>Total Equity</b>	<b>32,778</b>	<b>44,255</b>
<b>Total Liabilities and Equity</b>	<b>\$ 498,790</b>	<b>\$ 508,081</b>

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

**Three Months Ended June 30,**

	Same Store		New Store		Total		Period Over Period Changes	
	2019	2018	2019	2018	2019	2018	\$	%
	Net Loss	\$ (7,146)	\$ (1,486)	\$ (17)	\$ (74)	\$ (7,163)	\$ (1,560)	\$ (5,603)
Depreciation and amortization of real estate assets	4,324	6,104	963	1,318	5,287	7,422	(2,135)	(28.77)%
Loss on disposal of properties	—	—	331	—	331	—	331	100.00 %
Impairment of assets held for sale	1,147	—	—	—	1,147	—	1,147	100.00 %
Gain on disposal of properties-discontinued operations	—	(903)	—	—	—	(903)	903	100.00 %
FFO	\$ (1,675)	\$ 3,715	\$ 1,277	\$ 1,244	\$ (398)	\$ 4,959	\$ (5,357)	(108.03)%

**Six Months Ended June 30,**

	Same Store		New Store		Total		Period Over Period Changes	
	2019	2018	2019	2018	2019	2018	\$	%
	Net (Loss) Income	\$ (6,513)	\$ (3,418)	\$ 5	\$ (14)	\$ (6,508)	\$ (3,432)	\$ (3,076)
Depreciation and amortization of real estate assets	9,067	12,599	2,036	2,299	11,103	14,898	(3,795)	(25.47)%
(Gain) Loss on disposal of properties	(1,839)	(1,055)	331	—	(1,508)	(1,055)	(453)	(42.94)%
Impairment of assets held for sale	1,147	—	—	—	1,147	—	1,147	100.00 %
Gain on disposal of properties-discontinued operations	—	(903)	—	—	—	(903)	903	100.00 %
FFO	\$ 1,862	\$ 7,223	\$ 2,372	\$ 2,285	\$ 4,234	\$ 9,508	\$ (5,274)	(55.47)%

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net Loss	\$ (7,163)	\$ (1,560)	\$ (6,508)	\$ (3,432)
Depreciation and amortization of real estate assets	5,287	7,422	11,103	14,898
Loss (Gain) on disposal of properties	331	—	(1,508)	(1,055)
Impairment of assets held for sale	1,147	—	1,147	—
Gain on disposal of properties-discontinued operations	—	(903)	—	(903)
FFO	(398)	4,959	4,234	9,508
Preferred stock dividends-declared	—	(3,206)	—	(6,413)
Preferred stock dividends-undeclared	(3,658)	—	(7,315)	—
Preferred stock accretion adjustments	171	170	341	340
FFO available to common shareholders and common unitholders	(3,885)	1,923	(2,740)	3,435
Impairment of notes receivable	5,000	—	5,000	—
Acquisition and development costs	20	257	24	264
Capital related costs	62	245	136	298
Other non-recurring and non-cash expenses <sup>(1)</sup>	2	—	26	103
Share-based compensation	82	67	172	486
Straight-line rental revenue, net straight-line expense	240	(394)	85	(589)
Loan cost amortization	535	678	927	1,057
(Below) above market lease amortization	(194)	(86)	(420)	(108)
Recurring capital expenditures and tenant improvement reserves	(286)	(284)	(570)	(574)
AFFO	<u>\$ 1,576</u>	<u>\$ 2,406</u>	<u>\$ 2,640</u>	<u>\$ 4,372</u>
Weighted Average Common Shares	9,693,271	9,246,683	9,650,000	9,074,506
Weighted Average Common Units	235,032	377,491	235,032	502,555
Total Common Shares and Units	<u>9,928,303</u>	<u>9,624,174</u>	<u>9,885,032</u>	<u>9,577,061</u>
FFO per Common Share and Common Units	<u>\$ (0.39)</u>	<u>\$ 0.20</u>	<u>\$ (0.28)</u>	<u>\$ 0.36</u>
AFFO per Common Share and Common Units	<u>\$ 0.16</u>	<u>\$ 0.25</u>	<u>\$ 0.27</u>	<u>\$ 0.46</u>

(1) Other non-recurring expenses are described in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Quarterly Report on Form 10-Q for the periods ended June 30, 2019.

**Wheeler Real Estate Investment Trust, Inc. and Subsidiaries**  
**Reconciliation of Property Net Operating Income**  
(unaudited, in thousands)

	Three Months Ended June 30,					
	Same Store		New Store		Total	
	2019	2018	2019	2018	2019	2018
<b>Net Loss</b>	\$ (7,146)	\$ (1,486)	\$ (17)	\$ (74)	\$ (7,163)	\$ (1,560)
Adjustments:						
Income from Discontinued Operations	—	(903)	—	—	—	(903)
Income tax expense	7	17	—	—	7	17
Interest expense	4,218	4,432	729	748	4,947	5,180
Interest income	—	(1)	—	—	—	(1)
Loss on disposal of properties	—	—	331	—	331	—
Corporate general & administrative	1,361	2,223	19	45	1,380	2,268
Impairment of assets held for sale	1,147	—	—	—	1,147	—
Impairment of notes receivable	5,000	—	—	—	5,000	—
Depreciation and amortization	4,324	6,104	963	1,318	5,287	7,422
Non-REIT management and leasing services	1	—	—	—	1	—
Asset management and commission revenues	(18)	(83)	—	—	(18)	(83)
<b>Property Net Operating Income</b>	<b>\$ 8,894</b>	<b>\$ 10,303</b>	<b>\$ 2,025</b>	<b>\$ 2,037</b>	<b>\$ 10,919</b>	<b>\$ 12,340</b>
Property revenues	\$ 12,674	\$ 14,094	\$ 2,840	\$ 2,764	\$ 15,514	\$ 16,858
Property expenses	3,780	3,791	815	727	4,595	4,518
<b>Property Net Operating Income</b>	<b>\$ 8,894</b>	<b>\$ 10,303</b>	<b>\$ 2,025</b>	<b>\$ 2,037</b>	<b>\$ 10,919</b>	<b>\$ 12,340</b>

**Wheeler Real Estate Investment Trust, Inc. and Subsidiaries**  
**Reconciliation of Property Net Operating Income (Continued)**  
(unaudited, in thousands)

	Six Months Ended June 30,					
	Same Store		New Store		Total	
	2019	2018	2019	2018	2019	2018
<b>Net (Loss) Income</b>	\$ (6,513)	\$ (3,418)	\$ 5	\$ (14)	\$ (6,508)	\$ (3,432)
Adjustments:						
Income from Discontinued Operations	—	(903)	—	—	—	(903)
Income tax expense	15	42	—	—	15	42
Interest expense	8,286	8,406	1,454	1,351	9,740	9,757
Interest income	(1)	(2)	—	—	(1)	(2)
(Gain) Loss on disposal of properties	(1,839)	(1,055)	331	—	(1,508)	(1,055)
Corporate general & administrative	3,072	4,722	122	54	3,194	4,776
Impairment of assets held for sale	1,147	—	—	—	1,147	—
Impairment of notes receivable	5,000	—	—	—	5,000	—
Depreciation and amortization	9,067	12,599	2,036	2,299	11,103	14,898
Non-REIT management and leasing services	24	36	—	—	24	36
Asset management and commission revenues	(73)	(222)	—	—	(73)	(222)
<b>Property Net Operating Income</b>	<b>\$ 18,185</b>	<b>\$ 20,205</b>	<b>\$ 3,948</b>	<b>\$ 3,690</b>	<b>\$ 22,133</b>	<b>\$ 23,895</b>
Property revenues	\$ 25,896	\$ 27,966	\$ 5,558	\$ 5,046	\$ 31,454	\$ 33,012
Property expenses	7,711	7,761	1,610	1,356	9,321	9,117
<b>Property Net Operating Income</b>	<b>\$ 18,185</b>	<b>\$ 20,205</b>	<b>\$ 3,948</b>	<b>\$ 3,690</b>	<b>\$ 22,133</b>	<b>\$ 23,895</b>



**Wheeler Real Estate Investment Trust, Inc. and Subsidiaries**  
**Reconciliation of Earnings Before Interest, Taxes, Depreciation and Amortization - EBITDA**  
(unaudited, in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net Loss	\$ (7,163)	\$ (1,560)	\$ (6,508)	\$ (3,432)
Add back:				
Depreciation and amortization <sup>(1)</sup>	5,093	7,336	10,683	14,790
Interest Expense <sup>(2)</sup>	4,947	5,180	9,740	9,757
Income tax expense	7	17	15	42
EBITDA	2,884	10,973	13,930	21,157
Adjustments for items affecting comparability:				
Acquisition and development costs	20	257	24	264
Capital related costs	62	245	136	298
Other non-recurring and non-cash expenses <sup>(3)</sup>	2	—	26	103
Impairment of notes receivable	5,000	—	5,000	—
Impairment of assets held for sale	1,147	—	1,147	—
Loss (Gain) on disposal of properties	331	—	(1,508)	(1,055)
Gain on disposal of properties - discontinued operations	—	(903)	—	(903)
Adjusted EBITDA	\$ 9,446	\$ 10,572	\$ 18,755	\$ 19,864

(1) Includes above (below) market lease amortization.

(2) Includes loan cost amortization.

(3) Other non-recurring expenses are described in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Quarterly Report on Form 10-Q for the period ended June 30, 2019.



# WHLR

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REAL ESTATE INVESTMENT TRUST

**Supplemental Operating and Financial Data**  
*for the three and six months June 30, 2019*

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# Table of Contents

	Page
<b>Company Overview</b>	3
<b>Financial and Portfolio Overview</b>	4
<b>Financial Summary</b>	
Consolidated Balance Sheets	5
Consolidated Statements of Operations	6
Reconciliation of Non-GAAP Measures	7
Debt Summary	10
<b>Portfolio Summary</b>	
Property Summary	12
Top Ten Tenants by Annualized Base Rent	14
Leasing Summary	15
<b>Definitions</b>	18

## 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 owning and operating 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. Wheeler's common stock, Series B convertible preferred stock and Series D cumulative convertible preferred stock trade publicly on the Nasdaq under the symbols "WHLR", "WHLRP" and "WHLRD", 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  
Website: [www.whlr.us](http://www.whlr.us)

## Executive Management

David Kelly - President & CEO  
Matthew T. Reddy - CFO  
M. Andrew Franklin - COO

## Board of Directors

Andrew R. Jones (Chairman)	John P. McAuliffe
Sean F. Armstrong	Carl B. McGowan, Jr.
Stewart J. Brown	Jeffrey M. Zwerdling
David Kelly	

## Investor Relations Contact

Mary Jensen [investorrelations@whlr.us](mailto:investorrelations@whlr.us)  
2529 Virginia Beach Boulevard  
Virginia Beach, VA 23452  
Phone: (757) 627-9088  
[www.whlr.us](http://www.whlr.us)

## Transfer Agent and Registrar

Computershare Trust Company, N.A.  
250 Royall Street  
Canton, MA 02021  
[www.computershare.com](http://www.computershare.com)

# Financial and Portfolio Overview

For the Three Months Ended June 30, 2019

Financial Results	
Net loss attributable to Wheeler REIT common shareholders (in 000s)	\$ (10,709)
Net loss per basic and diluted shares	\$ (1.10)
Funds from operations available to common shareholders and Operating Partnership (OP) unitholders (FFO) (in 000s) <sup>(1)</sup>	\$ (3,885)
FFO per common share and OP unit	\$ (0.39)
Adjusted FFO (AFFO) (in 000s) <sup>(1)</sup>	\$ 1,576
AFFO per common share and OP unit	\$ 0.16

Assets and Leverage	
Investment Properties, net of \$44.90 million accumulated depreciation (in 000s)	\$ 422,506
Cash and Cash Equivalents (in 000s)	\$ 3,934
Total Assets (in 000s)	\$ 498,790
Debt to Total Assets <sup>(3)</sup>	71.68%
Debt to Gross Asset Value	62.91%

Market Capitalization	
Common shares outstanding	9,693,271
OP units outstanding	235,032
Total common shares and OP units	9,928,303

	Shares Outstanding at June 30, 2019	Second Quarter stock price range	Stock price as of June 30, 2019
Common Stock	9,693,271	\$1.26 - \$2.74	\$ 1.39
Series B preferred shares	1,875,748	\$11.84 - \$15.13	\$ 13.90
Series D preferred shares	3,600,636	\$13.55 - \$15.55	\$ 15.05
Total debt (in 000s) <sup>(3)</sup>			\$ 357,522
Common Stock market capitalization (as of June 30, 2019 closing stock price, in 000s)			\$ 13,474

Portfolio Summary	
Total Leasable Area (GLA) in sq. ft.	5,701,543
Occupancy Rate	89.2%
Leased Rate <sup>(2)</sup>	89.3%
Annualized Base Rent (in 000s)	\$ 48,686
Total number of leases signed or renewed during the second quarter of 2019	45
Total sq. ft. leases signed or renewed during the second quarter of 2019	114,814

- (1) See page 18 for the Company's definition of this non-GAAP measurement and reasons for using it.  
(2) Reflects leases executed through July 2, 2019 that commence subsequent to the end of current period.  
(3) Includes debt associated with assets held for sale.

# Consolidated Balance Sheets

\$ in 000s

	June 30, 2019 (unaudited)	December 31, 2018
<b>ASSETS:</b>		
Investment properties, net	\$ 422,506	\$ 436,006
Cash and cash equivalents	3,934	3,544
Restricted cash	16,426	14,455
Rents and other tenant receivables, net	5,546	5,539
Notes receivable, net	—	5,000
Assets held for sale	6,799	6,118
Above market lease intangibles, net	6,136	7,346
Operating lease right-of-use assets	11,762	—
Deferred costs and other assets, net	25,681	30,073
<b>Total Assets</b>	<b>\$ 498,790</b>	<b>\$ 508,081</b>
<b>LIABILITIES:</b>		
Loans payable, net	\$ 346,558	\$ 360,190
Liabilities associated with assets held for sale	6,850	4,520
Below market lease intangibles, net	8,576	10,045
Operating lease liabilities	11,937	—
Accounts payable, accrued expenses and other liabilities	10,001	12,116
<b>Total Liabilities</b>	<b>383,922</b>	<b>386,871</b>
Series D Cumulative Convertible Preferred Stock (no par value, 4,000,000 shares authorized, 3,600,636 shares issued and outstanding; \$96.82 million and \$91.98 million aggregate liquidation preference, respectively)	82,090	76,955
<b>EQUITY:</b>		
Series A Preferred Stock (no par value, 4,500 shares authorized, 562 shares issued and outstanding)	453	453
Series B Convertible Preferred Stock (no par value, 5,000,000 authorized, 1,875,748 shares issued and outstanding; \$46.90 million aggregate liquidation preference)	41,044	41,000
Common Stock (\$0.01 par value, 18,750,000 shares authorized, 9,693,271 and 9,511,464 shares issued and outstanding, respectively)	97	95
Additional paid-in capital	233,861	233,697
Accumulated deficit	(244,772)	(233,184)
<b>Total Shareholders' Equity</b>	<b>30,683</b>	<b>42,061</b>
Noncontrolling interests	2,095	2,194
<b>Total Equity</b>	<b>32,778</b>	<b>44,255</b>
<b>Total Liabilities and Equity</b>	<b>\$ 498,790</b>	<b>\$ 508,081</b>

# Consolidated Statements of Operations

\$ in 000s

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
<b>REVENUE:</b>				
Rental revenues	\$ 15,391	\$ 15,711	\$ 31,161	\$ 31,532
Asset management fees	13	47	26	172
Commissions	5	36	47	50
Other revenues	123	1,147	293	1,480
<b>Total Revenue</b>	<b>15,532</b>	<b>16,941</b>	<b>31,527</b>	<b>33,234</b>
<b>OPERATING EXPENSES:</b>				
Property operations	4,595	4,518	9,321	9,117
Non-REIT management and leasing services	1	—	24	36
Depreciation and amortization	5,287	7,422	11,103	14,898
Impairment of notes receivable	5,000	—	5,000	—
Impairment of assets held for sale	1,147	—	1,147	—
Corporate general & administrative	1,380	2,268	3,194	4,776
<b>Total Operating Expenses</b>	<b>17,410</b>	<b>14,208</b>	<b>29,789</b>	<b>28,827</b>
(Loss) gain on disposal of properties	(331)	—	1,508	1,055
<b>Operating (Loss) Income</b>	<b>(2,209)</b>	<b>2,733</b>	<b>3,246</b>	<b>5,462</b>
Interest income	—	1	1	2
Interest expense	(4,947)	(5,180)	(9,740)	(9,757)
<b>Net Loss from Continuing Operations Before Income Taxes</b>	<b>(7,156)</b>	<b>(2,446)</b>	<b>(6,493)</b>	<b>(4,293)</b>
Income tax expense	(7)	(17)	(15)	(42)
<b>Net Loss from Continuing Operations</b>	<b>(7,163)</b>	<b>(2,463)</b>	<b>(6,508)</b>	<b>(4,335)</b>
<b>Income from Discontinued Operations</b>	<b>—</b>	<b>903</b>	<b>—</b>	<b>903</b>
<b>Net Loss</b>	<b>(7,163)</b>	<b>(1,560)</b>	<b>(6,508)</b>	<b>(3,432)</b>
Less: Net loss attributable to noncontrolling interests	(112)	(35)	(99)	(82)
<b>Net Loss Attributable to Wheeler REIT</b>	<b>(7,051)</b>	<b>(1,525)</b>	<b>(6,409)</b>	<b>(3,350)</b>
Preferred Stock dividends - declared	—	(3,206)	—	(6,413)
Preferred Stock dividends - undeclared	(3,658)	—	(7,315)	—
<b>Net Loss Attributable to Wheeler REIT Common Shareholders</b>	<b>\$ (10,709)</b>	<b>\$ (4,731)</b>	<b>\$ (13,724)</b>	<b>\$ (9,763)</b>
Loss per share from continuing operations (basic and diluted)	\$ (1.10)	\$ (0.61)	\$ (1.42)	\$ (1.18)
Income per share from discontinued operations	—	0.10	—	0.10
	<b>\$ (1.10)</b>	<b>\$ (0.51)</b>	<b>\$ (1.42)</b>	<b>\$ (1.08)</b>
Weighted-average number of shares:				
Basic and Diluted	9,693,271	9,246,683	9,650,000	9,074,506

# Reconciliation of Non-GAAP Measures

## FFO and AFFO (1)

\$ in 000s

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net Loss	\$ (7,163)	\$ (1,560)	\$ (6,508)	\$ (3,432)
Depreciation and amortization of real estate assets	5,287	7,422	11,103	14,898
Impairment of assets held for sale	1,147	—	1,147	—
Loss (Gain) on disposal of properties	331	—	(1,508)	(1,055)
Gain on disposal of properties-discontinued operations	—	(903)	—	(903)
FFO	(398)	4,959	4,234	9,508
Preferred stock dividends declared	—	(3,206)	—	(6,413)
Preferred stock dividends undeclared	(3,658)	—	(7,315)	—
Preferred stock accretion adjustments	171	170	341	340
FFO available to common shareholders and common unitholders	(3,885)	1,923	(2,740)	3,435
Impairment of note receivable	5,000	—	5,000	—
Acquisition and development costs	20	257	24	264
Capital related costs	62	245	136	298
Other non-recurring and non-cash expenses <sup>(2)</sup>	2	—	26	103
Share-based compensation	82	67	172	486
Straight-line rental revenue, net straight-line expense	240	(394)	85	(589)
Loan cost amortization	535	678	927	1,057
(Below) above market lease amortization	(194)	(86)	(420)	(108)
Recurring capital expenditures and tenant improvement reserves	(286)	(284)	(570)	(574)
AFFO	\$ 1,576	\$ 2,406	\$ 2,640	\$ 4,372
Weighted Average Common Shares	9,693,271	9,246,683	9,650,000	9,074,506
Weighted Average Common Units	235,032	377,491	235,032	502,555
Total Common Shares and Units	9,928,303	9,624,174	9,885,032	9,577,061
FFO per Common Share and Common Units	\$ (0.39)	\$ 0.20	\$ (0.28)	\$ 0.36
AFFO per Common Share and Common Units	\$ 0.16	\$ 0.25	\$ 0.27	\$ 0.46

(1) See page 18 for the Company's definition of this non-GAAP measurement and reasons for using it.

(2) Other non-recurring expenses are described in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Quarterly Report on Form 10-Q for the three and six months ended June 30, 2019.



# Reconciliation of Non-GAAP Measures (continued)

## Property Net Operating Income <sup>(1)</sup>

\$ in 000s

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
<b>Net Loss</b>	\$ (7,163)	\$ (1,560)	\$ (6,508)	\$ (3,432)
Adjustments:				
Income from Discontinued Operations	—	(903)	—	(903)
Income tax expense	7	17	15	42
Interest expense	4,947	5,180	9,740	9,757
Interest income	—	(1)	(1)	(2)
Loss (Gain) on disposal of properties	331	—	(1,508)	(1,055)
Corporate general & administrative	1,380	2,268	3,194	4,776
Impairment of assets held for sale	1,147	—	1,147	—
Impairment of notes receivable	5,000	—	5,000	—
Depreciation and amortization	5,287	7,422	11,103	14,898
Non-REIT management and leasing services	1	—	24	36
Asset management and commission revenues	(18)	(83)	(73)	(222)
<b>Property Net Operating Income</b>	<b>\$ 10,919</b>	<b>\$ 12,340</b>	<b>\$ 22,133</b>	<b>\$ 23,895</b>
Property revenues	\$ 15,514	\$ 16,858	\$ 31,454	\$ 33,012
Property expenses	4,595	4,518	9,321	9,117
<b>Property Net Operating Income</b>	<b>\$ 10,919</b>	<b>\$ 12,340</b>	<b>\$ 22,133</b>	<b>\$ 23,895</b>

(1) See page 19 for the Company's definition of this non-GAAP measurement and reasons for using it.

## Reconciliation of Non-GAAP Measures (continued)

### EBITDA <sup>(4)</sup>

\$ in 000s

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net Loss	\$ (7,163)	\$ (1,560)	\$ (6,508)	\$ (3,432)
Add back:				
Depreciation and amortization <sup>(1)</sup>	5,093	7,336	10,683	14,790
Interest Expense <sup>(2)</sup>	4,947	5,180	9,740	9,757
Income tax expense	7	17	15	42
<b>EBITDA</b>	<b>2,884</b>	<b>10,973</b>	<b>13,930</b>	<b>21,157</b>
Adjustments for items affecting comparability:				
Acquisition and development costs	20	257	24	264
Capital related costs	62	245	136	298
Other non-recurring and non-cash expenses <sup>(3)</sup>	2	—	26	103
Impairment of notes receivable	5,000	—	5,000	—
Impairment of assets held for sale	1,147	—	1,147	—
Loss (Gain) on disposal of properties	331	—	(1,508)	(1,055)
Gain on disposal of properties - discontinued operations	—	(903)	—	(903)
<b>Adjusted EBITDA</b>	<b>\$ 9,446</b>	<b>\$ 10,572</b>	<b>\$ 18,755</b>	<b>\$ 19,864</b>

(1) Includes above (below) market lease amortization.

(2) Includes loan cost amortization.

(3) Other non-recurring expenses are described in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Quarterly Report on Form 10-Q for the period ended June 30, 2019.

(4) See page 18 for the Company's definition of this non-GAAP measurement and reasons for using it.

# Debt Summary as of June 30, 2019

\$ in 000s

Loans Payable: \$357.52 million  
 Weighted Average Interest Rate: 4.77%  
 Total Debt to Total Assets: 71.68%

Property/Description	Monthly Payment	Interest Rate	Maturity	June 30, 2019	December 31, 2018
Harbor Pointe <sup>(1)</sup>	\$ 11,024	5.85 %	December 2018	\$ —	\$ 460
Perimeter Square <sup>(1)</sup>	Interest only	6.50 %	June 2019	6,250	6,250
Perimeter Square construction loan <sup>(1)</sup>	Interest only	6.50 %	June 2019	247	247
Revere Term Loan	\$ 109,658	10.00 %	April 2019	—	1,059
Senior convertible notes	\$ 234,199	9.00 %	June 2019	—	1,369
DF I-Moyock	\$ 10,665	5.00 %	July 2019	11	73
Rivergate	\$ 150,001	Libor + 295 basis points	December 2019	21,831	22,117
KeyBank Line of Credit <sup>(6)</sup>	\$ 250,000	Libor + 250 basis points	Various <sup>(6)</sup>	34,291	52,102
Folly Road	\$ 32,827	4.00 %	March 2020	5,998	6,073
Columbia Fire Station	\$ 25,452	4.00 %	May 2020	4,120	4,189
Shoppes at TJ Maxx	\$ 33,880	3.88 %	May 2020	5,443	5,539
First National Bank Line of Credit	\$ 24,656	Libor + 300 basis points	September 2020	1,325	2,938
Lumber River	\$ 10,723	Libor + 350 basis points	October 2020	1,427	1,448
JANAF Bravo	\$ 36,935	4.65 %	January 2021	6,442	6,500
Walnut Hill Plaza	\$ 26,850	5.50 %	September 2022	3,814	3,868
Twin City Commons	\$ 17,827	4.86 %	January 2023	3,016	3,048
New Market	\$ 48,747	5.65 %	June 2023	6,811	6,907
Benefit Street Note <sup>(3)</sup>	\$ 53,185	5.71 %	June 2023	7,466	7,567
Deutsche Bank Note <sup>(2)</sup>	\$ 33,340	5.71 %	July 2023	5,678	5,713
JANAF	\$ 333,159	4.49 %	July 2023	51,432	52,253
Tampa Festival	\$ 50,797	5.56 %	September 2023	8,153	8,227
Forrest Gallery	\$ 50,973	5.40 %	September 2023	8,455	8,529
Riversedge North	\$ 11,436	5.77 %	December 2023	1,783	1,800
South Carolina Food Lions Note <sup>(5)</sup>	\$ 68,320	5.25 %	January 2024	11,771	11,867
Cypress Shopping Center	\$ 34,360	4.70 %	July 2024	6,324	6,379
Port Crossing	\$ 34,788	4.84 %	August 2024	6,092	6,150
Freeway Junction	\$ 41,798	4.60 %	September 2024	7,794	7,863
Harrodsburg Marketplace	\$ 19,112	4.55 %	September 2024	3,452	3,486
Graystone Crossing <sup>(1)</sup>	\$ 20,386	4.55 %	October 2024	—	3,863
Bryan Station	\$ 23,489	4.52 %	November 2024	4,433	4,472
Crockett Square	Interest only	4.47 %	December 2024	6,338	6,338
Pierpont Centre	Interest only	4.15 %	February 2025	8,113	8,113
Alex City Marketplace	Interest only	3.95 %	April 2025	5,750	5,750
Butler Square	Interest only	3.90 %	May 2025	5,640	5,640
Brook Run Shopping Center	Interest only	4.08 %	June 2025	10,950	10,950
Beaver Run Village I and II	Interest only	4.73 %	July 2025	9,400	9,400
Sunshine Shopping Plaza	Interest only	4.57 %	August 2025	5,900	5,900
Barnett Portfolio <sup>(4)</sup>	Interest only	4.30 %	September 2025	8,770	8,770
Fort Howard Shopping Center	Interest only	4.57 %	October 2025	7,100	7,100
Conyers Crossing	Interest only	4.67 %	October 2025	5,960	5,960
Grove Park Shopping Center	Interest only	4.52 %	October 2025	3,800	3,800
Parkway Plaza	Interest only	4.57 %	October 2025	3,500	3,500
Winslow Plaza	Interest only	4.82 %	December 2025	4,620	4,620
JANAF BJ's	\$ 29,964	4.95 %	January 2026	5,011	5,065
Chesapeake Square	\$ 23,857	4.70 %	August 2026	4,395	4,434
Berkley/Sangaree/Tri-County	Interest only	4.78 %	December 2026	9,400	9,400
Riverbridge	Interest only	4.48 %	December 2026	4,000	4,000
Franklin Village	Interest only	4.93 %	January 2027	8,516	8,516
Village of Martinsville	\$ 89,664	4.28 %	July 2029	16,500	—
Total Principal Balance <sup>(1)</sup>				357,522	369,612
Unamortized debt issuance cost <sup>(1)</sup>				(4,467)	(5,144)
Total Loans Payable, including Assets Held for Sale				353,055	364,468
Less loans payable on assets held for sale, net loan amortization costs				6,497	4,278
Total Loans Payable, net				\$ 346,558	\$ 360,190

(1) Includes loans payable on assets held for sale, see Note 3.

(2) Collateralized by LaGrange Marketplace, Ridgeland and Georgetown.

(3) Collateralized by Ladson Crossing, Lake Greenwood Crossing and South Park.

(4) Collateralized by Cardinal Plaza, Franklinton Square, and Nashville Commons.

(5) Collateralized by Clover Plaza, South Square, St. George, Waterway Plaza and Westland Square.

(6) Collateralized by Darien Shopping Center, Devine Street, Laburnum Square, Lake Murray, Litchfield Market Village, Moncks Corner, Shoppes at Myrtle Park, South Lake and St. Matthews. The various maturity dates are disclosed in Note 6 of the Form 10-Q under the KeyBank Credit Agreement.

## Debt Summary as of June 30, 2019 (continued)

### Total Debt

\$ in 000s

<b>Scheduled principal repayments and maturities by year</b>	<b>Amount</b>	<b>% Total Principal Payments and Maturities</b>
For the remaining six months ended December 31, 2019	\$ 64,997	18.18 %
December 31, 2020	22,508	6.30 %
December 31, 2021	10,944	3.06 %
December 31, 2022	8,482	2.37 %
December 31, 2023	85,326	23.87 %
December 31, 2024	43,980	12.30 %
Thereafter	121,285	33.92 %
Total principal repayments and debt maturities	\$ 357,522	100.00 %

# Property Summary as of June 30, 2019

Property	Location	Number of Tenants (1)	Total Leasable Square Feet	Percentage Leased (1)	Percentage Occupied	Total SF Occupied	Annualized Base Rent (in 000's) (2)	Annualized Base Rent per Occupied Sq. Foot
Alex City Marketplace	Alexander City, AL	17	147,791	96.8 %	96.8 %	142,991	\$ 1,129	\$ 7.90
Amscot Building (3)	Tampa, FL	1	2,500	100.0 %	100.0 %	2,500	116	46.34
Beaver Ruin Village	Liburn, GA	26	74,038	83.1 %	83.1 %	61,501	1,068	17.37
Beaver Ruin Village II	Liburn, GA	4	34,925	100.0 %	100.0 %	34,925	450	12.87
Berkley (4)	Norfolk, VA	—	—	— %	— %	—	—	—
Berkley Shopping Center	Norfolk, VA	10	47,945	42.0 %	42.0 %	20,140	251	12.47
Brook Run Shopping Center	Richmond, VA	19	147,738	92.1 %	92.1 %	136,102	1,490	10.95
Brook Run Properties (4)	Richmond, VA	—	—	— %	— %	—	—	—
Bryan Station	Lexington, KY	10	54,397	100.0 %	100.0 %	54,397	596	10.96
Butler Square	Mauldin, SC	15	82,400	94.9 %	94.9 %	78,196	825	10.55
Cardinal Plaza	Henderson, NC	7	50,000	97.0 %	94.0 %	47,000	450	9.57
Chesapeake Square	Onley, VA	13	108,982	97.8 %	97.8 %	106,582	805	7.56
Clover Plaza	Clover, SC	10	45,575	100.0 %	100.0 %	45,575	364	7.98
Columbia Fire Station	Columbia, SC	3	21,273	77.3 %	77.3 %	16,450	450	27.35
Courtland Commons (4)	Courtland, VA	—	—	— %	— %	—	—	—
Conyers Crossing	Conyers, GA	11	170,475	96.3 %	96.3 %	164,075	834	5.09
Crockett Square	Morristown, TN	4	107,122	100.0 %	100.0 %	107,122	920	8.59
Cypress Shopping Center	Boiling Springs, SC	16	80,435	39.5 %	39.5 %	31,775	424	13.34
Darien Shopping Center	Darien, GA	1	26,001	100.0 %	100.0 %	26,001	156	6.00
Devine Street	Columbia, SC	2	38,464	100.0 %	100.0 %	38,464	319	8.28
Edenton Commons (4)	Edenton, NC	—	—	— %	— %	—	—	—
Folly Road	Charleston, SC	5	47,794	100.0 %	100.0 %	47,794	727	15.21
Forrest Gallery	Tullahoma, TN	24	214,451	94.5 %	93.0 %	199,504	1,345	6.74
Fort Howard Shopping Center	Rincon, GA	17	113,652	91.2 %	91.2 %	103,620	856	8.26
Freeway Junction	Stockbridge, GA	17	156,834	96.9 %	96.9 %	151,924	1,190	7.83
Franklin Village	Kittanning, PA	27	151,821	98.7 %	98.7 %	149,821	1,204	8.04
Franklinton Square	Franklinton, NC	13	65,366	93.0 %	93.0 %	60,800	567	9.32
Georgetown	Georgetown, SC	2	29,572	100.0 %	100.0 %	29,572	267	9.04
Grove Park	Orangeburg, SC	13	106,557	86.1 %	86.1 %	91,741	713	7.78
Harbor Point (4)	Grove, OK	—	—	— %	— %	—	—	—
Harrodsburg Marketplace	Harrodsburg, KY	8	60,048	91.0 %	91.0 %	54,648	414	7.58
JANAF (6)	Norfolk, VA	132	825,006	84.6 %	84.5 %	697,198	8,225	11.80
Laburnum Square	Richmond, VA	20	109,405	97.5 %	97.5 %	106,705	968	9.07
Ladson Crossing	Ladson, SC	15	52,607	100.0 %	100.0 %	52,607	494	9.39
LaGrange Marketplace	LaGrange, GA	11	76,594	88.3 %	88.3 %	67,594	367	5.42
Lake Greenwood Crossing	Greenwood, SC	5	47,546	85.0 %	85.0 %	40,418	317	7.85
Lake Murray	Lexington, SC	5	39,218	100.0 %	100.0 %	39,218	256	6.53
Litchfield Market Village	Pawleys Island, SC	18	86,740	87.9 %	87.9 %	76,263	925	12.13
Lumber River Village	Lumberton, NC	11	66,781	98.2 %	98.2 %	65,581	448	6.83
Moncks Corner	Moncks Corner, SC	1	26,800	100.0 %	100.0 %	26,800	323	12.07
Nashville Commons	Nashville, NC	12	56,100	99.9 %	99.9 %	56,050	605	10.79
New Market Crossing	Mt. Airy, NC	13	117,076	96.0 %	96.0 %	112,368	984	8.76
Parkway Plaza	Brunswick, GA	4	52,365	81.7 %	81.7 %	42,785	349	8.15
Perimeter Square	Tulsa, OK	10	58,277	100.0 %	100.0 %	58,277	529	9.08
Pierpont Centre	Morgantown, WV	17	122,259	88.3 %	88.3 %	108,001	1,232	11.41
Port Crossing	Harrisonburg, VA	9	65,365	97.9 %	97.9 %	64,000	842	13.16
Ridgeland	Ridgeland, SC	1	20,029	100.0 %	100.0 %	20,029	140	7.00
Riverbridge Shopping Center	Carrollton, GA	11	91,188	98.5 %	98.5 %	89,788	689	7.68
Riversedge North (5)	Virginia Beach, VA	—	—	— %	— %	—	—	—
Rivergate Shopping Center	Macon, GA	31	201,680	98.0 %	97.5 %	196,719	2,817	14.32
Sangaree Plaza	Summerville, SC	9	66,948	100.0 %	100.0 %	66,948	655	9.78

# Property Summary as of June 30, 2019 (continued)

Property	Location	Number of Tenants (1)	Total Leasable Square Feet	Percentage Leased (1)	Occupied Square Foot Percentage	Total SF Occupied	Annualized Base Rent (in 000's) (2)	Annualized Base Rent per Occupied Sq. Foot
Shoppes at Myrtle Park	Bluffton, SC	12	56,601	76.3 %	76.3 %	43,204	\$ 546	\$ 12.63
Shoppes at TJ Maxx	Richmond, VA	16	93,624	95.9 %	95.9 %	89,815	1,074	11.96
South Lake	Lexington, SC	5	44,318	14.2 %	14.2 %	6,300	91	14.49
South Park	Mullins, SC	3	60,734	83.2 %	83.2 %	50,509	351	6.95
South Square	Lancaster, SC	5	44,350	74.2 %	74.2 %	32,900	272	8.27
St. George Plaza	St. George, SC	6	59,279	86.5 %	86.5 %	51,278	332	6.48
St. Matthews	St. Matthews, SC	5	29,015	87.2 %	87.2 %	25,314	186	7.33
Sunshine Plaza	Lehigh Acres, FL	21	111,189	97.8 %	97.8 %	108,740	1,001	9.21
Surrey Plaza	Hawkinsville, GA	2	42,680	78.5 %	78.5 %	33,500	211	6.30
Tampa Festival	Tampa, FL	17	137,987	63.2 %	63.2 %	87,266	643	7.36
Tri-County Plaza	Royston, GA	5	67,577	87.4 %	87.4 %	59,077	382	6.47
Tulls Creek (4)	Moyock, NC	—	—	—%	—%	—	—	—
Twin City Commons	Batesburg-Leesville, SC	5	47,680	100.0 %	100.0 %	47,680	435	9.12
Village of Martinsville	Martinsville, VA	18	297,950	96.1 %	96.1 %	286,431	2,227	7.77
Walnut Hill Plaza	Petersburg, VA	6	87,239	34.3 %	34.3 %	29,957	255	8.51
Waterway Plaza	Little River, SC	10	49,750	100.0 %	100.0 %	49,750	486	9.78
Westland Square	West Columbia, SC	10	62,735	80.8 %	80.8 %	50,690	473	9.33
Winslow Plaza	Sicklerville, NJ	18	40,695	100.0 %	100.0 %	40,695	626	15.38
<b>Total Portfolio</b>		<b>794</b>	<b>5,701,543</b>	<b>89.3 %</b>	<b>89.2 %</b>	<b>5,083,675</b>	<b>48,686</b>	<b>\$ 9.58</b>

(1) Reflects leases executed through July 2, 2019 that commence subsequent to the end of the current period.

(2) Annualized based rent per occupied square foot, assumes base rent as of the end of the current reporting period, excludes the impact of tenant concessions and rent abatements.

(3) We own the Amscot building, but we do not own the land underneath the buildings and instead lease the land pursuant to ground leases. As discussed in the financial statements, these ground leases require us to make annual rental payments and contain escalation clauses and renewal options.

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

(5) This property is our corporate headquarters that we 100% occupy.

(6) Square footage is net of management office the Company occupies on premise and buildings on ground lease which the Company only leases the land.

# Top Ten Tenants by Annualized Base Rent as of June 30, 2019

Total Tenants : 794

Tenants	Annualized Base Rent (\$ in 000s)	% of Total Annualized Base Rent	Total Occupied Square Feet	Percent Total Leasable Square Foot	Base Rent Per Occupied Square Foot
1. BI-LO <sup>(1)</sup>	\$ 2,717	5.58 %	380,675	6.68 %	\$ 7.14
2. Food Lion	2,692	5.53 %	325,576	5.71 %	8.27
3. Piggly Wiggly	1,474	3.03 %	191,363	3.36 %	7.70
4. Kroger	1,324	2.72 %	186,064	3.26 %	7.12
5. Winn Dixie <sup>(1)</sup>	863	1.77 %	133,575	2.34 %	6.46
6. Planet Fitness	783	1.61 %	86,927	1.52 %	9.01
7. Hobby Lobby	675	1.39 %	114,298	2.00 %	5.91
8. Dollar Tree	660	1.36 %	87,133	1.53 %	7.57
9. BJ's Wholesale Club	594	1.22 %	147,400	2.59 %	4.03
10. TJ Maxx	583	1.20 %	69,783	1.22 %	8.35
	<u>\$ 12,365</u>	<u>25.41 %</u>	<u>1,722,794</u>	<u>30.21 %</u>	<u>\$ 7.18</u>

(1) These tenants are both owned by Southeastern Grocers.



# Leasing Summary as of June 30, 2019

Total Leasable Area: 5,701,543 square feet  
 Total Square Footage Occupied: 5,083,675 square feet  
 Occupancy Rate: 89.2%

## Lease Expiration Schedule

Lease Expiration Period	Number of Expiring Leases	Total Expiring Square Footage	% of Total Expiring Square Footage	% of Total Occupied Square Footage Expiring	Expiring Annualized Base Rent (in 000s)	% of Total Annualized Base Rent	Expiring Base Rent Per Occupied Square Foot
Available	—	617,868	10.84%	—%	\$ —	—%	\$ —
Month-to-Month	17	34,597	0.61%	0.68%	407	0.84%	11.76
2019	73	203,118	3.56%	4.00%	2,197	4.51%	10.82
2020	170	1,208,403	21.19%	23.77%	9,783	20.09%	8.10
2021	139	703,786	12.34%	13.84%	7,075	14.53%	10.05
2022	134	513,555	9.01%	10.10%	6,070	12.47%	11.82
2023	96	662,866	11.63%	13.04%	6,218	12.77%	9.38
2024	66	507,434	8.90%	9.98%	4,615	9.48%	9.09
2025	23	318,017	5.58%	6.26%	3,049	6.26%	9.59
2026	23	304,186	5.34%	5.98%	2,742	5.63%	9.01
2027	11	76,837	1.35%	1.51%	957	1.97%	12.45
2028 and thereafter	42	550,876	9.65%	10.84%	5,573	11.45%	10.12
<b>Total</b>	<b>794</b>	<b>5,701,543</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$ 48,686</b>	<b>100.00%</b>	<b>\$ 9.58</b>

# Leasing Summary as of June 30, 2019 (continued)

## Anchor Lease Expiration Schedule <sup>(1)</sup>

Lease Expiration Six and Twelve Month Periods Ending December 31,	No Option					Option				
	Number of Expiring Leases	Expiring Occupied Square Footage	Expiring Annualized Based Rent (in 000s)	% of Total Annualized Base Rent	Expiring Base Rent per Square Foot	Number of Expiring Leases	Expiring Occupied Square Footage	Expiring Annualized Based Rent (in 000s)	% of Total Annualized Base Rent	Expiring Base Rent per Square Foot
Available	—	186,164	\$ —	—%	\$ —	—	—	\$ —	—%	\$ —
Month-to-Month	—	—	—	—%	—	—	—	—	—%	—
2019	—	—	—	—%	—	1	37,500	296	1.49%	7.88
2020	1	20,858	55	7.11%	2.61	17	778,344	4,509	22.65%	5.79
2021	2	43,427	88	11.37%	2.03	10	290,769	2,361	11.86%	8.12
2022	—	—	—	—%	—	4	148,663	1,149	5.77%	7.73
2023	1	22,032	215	27.78%	9.75	13	408,495	3,059	15.37%	7.49
2024	1	32,000	115	14.85%	3.59	6	252,259	1,739	8.74%	6.90
2025	—	—	—	—%	—	6	256,248	2,122	10.66%	8.28
2026	—	—	—	—%	—	6	221,755	1,637	8.22%	7.38
2027	—	—	—	—%	—	1	24,945	212	1.07%	8.50
2028+	1	21,213	301	38.89%	14.18	12	409,055	2,820	14.17%	6.89
<b>Total</b>	<b>6</b>	<b>325,694</b>	<b>\$ 774</b>	<b>100.00%</b>	<b>\$ 5.54</b>	<b>76</b>	<b>2,828,033</b>	<b>\$ 19,904</b>	<b>100.00%</b>	<b>\$ 7.04</b>

(1) Anchors defined as leases occupying 20,000 square feet or more.

## Non-anchor Lease Expiration Schedule

Lease Expiration Six and Twelve Month Periods Ending December 31,	No Option					Option				
	Number of Expiring Leases	Expiring Occupied Square Footage	Expiring Annualized Based Rent (in 000s)	% of Total Annualized Base Rent	Expiring Base Rent per Square Foot	Number of Expiring Leases	Expiring Occupied Square Footage	Expiring Annualized Based Rent (in 000s)	% of Total Annualized Base Rent	Expiring Base Rent per Square Foot
Available	—	431,704	\$ —	—%	\$ —	—	—	\$ —	—%	\$ —
Month-to-Month	15	31,497	361	2.91%	11.48	2	3,100	46	0.29%	14.70
2019	52	111,579	1,078	8.70%	9.66	20	54,039	823	5.27%	15.24
2020	109	261,476	3,205	25.87%	12.26	43	147,725	2,014	12.90%	13.64
2021	71	167,810	2,053	16.57%	12.24	56	201,780	2,573	16.48%	12.75
2022	57	118,214	1,767	14.26%	14.95	73	246,678	3,154	20.20%	12.79
2023	39	81,427	1,033	8.34%	12.69	43	150,912	1,911	12.24%	12.66
2024	32	89,209	1,046	8.44%	11.73	27	133,966	1,715	10.98%	12.80
2025	8	20,855	270	2.18%	12.98	9	40,914	657	4.21%	16.05
2026	6	14,681	264	2.13%	17.95	11	67,750	841	5.39%	12.42
2027	—	—	—	—%	—	10	51,892	745	4.77%	14.35
2028+	15	71,335	1,314	10.60%	18.40	14	49,273	1,138	7.27%	23.09
<b>Total</b>	<b>404</b>	<b>1,399,787</b>	<b>\$ 12,391</b>	<b>100.00%</b>	<b>\$ 12.80</b>	<b>308</b>	<b>1,148,029</b>	<b>\$ 15,617</b>	<b>100.00%</b>	<b>\$ 13.60</b>

# Leasing Summary as of June 30, 2019 (continued)

## Leasing Renewals, New Leases and Expirations

	Three Months Ended June 30,		Six months Ended June 30,	
	2019	2018 (2)	2019	2018 (2)
<b>Renewals<sup>(1)</sup>:</b>				
Leases renewed with rate increase (sq feet)	90,113	164,633	180,971	258,499
Leases renewed with rate decrease (sq feet)	2,500	—	30,156	38,480
Leases renewed with no rate change (sq feet)	6,183	4,250	8,583	26,344
Total leases renewed (sq feet)	98,796	168,883	219,710	323,323
Leases renewed with rate increase (count)	30	33	49	50
Leases renewed with rate decrease (count)	1	—	8	5
Leases renewed with no rate change (count)	3	3	5	7
Total leases renewed (count)	34	36	62	62
Option exercised (count)	10	10	13	17
Weighted average on rate increases (per sq foot)	\$ 0.91	\$ 0.88	\$ 0.81	\$ 0.91
Weighted average on rate decreases (per sq foot)	\$ (13.34)	\$ —	\$ (3.36)	\$ (1.86)
Weighted average rate on all renewals (per sq foot)	\$ 0.49	\$ 0.85	\$ 0.25	\$ 0.51
Weighted average change over prior rates	3.50%	9.18%	2.29%	5.73%
<b>New Leases<sup>(1) (3)</sup>:</b>				
New leases (sq feet)	16,018	130,840	47,218	202,916
New leases (count)	11	21	19	36
Weighted average rate (per sq foot)	\$ 14.89	\$ 8.46	\$ 13.49	\$ 8.36
Gross Leasable Area ("GLA") expiring during the next 6 months, including month-to-month leases	4.17%	2.50%	4.17%	2.50%

(1) Lease data presented for the three and six months ended June 30, 2019 and 2018 is based on average rate per square foot over the renewed or new lease term.

(2) 2018 lease data adjusted to reflect average rate per square foot over the renewed or new lease term for consistency with 2019 presentation.

(3) The Company does not include ground leases entered into for the purposes of new lease sq feet and weighted average rate (per sq foot) on new leases.

## 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.