

REFINITIV

DELTA REPORT

10-Q

WHLRL - WHEELER REAL ESTATE INVE

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 1851

█	CHANGES	112
█	DELETIONS	730
█	ADDITIONS	1009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

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

For the quarterly period ended **September 30, 2023** **March 31, 2024**

OR

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

For the transition period from _____ to _____

Commission file number 001-35713

WHEELER REAL ESTATE INVESTMENT TRUST, INC.

(Exact Name of Registrant as Specified in Its Charter)

Maryland

45-2681082

(State or Other Jurisdiction of
Incorporation or Organization)

(I.R.S. Employer
Identification No.)

2529 Virginia Beach Blvd,
Virginia Beach, Virginia

23452

(Address of Principal Executive Offices)

(Zip Code)

(757) 627-9088

(Registrant's Telephone Number, Including Area Code)

N/A

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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
7.00% Subordinated Convertible Notes due 2031	WHLRL	Nasdaq Capital Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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. Yes No

As of November 3, 2023 May 2, 2024, there were 3,226,691 68,023,718 common shares, \$0.01 par value per share, outstanding.

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements	
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December 31, 2023	December 31, 2023
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ended September 30, 2023 and 2022	and nine months ended September 30, 2023 and 2022
Condensed Consolidated Statements of (Deficit) Equity (unaudited)	for the nine three months ended September 30, March 31, 2024 and 2023 and 2022
Condensed Consolidated Statements of Cash Flows (unaudited)	for the nine three months ended September 30, March 31, 2024 and 2023 and 2022
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Forward-Looking Statements CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

Certain statements made in this This Quarterly Report on Form 10-Q (the "Form 10-Q") of Wheeler Real Estate Investment Trust, Inc. (the "Trust," the "REIT," the "Company," "WHLR," "we," "our" or incorporated by reference herein are "forward-looking statements" "us") contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act" "Exchange Act"), and, as such, may involve known and unknown that are subject to risks, uncertainties and other factors which may cause the actual results, performance or achievements of Wheeler Real Estate Investment Trust, Inc. (the "Company") to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements, which are based on certain assumptions and describe the Company's Company's future plans, strategies and expectations, are generally identifiable by use of the words "may" "may", "will" "will", "should" "should", "estimates" "estimates", "projects" "projects", "anticipates" "anticipates", "believes" "believes", "expects" "expects", "intends" "intends", "future" "future", and words of similar import, or the negative thereof.

Important These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, that we think some of which are beyond our control, are difficult to predict and could cause our actual results to differ materially from those expressed or forecasted in the forward-looking statement statements.

Forward-looking statements that were true at the time may ultimately prove to be incorrect or false. You are summarized below: cautioned to not place undue reliance on forward-looking statements, which reflect our management's view only as of the date of this Form 10-Q. We undertake 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, performance or achievements to differ materially from any forward-looking statements made in this Form 10-Q include, but are not limited to:

- the adverse effect any future pandemic, endemic or outbreak of infectious disease, and mitigation efforts to control their spread;
- the use of and demand for retail space;
- general and economic business conditions, including those affecting the ability of individuals to spend in retail shopping centers and/or the rate and other terms on which we are able to lease our properties;
- tenant bankruptcies; the loss or bankruptcy of the Company's tenants;
- the state of the U.S. economy generally, or specifically in the Mid-Atlantic, Southeast, Mid-Atlantic and Northeast where our properties are geographically concentrated;
- consumer spending and confidence trends;
- availability, terms and deployment of capital;
- substantial dilution of our common stock, par value \$0.01 ("Common Stock" Stock") and steep decline in its market value resulting from the exercise by the holders of our Series D Cumulative Convertible Preferred Stock (the "Series D Preferred Stock") of their redemption rights and downward adjustment of the conversion price on our outstanding 7.00% Subordinated Convertible Notes each due 2031 (the "Convertible Notes"), each of which has already occurred and is anticipated to continue;
- our ability to register sufficient shares of our Common Stock to cover redemptions of all Series D Preferred Stock tendered to us by the holders thereof;
- the degree and nature of our competition;
- changes in governmental regulations, accounting rules, tax rates and similar matters;
- adverse economic or real estate developments in our markets of South Carolina, Georgia, Virginia, Pennsylvania, North Carolina, Massachusetts, New Jersey, Florida, Connecticut, Kentucky, Tennessee, Alabama, Maryland, West Virginia, the Mid-Atlantic, Southeast and Oklahoma; Northeast;
- the ability and willingness of the Company's tenants and other third parties to satisfy their obligations under their respective contractual arrangements with the Company;
- the ability and willingness of the Company's tenants to renew their leases with the Company upon expiration, expiration;
- the Company's ability to re-lease its properties on the similar same or better terms in the event of non-renewal or in the event the Company exercises its right to replace an existing tenant, and obligations the Company may incur in connection with the replacement of an existing tenant;
- litigation risks;
- the risk that shareholder litigation in connection with the Cedar Acquisition (as defined herein) and as recently filed by one of the Company's shareholders, Daniel Khoshaba may result in significant costs of defense, indemnification and liability, and divert management's attention away from running our business;
- financing risks, such as the Company's inability to obtain new financing or refinancing on favorable terms as the result of market volatility or instability and increases in the Company's financing and other borrowing costs as a result of changes in interest rates and other factors;
- the impact of the Company's leverage on operating performance;
- our ability to successfully execute strategic or necessary asset acquisitions and divestitures;

- risks related to the market for retail space generally, including reductions in consumer spending, variability in retailer demand for leased space, adverse impact of e-commerce, ongoing consolidation in the retail sector and changes in economic conditions and consumer confidence;
- risks endemic to real estate and the real estate industry generally;
- the adverse effect any future pandemic, endemic or outbreak of infectious diseases, and mitigation efforts, including government-imposed lockdowns, to control their spread;

- risks to our information systems - or those of our tenants or vendors - from service interruption, misappropriation of data, breaches of security or information technology, or other cyber-related attacks;
- competitive risks;
- risks related to the geographic concentration of the Company's properties in the Mid-Atlantic, Southeast and Northeast;
- the Company's ability to maintain regain compliance with the listing on standards of the Nasdaq Capital Market; Market ("Nasdaq") and maintain its listing thereon;
- the effects on the trading market of our Common Stock of the August 2023 one-for-ten reverse stock split of our Common Stock (which we refer to as the "Reverse Stock Split") on and any reverse stock splits the trading market of our Common Stock;
- inability to successfully integrate Company may effect in the acquisition of Cedar Realty Trust, Inc.;
- changes in our ability to obtain and maintain financing; future;
- damage to the Company's properties from catastrophic weather and other natural events, and the physical effects of climate change;
- the risk that an uninsured loss on the Company's properties or a loss that exceeds the limits of the Company's insurance policies could subject the Company to lost capital or revenue on those properties;
- the risk that continued increases in the cost of necessary insurance could negatively impact the Company's profitability;
- information technology security breaches;
- the Company's ability and willingness to maintain its qualification as a REIT real estate investment trust ("REIT") in light of economic, market, legal, tax and other considerations;
- the ability of our operating partnership, Wheeler REIT, L.P., and each of our other partnerships and limited liability companies to be classified as partnerships or disregarded entities for federal income tax purposes;
- the impact of e-commerce on our tenants' business; and
- the inability to generate sufficient cash flows due to market conditions, competition, uninsured losses, changes in tax or other applicable laws.

The forward-looking statements contained in this Quarterly Report on Form 10-Q are based on our current expectations and beliefs concerning future developments and their potential effects on the Company. There can should be no assurance that future developments affecting the Company will be those that the Company has anticipated, read in light of these factors. Except for ongoing obligations to disclose material information as required by the federal securities laws, the Company undertakes no obligation to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. All of the above factors are difficult to predict, contain uncertainties that may materially affect the Company's actual results and may be beyond the Company's control. New factors emerge from time to time, and it is not possible for the Company's management to predict all such factors or to assess the effects of each factor on the Company's business. Accordingly, there can be no assurance that the Company's current expectations will be realized.

You should carefully consider the risks and uncertainties described in this Quarterly Report on Form 10-Q as they identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements.

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

September 30, 2023	December 31, 2022	March 31, 2024	March 31, 2024	December 31, 2023
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		(unaudited)				(unaudited)
ASSETS:	ASSETS:					
Real estate:	Real estate:					
Real estate:						
Real estate:						
Land and land improvements						
Land and land improvements						
Land and land improvements	Land and land improvements	\$149,272	\$144,537			
Buildings and improvements	Buildings and improvements	504,123	494,668			
		653,395	639,205			
		643,306				
Less accumulated depreciation	Less accumulated depreciation	(91,176)	(78,225)			
Real estate, net	Real estate, net	562,219	560,980			
Cash and cash equivalents	Cash and cash equivalents	25,419	28,491			
Cash and cash equivalents						
Cash and cash equivalents						
Restricted cash	Restricted cash	23,438	27,374			
Receivables, net	Receivables, net	11,691	13,544			
Investment securities - related party	Investment securities - related party	6,580	—			
Assets held for sale						
Above market lease intangibles, net	Above market lease intangibles, net	2,347	3,134			
Operating lease right-of-use assets	Operating lease right-of-use assets	9,502	15,133			
Deferred costs and other assets, net	Deferred costs and other assets, net	30,741	35,880			
Total Assets	Total Assets	\$671,937	\$684,536			
LIABILITIES:	LIABILITIES:					
LIABILITIES:						

LIABILITIES:			
Loans payable, net	Loans payable, net	\$477,432	\$466,029
Loans payable, net			
Loans payable, net			
Liabilities associated with assets held for sale			
Below market lease intangibles, net	Below market lease intangibles, net	19,022	23,968
Derivative liabilities	Derivative liabilities	13,392	7,111
Operating lease liabilities	Operating lease liabilities	10,377	16,478
Series D Preferred Stock redemptions	Series D Preferred Stock redemptions	6,448	—
Accounts payable, accrued expenses and other liabilities	Accounts payable, accrued expenses and other liabilities	18,291	18,398
Total Liabilities	Total Liabilities	544,962	531,984

Commitments and contingencies (Note 8) Commitments and contingencies (Note 8)

Series D Cumulative Convertible Preferred Stock	Series D Cumulative Convertible Preferred Stock	117,353	101,518
EQUITY:			
Series A Preferred Stock (no par value, 4,500 shares authorized, 562 shares issued and outstanding; \$0.6 million in aggregate liquidation value)	Series A Preferred Stock (no par value, 4,500 shares authorized, 562 shares issued and outstanding; \$0.6 million in aggregate liquidation value)	453	453

Series A Preferred Stock (no par value, 4,500 shares authorized, 562 shares issued and outstanding; \$0.6 million in aggregate liquidation value)	Series A Preferred Stock (no par value, 4,500 shares authorized, 562 shares issued and outstanding; \$0.6 million in aggregate liquidation value)		
Series B Convertible Preferred Stock (no par value, 5,000,000 authorized, 3,379,142 shares issued and outstanding; \$84.5 million aggregate liquidation preference)	Series B Convertible Preferred Stock (no par value, 5,000,000 authorized, 3,379,142 shares issued and outstanding; \$84.5 million aggregate liquidation preference)	44,976	44,911
Common Stock (\$0.01 par value, 200,000,000 shares authorized, 980,857 and 979,396 shares issued and outstanding, respectively)		10	10
Common Stock (\$0.01 par value, 200,000,000 shares authorized, 68,023,718 and 53,769,787 shares issued and outstanding, respectively)			
Additional paid-in capital	Additional paid-in capital	235,295	235,081
Accumulated deficit	Accumulated deficit	(337,231)	(295,617)
Total Stockholders' Deficit		(56,497)	(15,162)
Total Shareholders' Deficit			
Noncontrolling interests	Noncontrolling interests	66,119	66,196
Total Equity	Total Equity	9,622	51,034

Total Liabilities and Equity	Total Liabilities and Equity
	<u>\$671,937</u> <u>\$684,536</u>

See accompanying notes to condensed consolidated financial statements.

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

(Unaudited)

		Three Months Ended				Nine Months Ended September 30,	
		September 30,				September 30,	
		2023	2022			2023	2022
REVENUE:	REVENUE:						
REVENUE:							
REVENUE:							
Rental revenues							
Rental revenues							
Rental revenues	Rental revenues	\$ 24,655	\$ 18,486	\$ 74,738	\$ 49,142		
Other revenues	Other revenues	549	232	1,372	552		
Other revenues							
Other revenues							
Total Revenue							
Total Revenue							
Total Revenue	Total Revenue	25,204	18,718	76,110	49,694		
OPERATING EXPENSES:	OPERATING EXPENSES:						
OPERATING EXPENSES:							
Property operations							
Property operations							
Property operations	Property operations	8,771	6,655	26,068	16,637		
Depreciation and amortization	Depreciation and amortization	6,875	4,981	21,642	12,222		
Impairment of assets held for sale		—	—	—	760		
Depreciation and amortization							
Depreciation and amortization							
Corporate general & administrative							
Corporate general & administrative							

Corporate general & administrative	Corporate general & administrative	2,475	2,498	8,364	5,434
Total Operating Expenses	Total Operating Expenses	18,121	14,134	56,074	35,053
Gain (loss) on disposal of properties		2,204	—	2,204	(15)
Total Operating Expenses					
Total Operating Expenses					
Operating Income					
Operating Income					
Operating Income	Operating Income	9,287	4,584	22,240	14,626
Interest income	Interest income	163	15	336	42
Gain on investment securities, net		49	—	80	—
Interest income					
Interest income					
Loss on investment securities, net					
Loss on investment securities, net					
Loss on investment securities, net					
Interest expense					
Interest expense	Interest expense	(7,469)	(6,949)	(24,125)	(19,079)
Net changes in fair value of derivative liabilities	Net changes in fair value of derivative liabilities	(11,163)	(656)	(6,281)	(2,533)
Net changes in fair value of derivative liabilities					
Net changes in fair value of derivative liabilities					
Gain on preferred stock redemptions					
Gain on preferred stock redemptions					
Gain on preferred stock redemptions					
Other expense					
Other expense					
Other expense					
Other expense		(2,233)	—	(5,273)	(691)
Net Loss Before Income Taxes		(11,366)	(3,006)	(13,023)	(7,635)
Income tax expense		(2)	—	(48)	—
Net Loss					
Net Loss					
Net Loss	Net Loss	(11,368)	(3,006)	(13,071)	(7,635)

Less: Net income attributable to noncontrolling interests	Less: Net income attributable to noncontrolling interests	2,693	1,234	8,061	1,237
Less: Net income attributable to noncontrolling interests					
Less: Net income attributable to noncontrolling interests					
Net Loss Attributable to Wheeler REIT	Net Loss Attributable to Wheeler REIT				
Preferred Stock dividends - undeclared		(2,415)	(4,240)	(21,132)	(8,872)
Deemed distribution related to preferred stock redemptions		(13,542)	—	(13,542)	—
Net Loss Attributable to Wheeler REIT					
Common Stockholders		\$ (30,018)	\$ (6,504)	\$ (41,614)	\$ (15,664)
Net Loss Attributable to Wheeler REIT					
Net Loss Attributable to Wheeler REIT					
Preferred stock dividends - undeclared					
Preferred stock dividends - undeclared					
Preferred stock dividends - undeclared					
Loss per share:					
Net Loss Attributable to Wheeler REIT					
Common Shareholders					
Net Loss Attributable to Wheeler REIT					
Common Shareholders					
Loss per share					
Loss per share					
Loss per share					
Basic and Diluted	Basic and Diluted	\$ (30.61)	\$ (6.64)	\$ (42.46)	\$ (16.07)
Weighted average number of shares:					
Basic and Diluted					
Basic and Diluted					
Weighted-average number of shares:					
Weighted-average number of shares:					
Weighted-average number of shares:					
Basic and Diluted					
Basic and Diluted					
Basic and Diluted	Basic and Diluted	980,654	979,282	980,031	974,965

See accompanying notes to condensed consolidated financial statements.

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries
Condensed Consolidated Statements of (Deficit) Equity
(Unaudited, in thousands, except share data)

	Series A		Series B						Total	
	Preferred Stock		Preferred Stock		Common Stock		Additional		Stockholders' (Deficit)	
	Shares	Value	Shares	Value	Shares	Value	Paid-in Capital	Accumulated Deficit	Equity	
Balance, December 31, 2022	562	\$ 453	3,379,142	\$ 44,911	979,396	\$ 10	\$ 235,081	\$ (295,617)	\$ (15,162)	
Accretion of Series B Preferred										22
Stock discount	—	—	—	22	—	—	—	—	—	22
Conversion of Series D Preferred										
Stock to Common Stock	—	—	—	—	625	—	140	—	—	140
Adjusted for noncontrolling										
interest in operating partnership	—	—	—	—	—	—	(13)	—	—	(13)
Dividends and distributions	—	—	—	—	—	—	—	(2,264)	—	(2,264)
Net (Loss) Income	—	—	—	—	—	—	—	(3,101)	—	(3,101)
Balance, March 31, 2023										
(Unaudited)	562	453	3,379,142	44,933	980,021	10	235,208	(300,982)	(20,378)	
Accretion of Series B Preferred										22
Stock discount	—	—	—	22	—	—	—	—	—	22
Dividends and distributions	—	—	—	—	—	—	—	(2,261)	—	(2,261)
Net (Loss) Income	—	—	—	—	—	—	—	(3,970)	—	(3,970)
Balance, June 30, 2023										
(Unaudited)	562	453	3,379,142	44,955	980,021	10	235,208	(307,213)	(26,587)	
Accretion of Series B Preferred										21
Stock discount	—	—	—	21	—	—	—	—	—	21
Conversion of Operating										
Partnership										
units to Common Stock	—	—	—	—	898	—	57	—	—	57
Adjustments for noncontrolling										
interest in operating partnership	—	—	—	—	—	—	—	30	—	30
Adjustment of Series D Preferred										
Stock										
to redemption value	—	—	—	—	—	—	—	—	(13,542)	(13,542)
Redemption of fractional units										
as a result of reverse stock										
split	—	—	—	—	(62)	—	—	—	—	—
Dividends and distributions	—	—	—	—	—	—	—	(2,415)	—	(2,415)
Net (Loss) Income	—	—	—	—	—	—	—	(14,061)	—	(14,061)
Balance,										
September 30, 2023										
(Unaudited)	562	\$ 453	3,379,142	\$ 44,976	980,857	\$ 10	\$ 235,295	\$ (337,231)	\$ (56,497)	



Wheeler Real Estate Investment Trust, Inc. and Subsidiaries									
Condensed Consolidated Statements of (Deficit) Equity (Unaudited, in thousands, except share data) Continued									
Series A									
Noncontrolling Interests									
Operating Consolidated Total									
Partnership Subsidiary Total Equity									
Balance, December 31,									
2022	\$ 1,351	\$ 64,845	\$ 66,196	\$ 51,034					
Operating Consolidated Total									
Shares Value Shares Value Shares Value Partnership Subsidiary Total Equity									
Balance,									
December									
31, 2023									
Accretion of Series B	Accretion of Series B								
Preferred	Preferred								
Stock discount	Stock discount	—	—	—	22				
Conversion of Series D									
Preferred									
Stock to Common Stock	—	—	—	140					
Adjusted for noncontrolling									
interest in operating partnership	13	—	13	—					
Dividends and distributions	—	(2,688)	(2,688)	(4,952)					
Net (Loss) Income	4	2,688	2,692	(409)					
Balance, March 31,									
2023 (Unaudited)	1,368	64,845	66,213	45,835					
Accretion of Series B									
Preferred									
Stock discount	—	—	—	22					
Adjustments for noncontrolling									
interest in operating partnership									

Adjustments for noncontrolling interest in operating partnership				
Adjustments for noncontrolling interest in operating partnership				
Redemption of Series D Preferred Stock to Common Stock				
Dividends and distributions	Dividends and distributions	—	(2,688)	(2,688) (4,949)
Net (Loss) Income		(12)	2,688	2,676 (1,294)
Balance, June 30, 2023 (Unaudited)		1,356	64,845	66,201 39,614
Accretion of Series B Preferred Stock discount		—	—	— 21
Dividends and distributions				
Conversion of Operating Partnership units to Common Stock		(57)	—	(57) —
Adjustments for noncontrolling interest in operating partnership		(30)	—	(30) —
Adjustment of Series D Preferred Stock to redemption value		—	—	— (13,542)
Redemption of fractional units as a result of reverse stock split		—	—	— — —
Dividends and distributions	Dividends and distributions	—	(2,688)	(2,688) (5,103)
Net (Loss) Income	Net (Loss) Income	5	2,688	2,693 (11,368)
Balance, September 30, 2023 (Unaudited)		\$ 1,274	\$ 64,845	\$ 66,119 \$ 9,622

Balance,
March 31,
2024

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries
Condensed Consolidated Statements of (Deficit) Equity
(Uaudited, in thousands, except share data)

Continued

	Series A		Series B						Total		Stockholders' (Deficit) Equity	
	Preferred Stock		Preferred Stock		Common Stock		Additional		Accumulated Deficit			
	Shares	Value	Shares	Value	Shares	Value	Paid-in Capital					
Balance, December 31, 2021	562	\$ 453	1,872,448	\$ 41,189	972,053	\$ 10	234,316	\$ (274,107)	\$ 1,861			
Accretion of Series B Preferred												
Stock discount	—	—	—	22	—	—	—	—	—	22		
Conversion of Series B Preferred												
Stock to Common Stock	—	—	(4,105)	(90)	256	—	90	—	—	—		
Dividends and distributions	—	—	—	—	—	—	—	—	(2,264)	(2,264)		
Net (Loss) Income	—	—	—	—	—	—	—	—	(4,580)	(4,580)		
Balance, March 31, 2022 (Unaudited)	562	453	1,868,343	41,121	972,309	10	234,406	(280,951)		(4,961)		
Accretion of Series B Preferred												
Stock discount	—	—	—	22	—	—	—	—	—	22		
Conversion of Operating Partnership												
units to Common Stock	—	—	—	—	6,962	—	159	—	—	159		
Adjustments for noncontrolling interest in operating partnership	—	—	—	—	—	—	—	470	—	470		
Paid-in-kind interest, issuance of Series B Preferred Stock	—	—	432,994	2,099	—	—	—	—	—	2,099		
Dividends and distributions	—	—	—	—	—	—	—	—	(2,264)	(2,264)		
Net Loss	—	—	—	—	—	—	—	—	(52)	(52)		
Balance, June 30, 2022 (Unaudited)	562	453	2,301,337	43,242	979,271	10	235,035	(283,267)		(4,527)		
Accretion of Series B Preferred												
Stock discount	—	—	—	21	—	—	—	—	—	21		
Conversion of Operating Partnership												
units to Common Stock	—	—	—	—	78	—	2	—	—	2		
Adjustments for noncontrolling interest in operating partnership	—	—	—	—	—	—	—	7	—	7		
Noncontrolling interests assumed from the acquisition	—	—	—	—	—	—	—	—	—	—		

Dividends and distributions	—	—	—	—	—	—	—	—	(2,264)	(2,264)
Net Loss	—	—	—	—	—	—	—	—	(4,240)	(4,240)
Balance, September 30, 2022 (Unaudited)	<u>562</u>	<u>\$ 453</u>	<u>2,301,337</u>	<u>\$ 43,263</u>	<u>979,349</u>	<u>\$ 10</u>	<u>\$ 235,044</u>	<u>\$ (289,771)</u>	<u>\$ (11,001)</u>	

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries
Condensed Consolidated Statements of (Deficit) Equity
(Unaudited, in thousands, except share data)
Continued

	Noncontrolling Interests			
	Operating Partnership	Consolidated Subsidiary	Total	Total Equity
Balance, December 31, 2021	\$ 1,941	\$ —	\$ 1,941	\$ 3,802
Accretion of Series B Preferred				
Stock discount	—	—	—	22
Conversion of Series B Preferred				
Stock to Common Stock	—	—	—	—
Dividends and distributions	—	—	—	(2,264)
Net (Loss) Income	4	—	4	(4,576)
Balance, March 31, 2022 (Unaudited)	1,945	—	1,945	(3,016)
Accretion of Series B Preferred				
Stock discount	—	—	—	22
Conversion of Operating Partnership				
units to Common Stock	(159)	—	(159)	—
Adjustments for noncontrolling interest in operating partnership	(470)	—	(470)	—
Paid-in-kind interest, issuance of				
Series B Preferred Stock	—	—	—	2,099
Dividends and distributions	—	—	—	(2,264)
Net Loss	(1)	—	(1)	(53)
Balance, June 30, 2022 (Unaudited)	1,315	—	1,315	(3,212)
Accretion of Series B Preferred				
Stock discount	—	—	—	21
Conversion of Operating Partnership				
units to Common Stock	(2)	—	(2)	—

Adjustments for noncontrolling interest in operating partnership	(7)	—	(7)	—
Noncontrolling interests assumed				
from acquisition	—	64,845	64,845	64,845
Dividends and distributions	—	(1,225)	(1,225)	(3,489)
Net Loss	9	1,225	1,234	(3,006)
Balance, September 30, 2022 (Unaudited)	\$ 1,315	\$ 64,845	\$ 66,160	\$ 55,159

	Series A		Series B						Total			
	Preferred Stock		Preferred Stock		Common Stock		Additional		Stockholders'		Noncontrolling Interest	
	Shares	Value	Shares	Value	Shares	Value	Paid-in Capital	Accumulated Deficit	(Deficit) Equity	Operating Partnership	Consolidated Subsidiary	Total Equity
Balance, December 31, 2022	562	\$ 453	3,379,142	\$ 44,911	979,396	\$ 10	\$ 235,081	\$ (295,617)	\$ (15,162)	\$ 1,351	\$ 64,845	\$ 66,196
Accretion of Series B Preferred	—	—	—	22	—	—	—	—	22	—	—	22
Conversion of Series D Preferred	—	—	—	—	625	—	140	—	140	—	—	140
Stock to Common	—	—	—	—	—	—	—	—	—	—	—	—
Stock	—	—	—	—	625	—	140	—	140	—	—	140
Adjustment for noncontrolling interest in operating partnership	—	—	—	—	—	—	(13)	—	(13)	13	—	13
Dividends and distributions	—	—	—	—	—	—	—	(2,264)	(2,264)	—	(2,688)	(2,688)
Net (Loss) Income	—	—	—	—	—	—	—	(3,101)	(3,101)	4	2,688	2,692
Balance, March 31, 2023	562	\$ 453	3,379,142	\$ 44,933	980,021	\$ 10	\$ 235,208	\$ (300,982)	\$ (20,378)	\$ 1,368	\$ 64,845	\$ 66,213
	562	\$ 453	3,379,142	\$ 44,933	980,021	\$ 10	\$ 235,208	\$ (300,982)	\$ (20,378)	\$ 1,368	\$ 64,845	\$ 66,213
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	562	\$ 453	3,379,142	\$ 44,933	980,021	\$ 10	\$ 235,208	\$ (300,982)	\$ (20,378)	\$ 1,368	\$ 64,845	\$ 66,213
	562</											

OPERATING ACTIVITIES:		OPERATING ACTIVITIES:	
Net Loss		Net Loss	\$(13,071) \$ (7,635)
Net Loss		Net Loss	
Net Loss		Net Loss	
Adjustments to reconcile consolidated net loss to net cash provided by operating activities:		Adjustments to reconcile consolidated net loss to net cash provided by operating activities:	
Depreciation and amortization		Depreciation and amortization	
Depreciation and amortization		Depreciation and amortization	21,642 12,222
Deferred financing cost amortization		Deferred financing cost amortization	2,357 2,154
Changes in fair value of derivative liabilities		Changes in fair value of derivative liabilities	6,281 2,533
Above (below) market lease amortization, net		Above (below) market lease amortization, net	(3,865) (478)
Paid-in-kind interest			2,006 2,099
Loss on repurchase of debt securities		Loss on repurchase of debt securities	1,647 —
Unrealized gain on investment securities, net		(80)	—
Straight-line expense		7	24
(Gain) loss on disposal of properties		(2,204)	15
Credit losses on operating lease receivables		481	267
Impairment of assets held for sale		—	760
Loss on repurchase of debt securities		Loss on repurchase of debt securities	
Gain on preferred stock redemptions			

Unrealized loss on investment securities, net	
Straight-line expense (income)	
Credit adjustments on operating lease receivables	
Credit adjustments on operating lease receivables	
Credit adjustments on operating lease receivables	
Net changes in assets and liabilities:	Net changes in assets and liabilities:
Net changes in assets and liabilities:	
Receivables, net	
Receivables, net	
Receivables, net	Receivables, net 1,373 222
Deferred costs and other assets, net	Deferred costs and other assets, net (3,166) 3,074
Accounts payable, accrued expenses and other liabilities	Accounts payable, accrued expenses and other liabilities 1,624 12,697
Net cash provided by operating activities	Net cash provided by operating activities 15,032 27,954
INVESTING ACTIVITIES:	INVESTING ACTIVITIES:
Investment property acquisitions	(4,259) (135,510)
Expenditures for real estate improvements	Expenditures for real estate improvements (11,618) (6,382)
Purchase of investment securities	(6,500) —
Cash received from disposal of properties	2,759 1,786
Expenditures for real estate improvements	
Expenditures for real estate improvements	
Net cash used in investing activities	
Net cash used in investing activities	

Net cash used in investing activities	Net cash used in investing activities	(19,618)	(140,106)
FINANCING ACTIVITIES:			
Payments for deferred financing costs	Payments for deferred financing costs	(4,440)	(8,748)
Dividends and distributions paid on noncontrolling interests		(8,064)	—
Payments for deferred financing costs			
Payments for deferred financing costs			
Dividends and distributions paid on noncontrolling interest			
Loan proceeds	Loan proceeds	123,230	265,000
Loan principal payments	Loan principal payments	(108,274)	(127,603)
Repurchase of debt securities	Repurchase of debt securities	(3,116)	—
Loan prepayment penalty		(1,758)	(2,614)
Net cash (used in) provided by financing activities		(2,422)	126,035
(DECREASE) INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH			
AND RESTRICTED CASH		(7,008)	13,883
Repurchase of debt securities			
Repurchase of debt securities			
Net cash used in financing activities			
Net cash used in financing activities			
Net cash used in financing activities			
DECREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH			
CASH, CASH EQUIVALENTS AND RESTRICTED CASH	CASH, CASH EQUIVALENTS AND RESTRICTED CASH		
beginning of period	beginning of period	55,865	40,419
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, end of period	CASH, CASH EQUIVALENTS AND RESTRICTED CASH, end of period	\$ 48,857	\$ 54,302
Supplemental Disclosure:	Supplemental Disclosure:		
Supplemental Disclosure:			
Supplemental Disclosure:			

The following table provides a reconciliation of cash, cash equivalents and restricted cash:	The following table provides a reconciliation of cash, cash equivalents and restricted cash:
The following table provides a reconciliation of cash, cash equivalents and restricted cash:	The following table provides a reconciliation of cash, cash equivalents and restricted cash:
Cash and cash equivalents	Cash and cash equivalents
Cash and cash equivalents	Cash and cash equivalents \$ 25,419 \$ 24,057
Restricted cash	Restricted cash <u>23,438</u> 30,245
Cash, cash equivalents, and restricted cash	Cash, cash equivalents, and restricted cash <u>\$ 48,857</u> <u>\$ 54,302</u>

See accompanying notes to condensed consolidated financial statements.

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

1. Business and Organization

Wheeler Real Estate Investment Trust, Inc. (the "Trust," the "REIT," the "Company," "we," "our" or "us") is a Maryland corporation formed on June 23, 2011. The Trust serves as the general partner of Wheeler REIT, L.P. (the "Operating Partnership"), which was formed as a Virginia limited partnership on April 5, 2012. At **September 30, 2023** **March 31, 2024**, the Trust owned **99.11%** **99.13%** of the Operating Partnership. As of **September 30, 2023** **March 31, 2024**, the Trust through the Operating Partnership, owned and operated seventy-five retail shopping centers and four undeveloped properties in South Carolina, Georgia, Virginia, Pennsylvania, North Carolina, Massachusetts, New Jersey, Florida, Connecticut, Kentucky, Tennessee, Alabama, Maryland, West Virginia, and Oklahoma. These centers and undeveloped properties include the properties acquired through the Cedar Acquisition (defined below). Accordingly, the use of the word "Company" "Company", "we," "our" or "us" refers to the Trust and its consolidated subsidiaries, except where the context otherwise requires.

The Trust through the Operating Partnership owns Wheeler Interests ("WI") and Wheeler Real Estate, LLC ("WRE") (WRE and, together with WI, the "Operating Companies"). The Operating Companies are taxable REIT subsidiaries ("TRS") to accommodate serving the non-REIT properties since applicable REIT regulations consider the income derived from these services to be "bad" "bad" income subject to taxation. The regulations allow for costs incurred by the Company commensurate with the services performed for the non-REIT properties to be allocated to a TRS.

Acquisition of Cedar Realty Trust

On August 22, 2022, the Company completed a merger transaction (the "Cedar Acquisition") with Cedar Realty Trust, Inc. ("Cedar"). As a result of the merger, the Company acquired all of the outstanding shares of Cedar's common stock, which ceased to be publicly traded on the New York Stock Exchange ("NYSE"). Through this acquisition, the Company acquired an additional 19 retail shopping centers in the Northeast. Cedar's outstanding 7.25% Series B Preferred Stock and 6.50% Series C Preferred Stock remain outstanding and continue to trade on the NYSE. As a result of the Cedar Acquisition, Cedar became a subsidiary of the REIT.

2. Summary of Significant Accounting Policies

Principles of Consolidation/Basis of Preparation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and include all of the information and disclosures required by U.S. Generally Accepted Accounting Principles ("GAAP") for interim reporting. Accordingly, they do not include all of the disclosures required by GAAP for complete financial statement disclosures. In the opinion of management, all adjustments necessary for fair presentation (including normal recurring accruals) have been included. All material balances and transactions between the consolidated entities of the Company have been eliminated. All per share amounts, common units and shares outstanding, warrants, and conversion features of our 7.00% Subordinated the Convertible Notes due 2031 (the "Convertible Notes") for all periods presented reflect the our one-for-ten Reverse Stock Split, which took effect on August 17, 2023. The financial statements are prepared on the accrual basis in accordance with GAAP, which requires management to make estimates and assumptions that affect the disclosure of contingent assets and liabilities, the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the periods covered by the financial statements. Actual results could differ from these estimates. The unaudited condensed consolidated financial statements in this Quarterly Report on Form 10-Q should be read in conjunction with the audited consolidated financial statements and related notes contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 (the "2022" "2023" Form 10-K").

The unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q include Cedar starting from the date of the Cedar Acquisition. We have determined that this acquisition is not a variable interest entity, as defined under the consolidation topic of the Financial Accounting Standards Board (the "FASB"), Accounting Standards Codification or ASC, ("ASC"), and we evaluated such entity under the voting model and concluded we should consolidate the entity. Under the voting model, we consolidate the entity if we determine that we, directly or indirectly, have greater than 50% of the voting rights and that other equity holders do not have substantive participating rights.

See the Company's audited 2022 Form 10-K for further disclosure regarding the Cedar Acquisition.

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

2. Summary of Significant Accounting Policies (continued)

Supplemental Condensed Consolidated Statements of Cash Flows Information

	For the Nine Months Ended September 30,	
	2023	2022
Non-Cash Transactions:		
Conversion of common units to Common Stock	\$ 57	\$ 160
Conversion of Series B Preferred Stock to Common Stock	\$ —	\$ 90
Conversion of Series D Preferred Stock to Common Stock	\$ 140	\$ —
Accretion of Preferred Stock discounts	\$ 438	\$ 438
Buildings and improvements included in accounts payable, accrued expenses and other liabilities	\$ 1,979	\$ 736
Other Cash Transactions:		
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 798	\$ 700
Cash paid for interest	\$ 18,951	\$ 14,137

	For the Three Months Ended March 31,	
	2024	2023
Non-Cash Transactions:		
Conversion of Series D Preferred Stock to Common Stock	\$ —	\$ 140
Accretion of Preferred Stock discounts	\$ 22	\$ 147

Redemption of Series D Preferred Stock to Common Stock	\$ 2,841	\$ —
Buildings and improvements included in accounts payable, accrued expenses and other liabilities	\$ 3,161	\$ 2,600
Other Cash Transactions:		
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 204	\$ 278
Cash paid for interest	\$ 6,226	\$ 5,304

Other Expense

Other expense represents expenses which are non-operating in nature. Other expenses were \$2.2 million and \$5.3 million for the three and nine months ended September 30, 2023, respectively, which consisted of \$0.0 million and \$2.4 million for an exchange offer (the "Exchange Offer") for outstanding shares of the Company's Series D Cumulative

Convertible Preferred Stock (the "Series D Preferred Stock") and \$1.1 million and \$1.6 million for the three and nine months ended September 30, 2023, respectively, for the repurchases of the Company's Convertible Notes described in Note 7 in this Form 10-Q. Additionally, other expense included transaction costs related to the redemptions by holders of the Series D Preferred Stock and Reverse Stock Split for \$1.1 million and \$1.3 million for the three and nine months ended September 30, 2023, respectively.

Other expenses were \$0.0 million and \$0.7 million for the three and nine months ended September 30, 2022 March 31, 2024, respectively, which primarily consisted of legal settlement costs, capital structure costs to repurchase Convertible Notes, see Note 6 for additional details. Other expenses were \$2.4 million for the three months ended March 31, 2023, which primarily consisted of capital structure costs for an exchange offer for the Company's outstanding shares of Series D Preferred Stock.

Recently Issued and Adopted Accounting Pronouncements

Accounting standards that have been recently issued or proposed by the FASB or other standard-setting bodies are not currently applicable to the Company or are not expected to have a significant impact on the Company's financial position, results of operations and cash flows.

Reclassifications

The Company has reclassified certain prior period amounts in the accompanying condensed consolidated financial statements in order to be consistent with the current period presentation. These reclassifications had no effect on net loss. All per share amounts, common units and shares outstanding, warrants, and conversion features of the Convertible Notes for all periods presented reflect our one-for-ten Reverse Stock Split which was effective August 17, 2023.

3. Real Estate

A significant portion of the Company's land, buildings and improvements serve as collateral for its mortgage loans, secured term loans and revolving credit facility. Accordingly, restrictions exist as to the encumbered property's transferability, use and other common rights typically associated with property ownership.

St. George Plaza Land Acquisition The Company's depreciation expense on investment properties was \$4.6 million and \$4.5 million for the three months ended March 31, 2024 and 2023, respectively.

Assets Held for Sale

At March 31, 2024, assets held for sale include South Philadelphia, as the Company has committed to a plan to sell components of the property. There were no assets held for sale as of December 31, 2023.

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries Notes to Condensed Consolidated Financial Statements (Continued) (Unaudited)

3. Real Estate (continued)

On February 21, 2023 the Company purchased a 2.5 acre land parcel adjacent to St. George Plaza, located in St. George, South Carolina, for \$0.2 million.

Devine Street Land Acquisition

On August 18, 2023, the Company purchased a 3.25 acre land parcel within Devine Street, located in Columbia, South Carolina, for \$4.1 million (the "Devine Street Land Acquisition"). The Devine Street Land Acquisition terminated the Company's ground lease associated with this property.

Assets Held for Sale, Impairment and Dispositions

Impairment expenses on assets held for sale are a result and associated liabilities consisted of reducing the carrying value for the amount that exceeded the property's fair value less estimated selling costs. The valuation assumptions are based on the three-level valuation hierarchy for fair value measurement and represent Level 2 inputs. No impairment expense was recorded for the three and nine months ended September 30, 2023. Impairment expense was \$0.0 million and \$0.8 million for the three and nine months ended September 30, 2022, respectively, resulting from reducing the carrying value of Harbor Pointe Associates, LLC, an approximate 5 acre land parcel ("Harbor Pointe Land Parcel"). The Harbor Pointe Land Parcel did not meet the requirements to be classified as held for sale at September 30, 2023 or December 31, 2022, following (in thousands, unaudited):

	March 31, 2024	December 31, 2023
Real estate, net	\$ 22,623	\$ —
Receivables, net - unbilled straight-line rent	431	—
Deferred costs and other assets, net	1,047	—
Total assets held for sale	\$ 24,101	\$ —

The following properties were sold during the nine months ended September 30, 2023 and 2022 (in thousands, unaudited):

Disposal Date	Property	Contract Price	Gain (Loss)	Net Proceeds
July 11, 2023	Carll's Corner Outparcel	\$ 3,000	\$ 2,204	\$ 2,759
January 11, 2022	Walnut Hill Plaza	\$ 1,986	\$ (15)	\$ 1,786

	March 31, 2024	December 31, 2023
Cedar Revolving Credit Agreement	\$ 1,387	\$ —
Deferred financing costs, net	(394)	—
Total loans payable, net - assets held for sale	993	—
Below market lease intangibles, net	188	—
Total liabilities associated with assets held for sale	\$ 1,181	\$ —

4. Investment Securities - Related Party

On June 1, 2023, In 2023, the Company subscribed for an investment in the aggregate amount of \$3.0 \$10.0 million for limited partnership interests in Stilwell Activist Investments, L.P., a Delaware limited partnership formed in the State of Delaware ("SAI" ("SAI"). On September 1, 2023, the Company subscribed for an additional investment in the amount of \$3.5 million for limited partnership interests in SAI. The investment objective of SAI is to seek long-term capital appreciation through investing primarily in publicly-traded undervalued financial institutions or businesses with a strong financial component, or the securities of any of them, and pursuing an activist shareholder agenda with respect to those institutions.

Stilwell Value LLC ("Value") is the general partner of SAI. Joseph Stilwell, a member of the Company's Board of Directors, (the "Board"), is the managing member of Value and a limited partner in funds advised by Value. Additionally, E.J. Borrack, a member of the Board of Directors, serves as the General Counsel to Value and its affiliated entities, including SAI and related funds, and is a limited partner in one of the funds advised by Value. Megan Parisi, a member of the Company's Board of Directors, serves as the Director of Communications to Value and its affiliated entities, including SAI and related funds, is a non-managing member of Value and is a limited partner in one of the funds advised by Value.

The Company's initial subscription was subscriptions were approved by the disinterested directors of the Company, and, after the formation of the Related Person Transactions Committee, the second subscription was approved by that Committee.

A portion of SAI's underlying investments are in the Company's own equity and debt securities.

SAI records investment transactions based on trade date. Realized gains and losses from investment transactions are determined on a specific identification basis. Dividend income, net of withholding taxes, and dividend expense are recognized on the ex-dividend date, and interest income and expense are recognized on an accrual basis. Discounts and premiums to the face amount of debt securities are accreted and amortized using the effective interest rate method over the lives of the respective debt securities.

The Company may not withdraw its capital from SAI for a period of one year measured from the date of the Company's initial investment, subject to certain exceptions.

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

4. Investment securities (continued)

In consideration for management, administrative and operational services, limited partners of SAI pay a management fee to an affiliate of Value each calendar quarter, in advance, equal to 0.25% (an annualized rate of 1%) of each limited partner's capital account balance on the first day of such calendar quarter. In addition, as of the last day of each specified performance period, an incentive allocation of 20% of the amount by which the "positive performance change," if any, that has been credited to the capital account of a limited partner during such period exceeds any positive balance in such limited partner's "carryforward account," is debited from the limited partner's capital account and is simultaneously credited to the capital account of Value.

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

The Company's SAI investment is accounted for under the equity method and measured at net asset value as a practical expedient and has not been classified within the fair value hierarchy. All gains and losses, realized and unrealized, and fees are recorded through "gains (losses) on investment securities, net" on in the condensed consolidated statements of operations. As of September 30, 2023 March 31, 2024, the fair value of the Company's SAI investment was \$6.6 million, which includes \$6.5 million from subscriptions and \$33 was \$10.6 million. For the three months ended March 31, 2024, the Company recognized \$27 thousand in fees. Unrealized gains fees and an unrealized loss of \$79 thousand for a loss on investment securities, net of fees were \$49 thousand and \$80 thousand for the three and nine months ended September 30, 2023, respectively. \$106 thousand.

5. Deferred Costs and Other Assets, Net

Deferred costs and other assets, net of accumulated amortization are as follows (in thousands, unaudited):

	September 30, 2023	December 31, 2022	March 31, 2024	March 31, 2024	December 31, 2023
Leases in place, net	Leases in place, net		\$18,374	\$24,956	
Lease origination costs, net	Lease origination costs, net		6,573	7,165	

Ground lease sandwich interest, net	Ground lease sandwich interest, net	1,188	1,393
Tenant relationships, net	Tenant relationships, net	328	500
Legal and marketing costs, net	Legal and marketing costs, net	331	389
Prepaid expenses	Prepaid expenses	3,944	1,456
Other	Other	3	21
Total deferred costs and other assets, net	Total deferred costs and other assets, net	<u>\$30,741</u>	<u>\$35,880</u>

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company's intangible accumulated amortization totaled \$68.2 68.4 million and \$69.9 million, respectively. During the three months ended March 31, 2024 and 2023, the Company's intangible amortization expense totaled \$2.0 million and \$2.9 million, respectively.

Wheeler Real Estate Investment Trust, Inc. and \$62.4 Subsidiaries
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

6. Loans Payable

The Company's loans payable consist of the following (in thousands, except monthly payment, unaudited):

Property/Description	Monthly Payment	Interest		Maturity	December 31,	
		Rate			March 31, 2024	2023
Cypress Shopping Center	\$ 34,360	4.70%		July 2024	\$ 5,735	\$ 5,769
Cedar Revolving Credit Agreement	Interest only	8.16% ⁽³⁾		February 2025	1,387	—
Conyers Crossing	Interest only	4.67%		October 2025	5,960	5,960
Winslow Plaza	\$ 24,295	4.82%		December 2025	4,311	4,331
Tuckernuck	\$ 32,202	5.00%		March 2026	4,734	4,771
Chesapeake Square	\$ 23,857	4.70%		August 2026	3,989	4,014
Sangaree/Tri-County	\$ 32,329	4.78%		December 2026	5,966	5,990
Timpany Plaza	Interest only	7.27%		September 2028	10,060	9,060
Village of Martinsville	\$ 89,664	4.28%		July 2029	14,646	14,755
Laburnum Square	Interest only	4.28%		September 2029	7,665	7,665
Rivergate ⁽¹⁾	\$ 100,222	4.25%		September 2031	17,442	17,557
Convertible Notes	Interest only	7.00%		December 2031	30,948	31,530
Term loan, 22 properties	Interest only	4.25%		July 2032	75,000	75,000
JANAF ⁽²⁾	Interest only	5.31%		July 2032	60,000	60,000

Cedar term loan, 10 properties	Interest only	5.25%	November 2032	110,000	110,000
Patuxent Crossing/Coliseum Marketplace	Interest only	6.35%	January 2033	25,000	25,000
Term loan, 12 properties	Interest only	6.19%	June 2033	61,100	61,100
Term loan, 8 properties	Interest only	6.24%	June 2033	53,070	53,070
Total Principal Balance				497,013	495,572
Unamortized deferred financing cost				(17,815)	(17,998)
Total Loans Payable, including assets held for sale				479,198	477,574
Less loans payable on assets held for sale, net loan amortization costs				993	—
Total Loans Payable, net				\$ 478,205	\$ 477,574

(1) In October 2026, the interest rate under this loan resets based on the 5-year U.S. Treasury Rate, plus 2.70%, with a floor of 4.25%.

(2) Collateralized by JANAF properties.

(3) Daily SOFR, plus applicable margins of 0.10%, plus 2.75%.

Cedar Revolving Credit Agreement

On February 29, 2024, the Company entered into a revolving credit agreement with KeyBank National Association to draw up to \$9.5 million (the "Cedar Revolving Credit Agreement"). The interest rate under the Cedar Revolving Credit Agreement is the daily SOFR, plus applicable margins of 0.10% plus 2.75%. Interest payments are due monthly, and any outstanding principal is due at maturity on February 28, 2025. The Cedar Revolving Credit Agreement may be extended, at the Company's option, for up to two additional three-month periods, subject to customary conditions. The Cedar Revolving Credit Agreement is collateralized by 6 properties, consisting of Carl's Corner, Fieldstone Marketplace, Oakland Commons, Kings Plaza, Oregon Avenue and South Philadelphia, and proceeds will be used for capital expenditures and tenant improvements for such properties.

Timpany Plaza Loan Agreement

On March 28, 2024, the Company received \$1.0 million of \$2.5 million in deferred loan proceeds under the Timpany Plaza Loan Agreement following the Company's satisfaction of certain lease-related contingencies. The Company anticipates receiving the \$1.5 million balance of the deferred loan proceeds upon the satisfaction of certain other lease-related contingencies.

Scheduled Principal Payments

The Company's scheduled principal repayments on indebtedness as of March 31, 2024 are as follows (in thousands, unaudited):

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Wheeler Real Estate Investment Trust, Inc. and Subsidiaries Notes to Condensed Consolidated Financial Statements (Continued) (Unaudited)

For the remaining nine months ending December 31, 2024	\$ 6,836
December 31, 2025	13,623
December 31, 2026	16,177
December 31, 2027	2,958
December 31, 2028	14,194
December 31, 2029	24,339
Thereafter	418,886
Total principal repayments and debt maturities	\$ 497,013

Convertible Notes

Interest related to the Convertible Notes was \$0.5 million and \$0.6 million during the three months ended March 31, 2024 and 2023, respectively.

On January 17, 2024, the Company paid down \$0.6 million of the Convertible Notes through an open market purchase of 23,280 units at a total purchase price of \$1.3 million. As a result of that transaction, the Company recognized a \$0.7 million loss for the three months ended March 31, 2024 which represents the fair value of the purchase price over the amount of principal reduction. The loss is included in "other expense" in the condensed consolidated statements of operations.

As of March 31, 2024, the Conversion Price for the Convertible Notes was approximately \$0.12 per share of the Company's Common Stock (approximately 209.84 shares of Common Stock for each \$25.00 of principal amount of the Convertible Notes being converted).

Fair Value Measurements

The fair value of the Company's fixed rate secured term loans was estimated using available market information and discounted cash flow analyses based on borrowing rates the Company believes it could obtain with similar terms and maturities. As of March 31, 2024 and December 31, 2023, the fair value of the Company's fixed rate secured term loans, which were determined to be Level 3 within the valuation hierarchy, was \$450.5 million and \$420.8 million, respectively, and the carrying value of such loans, was \$452.1 million and \$451.2 million, respectively. As of March 31, 2024, the aggregate fair value of the Cedar Revolving Credit Agreement approximated the carrying value.

The fair value of the Convertible Notes was estimated using available market information. As of March 31, 2024, and December 31, 2023, the fair value of the Convertible Notes, which were determined to be Level 1 within the valuation hierarchy, was \$70.6 million and \$75.7 million, respectively, and the carrying value, was \$26.1 million and \$26.4 million, respectively.

7. Derivative Liabilities

Fair Value of Warrants

The Company utilized the Black-Scholes valuation method to calculate the fair value of the warrants noted below. Significant observable and unobservable inputs include stock price, conversion price, risk-free rate, term, likelihood of an event of contractual conversion and expected volatility. The Black-Scholes valuation method simulation is a Level 3 valuation technique because it requires the development of significant internal assumptions in addition to observable market indicators. The warrants noted below contain terms and features that give rise to derivative liability classification.

As of the close of business on March 12, 2024 (the third anniversary of the issuance of that certain Common Stock Purchase Warrant, dated March 12, 2021, to the holders thereof (the "Warrant")), the exercise price of the Warrant was reset to an amount equal to the product of the Common Stock volume weight average price as provided under the Warrant, multiplied by a factor of 1.25 for Tranche A, 1.50 for Tranche B and 2.50 for Tranche C: approximately \$0.2318, \$0.2781, and \$0.4635, respectively.

Warrants to purchase shares of Common Stock outstanding at March 31, 2024 and December 31, 2023 are as follows:

Table of Contents **Wheeler Real Estate Investment Trust, Inc. and Subsidiaries**
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

Warrant Name	Warrants	Exercise Price	Expiration Date
Wilmington Warrant Tranche A	51,020	\$0.2318	3/12/2026
Wilmington Warrant Tranche B	42,424	\$0.2781	3/12/2026
Wilmington Warrant Tranche C	12,727	\$0.4635	3/12/2026

In measuring the warrant liability, the Company used the following inputs:

	March 31, 2024	December 31, 2023
Common Stock price	\$0.16	\$0.31
Weighted average contractual term to maturity	2.0 years	2.2 years
Range of expected market volatility %	146.92%	137.71%
Range of risk free interest rate	4.59%	4.23%

Fair Value of Conversion Features Related to Convertible Notes

The Company identified certain embedded derivatives related to the conversion features of the Convertible Notes. In accordance with ASC 815-40, *Derivatives and Hedging Activities*, the embedded conversion options contained within the Convertible Notes were accounted for as derivative liabilities at the date of issuance and shall be adjusted to fair value through each reporting date. The Company utilized a binomial lattice model to calculate the fair value of the embedded derivatives. Significant observable and unobservable inputs include conversion price, stock price, dividend rate, expected volatility, risk-free rate, optional conversion price and term. The binomial lattice model is a Level 3 valuation technique because it requires the development of significant internal assumptions in addition to observable market indicators.

In measuring the embedded derivative liability, the Company used the following inputs:

	March 31, 2024	December 31, 2023
Conversion price	\$0.09 ⁽¹⁾	\$0.16 ⁽¹⁾
Common Stock price	\$0.16	\$0.31
Contractual term to maturity	7.8 years	8.0 years
Expected market volatility %	100.00%	100.00%
Risk-free interest rate	4.20%	3.90%
Traded WHRL price, % of par	228.04%	240.00%
(1) Represents the volume weighted average of the Company's closing Common Stock price for the 10 trading days preceding the valuation, less a discount of 45%.		

The following table sets forth a summary of the changes in fair value of the Company's derivative liabilities, which include both the warrant and embedded derivative liabilities (in thousands, unaudited):

	Three Months Ended March 31, 2024	Year Ended December 31, 2023
Balance at the beginning of period	\$ 3,653	\$ 7,111
Changes in fair value - Warrants	9	(495)
Changes in fair value - Convertible Notes	5,498	(2,963)
Balance at end of period	\$ 9,160	\$ 3,653

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries Notes to Condensed Consolidated Financial Statements (Continued) (Unaudited)

8. Commitments and Contingencies

Lease Commitments

The Company is the lessee under several ground leases and for its corporate headquarters; all are accounted for as operating leases. Most leases include one or more options to renew, with renewal terms that can extend the lease term from 5 to 50 years. As of March 31, 2024 and 2023, the weighted average remaining lease term of our leases was 36 and 34 years, respectively. Rent expense under the operating lease agreements was \$0.2 million and \$0.3 million for the three months ended March 31, 2024 and 2023, respectively.

6. Litigation

The Company is involved in various legal proceedings arising in the ordinary course of its business, including, but not limited to commercial disputes. The Company believes that such litigation, claims and administrative proceedings will not have a material adverse impact on its financial position or its results of operations. The Company records a liability when it considers the loss probable and the amount can be reasonably estimated. In addition, the below legal proceedings are in process:

On April 8, 2022, several purported holders of Cedar's outstanding preferred stock filed a putative class action complaint against Cedar, Cedar's Directors prior to the Merger, and WHLR in Montgomery County Circuit Court, Maryland entitled *Sydney, et al. v. Cedar Realty Trust, Inc., et al.*, (Case No. C-15-CV-22-001527).

On May 6, 2022, the Plaintiffs in *Sydney* filed a motion for a preliminary injunction. Also on May, 6, 2022, a purported holder of Cedar's outstanding preferred stock filed a separate putative class action complaint against Cedar and Cedar's Board of Directors prior to the Cedar Acquisition in the United States District Court for the District of Maryland, entitled *Kim v. Cedar Realty Trust, Inc., et al.*, Civil Action No. 22-cv-01103. On May 11, 2022, Cedar, former Board of Directors of Cedar and the Company removed the *Sydney* action to the United States District Court for the District of Maryland, Case No. 8:22-cv-01142-GLR. On May 16, 2022, the court ordered that a hearing on the *Sydney* Plaintiffs' motion for preliminary injunction be held on June 22, 2022. On June 2, 2022, the Plaintiffs in *Kim* also filed a motion for a preliminary injunction. The court consolidated the motions for preliminary injunction.

On June 23, 2022, following a hearing, the court issued an order denying both motions for preliminary injunction, holding that the Plaintiffs in both cases were unlikely to succeed on the merits and that Plaintiffs had not established that they would suffer irreparable harm if the injunction was denied.

By order dated July 11, 2022, the court consolidated the *Sydney* and *Kim* cases and set an August 24, 2022 deadline for the Plaintiffs in both cases to file a consolidated amended complaint. Plaintiffs filed their amended complaint on August 24, 2022. The amended complaint alleges on behalf of a putative class of holders of Cedar's preferred stock, among other things, claims for breach of contract against Cedar and Cedar's former Board of Directors with respect to the articles supplementary governing the terms of Cedar's preferred stock, breach of fiduciary duty against Cedar's former Board of Directors, and tortious interference and aiding and abetting breach of fiduciary duty against the Company. On October 7, 2022, Defendants moved to dismiss the amended complaint. Plaintiffs opposed the motion to dismiss and filed a motion to certify a question of law to Maryland's Supreme Court. On August 1, 2023, the court issued a decision and order granting Defendants' motions to dismiss, without leave to amend, and denying Plaintiffs' motion to certify a question of law to the Maryland Supreme Court. The Plaintiffs appealed the dismissal to the United States Court of Appeals for the Fourth Circuit, Case No. 23-1905, docketed on August 30, 2023. The Court has set a briefing schedule. The appeal has been fully briefed and a hearing thereon is set before the Fourth Circuit for May 9, 2024. At this juncture, the outcome of the litigation remains uncertain.

City of Grove, Oklahoma et al v. Harbor Point Associates, LLC, et al., Case No. CJ-2024-961, in the District Court of Tulsa County, State of Oklahoma. On March 14, 2024, the City of Grove, Oklahoma, and the Grove Economic Development Authority filed a petition against Harbor Point Associates, LLC ("Harbor Point"), WHLR, and the Operating Partnership alleging against all Defendants claims for breach of contract, breach of implied covenant of good faith and fair dealing, and unjust enrichment. On April 10, 2024, (i) Harbor Point filed an Answer to Plaintiffs' Claims and set forth a Counterclaim for an accounting from Plaintiffs, (ii) WHLR and the Operating Partnership filed a Motion to Dismiss all of Plaintiffs' claims, and (iii) Harbor Point filed a Partial Motion to Dismiss Plaintiffs' claims

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Wheeler Real Estate Investment Trust, Inc. and Subsidiaries Notes to Condensed Consolidated Financial Statements (Continued)

for breach of implied covenant of good faith and fair dealing and unjust enrichment. On May 1, 2024, Plaintiffs filed an Answer to Harbor Point's Counterclaim. On April 29, 2024, Plaintiffs filed a Response to Defendants' Motions to Dismiss. The Defendants' Motions to Dismiss are pending before the Court and, thus, at this juncture, the outcome of the litigation is uncertain.

Khoshaba v. Stilwell, et al., Case No. 2:24cv237, in the United States District Court for the Eastern District of Virginia. On April 10, 2024, the plaintiff, a holder of the Company's Common Stock and its former CEO, filed a putative class action and derivative complaint alleging, inter alia, that the current and certain former directors of the Company breached their duty to the Company and its Common Stockholders, and that certain of those directors and an officer of Wheeler were unjustly enriched in connection with action (or inaction) involving the Company's Series D Preferred Stock following the 2021 rights offering through which the Company issued its Convertible Notes. The Company is named as a nominal defendant in the case and no claims are asserted against it. The Company is providing indemnification (including legal fees and costs) to the director and officer defendants. At this juncture, the outcome of the litigation is uncertain.

9. Rental Revenue and Tenant Receivables

Tenant Receivables Fair Value Measurements

The fair value of the Company's fixed rate secured term loans was estimated using available market information and discounted cash flow analyses based on borrowing rates the Company believes it could obtain with similar terms and maturities. As of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, the fair value of the Company's allowance for uncollectible tenant receivables totaled fixed rate secured term loans, which were determined to be Level 3 within the valuation hierarchy, was \$450.5 million and \$1,3420.8 million, respectively, and \$3.1 million the carrying value of such loans, was \$452.1 million and \$451.2 million, respectively. As of March 31, 2024, the aggregate fair value of the Cedar Revolving Credit Agreement approximated the carrying value.

Lease Contract Revenue The fair value of the Convertible Notes was estimated using available market information. As of March 31, 2024, and December 31, 2023, the fair value of the Convertible Notes, which were determined to be Level 1 within the valuation hierarchy, was \$70.6 million and \$75.7 million, respectively, and the carrying value, was \$26.1 million and \$26.4 million, respectively.

7. Derivative Liabilities

Fair Value of Warrants

At **September 30, 2023** The Company utilized the Black-Scholes valuation method to calculate the fair value of the warrants noted below. Significant observable and **December 31, 2022** unobservable inputs include stock price, conversion price, risk-free rate, term, likelihood of an event of contractual conversion and expected volatility. The Black-Scholes valuation method simulation is a Level 3 valuation technique because it requires the development of significant internal assumptions in addition to observable market indicators. The warrants noted below contain terms and features that give rise to derivative liability classification.

As of the close of business on March 12, 2024 (the third anniversary of the issuance of that certain Common Stock Purchase Warrant, dated March 12, 2021, **there were** to the holders thereof (the "Warrant")), the exercise price of the Warrant was reset to an amount equal to the product of the Common Stock volume weight average price as provided under the Warrant, multiplied by a factor of 1.25 for Tranche A, 1.50 for Tranche B and 2.50 for Tranche C: approximately \$0.2318, \$0.2781, and \$0.4635, respectively.

Warrants to purchase shares of Common Stock outstanding at March 31, 2024 and December 31, 2023 are as follows:

\$7.5 million **Table of Contents** **Wheeler Real Estate Investment Trust, Inc. and \$6.5 million, respectively, in unbilled straight-line rent, which is included in "receivables, net."** **Subsidiaries**

Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

Warrant Name	Warrants	Exercise Price	Expiration Date
Wilmington Warrant Tranche A	51,020	\$0.2318	3/12/2026
Wilmington Warrant Tranche B	42,424	\$0.2781	3/12/2026
Wilmington Warrant Tranche C	12,727	\$0.4635	3/12/2026

In measuring the warrant liability, the Company used the following inputs:

	March 31, 2024	December 31, 2023
Common Stock price	\$0.16	\$0.31
Weighted average contractual term to maturity	2.0 years	2.2 years
Range of expected market volatility %	146.92%	137.71%
Range of risk free interest rate	4.59%	4.23%

Fair Value of Conversion Features Related to Convertible Notes

The Company identified certain embedded derivatives related to the conversion features of the Convertible Notes. In accordance with ASC 815-40, *Derivatives and Hedging Activities*, the embedded conversion options contained within the Convertible Notes were accounted for as derivative liabilities at the date of issuance and shall be adjusted to fair value through each reporting date. The Company utilized a binomial lattice model to calculate the fair value of the embedded derivatives. Significant observable and unobservable inputs include conversion price, stock price, dividend rate, expected volatility, risk-free rate, optional conversion price and term. The binomial lattice model is a Level 3 valuation technique because it requires the development of significant internal assumptions in addition to observable market indicators.

In measuring the embedded derivative liability, the Company used the following inputs:

	March 31, 2024	December 31, 2023
Conversion price	\$0.09 ⁽¹⁾	\$0.16 ⁽¹⁾
Common Stock price	\$0.16	\$0.31
Contractual term to maturity	7.8 years	8.0 years
Expected market volatility %	100.00%	100.00%
Risk-free interest rate	4.20%	3.90%
Traded WHRL price, % of par	228.04%	240.00%

(1) Represents the volume weighted average of the Company's closing Common Stock price for the 10 trading days preceding the valuation, less a discount of 45%.

The following table sets forth a summary of the changes in fair value of the Company's derivative liabilities, which include both the warrant and embedded derivative liabilities (in thousands, unaudited):

	Three Months Ended March 31, 2024	Year Ended December 31, 2023
Balance at the beginning of period	\$ 3,653	\$ 7,111
Changes in fair value - Warrants	9	(495)
Changes in fair value - Convertible Notes	5,498	(2,963)
Balance at end of period	<u>\$ 9,160</u>	<u>\$ 3,653</u>

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries Notes to Condensed Consolidated Financial Statements (Continued)

(Unaudited)

6. Rental Revenue and Tenant Receivables (continued)

The below table disaggregates the Company's revenue by type of service (in thousands, unaudited):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Base rent	\$ 18,190	\$ 13,791	\$ 54,316	\$ 37,607
Tenant reimbursements - variable lease revenue	5,030	3,875	15,467	10,455
Above (below) market lease amortization	1,232	494	3,865	478
Straight-line rents	285	314	1,004	547
Percentage rent - variable lease revenue	217	89	567	322
Lease termination fees	—	10	115	117
Other	549	222	1,257	435
Total	25,503	18,795	76,591	49,961
Credit losses on operating lease receivables	(299)	(77)	(481)	(267)
Total	\$ 25,204	\$ 18,718	\$ 76,110	\$ 49,694

Wheeler Real Estate Investment Trust, Inc. 8. Commitments and Subsidiaries

Notes to Condensed Consolidated Financial Statements (Continued)

(Unaudited)

Contingencies

7. Loans Payable Lease Commitments

The Company's loans payable consist Company is the lessee under several ground leases and for its corporate headquarters; all are accounted for as operating leases. Most leases include one or more options to renew, with renewal terms that can extend the lease term from 5 to 50 years. As of March 31, 2024 and 2023, the following (in thousands, except monthly payment):

Property/Description	Monthly Payment	Interest		Maturity	September 30,	December 31,
		Rate	2023		2022	
Cypress Shopping Center	\$ 34,360	4.70%		July 2024	\$ 5,804	\$ 5,903
Conyers Crossing	Interest only	4.67%		October 2025	5,960	5,960
Winslow Plaza	\$ 24,295	4.82%		December 2025	4,351	4,409
Tuckernuck	\$ 32,202	5.00%		March 2026	4,807	4,915
Chesapeake Square	\$ 23,857	4.70%		August 2026	4,038	4,106
Sangaree/Tri-County	\$ 32,329	4.78%		December 2026	6,014	6,086
Timpany Plaza	Interest only	7.27%		September 2028	9,060	—
Village of Martinsville	\$ 89,664	4.28%		July 2029	14,864	15,181
Laburnum Square	Interest only	4.28%		September 2029	7,665	7,665
Rivergate (1)	\$ 100,222	4.25%		September 2031	17,670	18,003
Convertible Notes	Interest only	7.00%		December 2031	31,530	33,000
Guggenheim Loan Agreement (2)	Interest only	4.25%		July 2032	75,000	75,000
JANAF Loan Agreement (3)	Interest only	5.31%		July 2032	60,000	60,000
Guggenheim-Cedar Loan Agreement (4)	Interest only	5.25%		November 2032	110,000	110,000
Patuxent Crossing/Coliseum Marketplace Loan Agreement	Interest only	6.35%		January 2033	25,000	25,000

Term loan, 12 properties	Interest only	6.19%	June 2033	61,100	—
Term loan, 8 properties	Interest only	6.24%	June 2033	53,070	—
Term loans - fixed interest rate	various	4.47% (5)	various	—	107,219
Total Principal Balance				495,933	482,447
Unamortized deferred financing cost				(18,501)	(16,418)
Total Loans Payable, net				\$ 477,432	\$ 466,029

weighted average remaining lease term of our leases was 36 and 34 years, respectively. Rent expense under the operating lease agreements was \$0.2 million and \$0.3 million for the three months ended March 31, 2024 and 2023, respectively.

(1)

Litigation

The Company is involved in various legal proceedings arising in the ordinary course of its business, including, but not limited to commercial disputes. The Company believes that such litigation, claims and administrative proceedings will not have a material adverse impact on its financial position or its results of operations. The Company records a liability when it considers the loss probable and the amount can be reasonably estimated. In October 2026, addition, the interest rate changes to variable interest rate equal below legal proceedings are in process:

On April 8, 2022, several purported holders of Cedar's outstanding preferred stock filed a putative class action complaint against Cedar, Cedar's Directors prior to the 5 years U.S. Treasury Rate plus 2.70% Merger, and WHLR in Montgomery County Circuit Court, Maryland entitled *Sydney, et al. v. Cedar Realty Trust, Inc.*, with a floor of 4.25% et al., (Case No. C-15-CV-22-001527).

(2) Collateralized by 22 properties.

(3) Collateralized by JANAF properties.

(4) Collateralized by 10 Cedar properties.

(5) Contractual interest rate weighted average.

Debt Maturity

On May 6, 2022, the Plaintiffs in *Sydney* filed a motion for a preliminary injunction. Also on May, 6, 2022, a purported holder of Cedar's outstanding preferred stock filed a separate putative class action complaint against Cedar and Cedar's Board of Directors prior to the Cedar Acquisition in the United States District Court for the District of Maryland, entitled *Kim v. Cedar Realty Trust, Inc., et al.*, Civil Action No. 22-cv-01103. On May 11, 2022, Cedar, former Board of Directors of Cedar and the Company removed the *Sydney* action to the United States District Court for the District of Maryland, Case No. 8:22-cv-01142-GLR. On May 16, 2022, the court ordered that a hearing on the *Sydney* Plaintiffs' motion for preliminary injunction be held on June 22, 2022. On June 2, 2022, the Plaintiffs in *Kim* also filed a motion for a preliminary injunction. The Company's scheduled principal repayments on indebtedness as of September 30, 2023 are as follows (in thousands, unaudited):

For the remaining three months ended December 31, 2023 court consolidated the motions for preliminary injunction.	\$ 361
December 31, 2024	7,220
December 31, 2025	12,313
December 31, 2026	16,260
December 31, 2027	3,049
December 31, 2028	12,924
Thereafter	443,806
Total principal repayments and debt maturities	\$ 495,933

Term Loan Agreement, 12 properties

On May 5, 2023 June 23, 2022, following a hearing, the Company entered into a loan agreement (the "Term Loan Agreement, 12 properties") court issued an order denying both motions for \$61.1 million at a fixed rate of 6.194% preliminary injunction, holding that the Plaintiffs in both cases were unlikely to succeed on the merits and interest-only payments due monthly through June 2025. Commencing in July 2025, until that Plaintiffs had not established that they would suffer irreparable harm if the maturity date of June 1, 2033, monthly

principal and interest payments will be \$0.4 million. Loan proceeds were used to refinance 12 properties, including \$1.1 million in defeasance. injunction was denied.

Term Loan Agreement, 8 properties By order dated July 11, 2022, the court consolidated the *Sydney and Kim* cases and set an August 24, 2022 deadline for the Plaintiffs in both cases to file a consolidated amended complaint. Plaintiffs filed their amended complaint on August 24, 2022. The amended complaint alleges on behalf of a putative class of holders of Cedar's preferred stock, among other things, claims for breach of contract against Cedar and Cedar's former Board of Directors with respect to the articles supplementary governing the terms of Cedar's preferred stock, breach of fiduciary duty against Cedar's former Board of Directors, and tortious interference and aiding and abetting breach of fiduciary duty against the Company. On October 7, 2022, Defendants moved to dismiss the amended complaint. Plaintiffs opposed the motion to dismiss and filed a motion to certify a question of law to Maryland's Supreme Court. On August 1, 2023, the court issued a decision and order granting Defendants' motions to dismiss, without leave to amend, and denying Plaintiffs' motion to certify a question of law to the Maryland Supreme Court. The Plaintiffs appealed the dismissal to the United States Court of Appeals for the Fourth Circuit, Case No. 23-1905, docketed on August 30, 2023. The Court has set a briefing schedule. The appeal has been fully briefed and a hearing thereon is set before the Fourth Circuit for May 9, 2024. At this juncture, the outcome of the litigation remains uncertain.

City of Grove, Oklahoma et al v. Harbor Point Associates, LLC, et al., Case No. CJ-2024-961, in the *District Court of Tulsa County, State of Oklahoma*. On March 14, 2024, the City of Grove, Oklahoma, and the Grove Economic Development Authority filed a petition against Harbor Point Associates, LLC ("Harbor Point"), WHLR, and the Operating Partnership alleging against all Defendants claims for breach of contract, breach of implied covenant of good faith and fair dealing, and unjust enrichment. On April 10, 2024, (i) Harbor Point filed an Answer to Plaintiffs' Claims and set forth a Counterclaim for an accounting from Plaintiffs, (ii) WHLR and the Operating Partnership filed a Motion to Dismiss all of Plaintiffs' claims, and (iii) Harbor Point filed a Partial Motion to Dismiss Plaintiffs' claims

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Wheeler Real Estate Investment Trust, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

7. Loans Payable (continued)

for breach of implied covenant of good faith and fair dealing and unjust enrichment. On **May 18, 2023** May 1, 2024, Plaintiffs filed an Answer to Harbor Point's Counterclaim. On April 29, 2024, Plaintiffs filed a Response to Defendants' Motions to Dismiss. The Defendants' Motions to Dismiss are pending before the Company entered into a loan agreement (the "Term Loan Agreement, 8 properties") for \$53.1 million Court and, thus, at a fixed rate this juncture, the outcome of 6.24% and interest-only payments due monthly through June 2028. Commencing in July 2028, until the maturity date of June 10, 2033, monthly principal and interest payments will be \$0.3 million. Loan proceeds were used to refinance 8 properties, including \$0.7 million in defeasance, litigation is uncertain.

Timpany Plaza Loan Agreement

Khoshaba v. Stilwell, et al., Case No. 2:24cv237, in the United States District Court for the Eastern District of Virginia. On **September 12, 2023** April 10, 2024, the Company entered into plaintiff, a term loan agreement with Cornerstone Bank for \$11.6 million at holder of the Company's Common Stock and its former CEO, filed a fixed rate putative class action and derivative complaint alleging, inter alia, that the current and certain former directors of 7.27% with interest-only payments due monthly for the first twelve months (the "Timpany Plaza Loan Agreement"). Commencing on September 12, 2024, until the maturity date of September 12, 2028, monthly principal and interest payments will be made based on a 30-year amortization schedule calculated based on the principal amount as of that time. On the closing date, the Company received \$9.1 million breached their duty to the Company and its Common Stockholders, and that certain of those directors and an officer of Wheeler were unjustly enriched in connection with action (or inaction) involving the Company's Series D Preferred Stock following the 2021 rights offering through which the Company issued its Convertible Notes. The Company is named as a nominal defendant in the case and no claims are asserted against it. The Company is providing indemnification (including legal fees and costs) to the director and officer defendants. At this juncture, the outcome of the \$11.6 million, and the remaining \$2.5 million will be received upon certain lease-related contingencies being met. The Timpany Plaza Loan Agreement litigation is collateralized by the Timpany Plaza shopping center, uncertain.

Convertible Notes

9. Rental Revenue and Tenant Receivables

Interest expense on the Convertible Notes consisted of the following (in thousands, except for shares):

For the nine months ended September 30,	Series B Preferred		Series D Preferred			Fair value adjustment	Interest expense
	number of shares (1)	Stock number of shares (1)	Convertible Note interest at 7% coupon				
2023	—	160,455	\$ 1,718	\$		851	\$ 2,569
2022	432,994	—	\$ 1,733	\$		944	\$ 2,677

(1) Shares issued as interest payment on Convertible Notes.

On June 8, 2023, the Company paid down \$0.6 million of the Convertible Notes through an open market purchase of 23,784 units totaling \$1.2 million. On September 11, 2023, the Company paid down \$0.9 million of the Convertible Notes through an open market purchase of 35,000 units totaling \$1.9 million. As a result of these transactions, the Company recognized a \$1.1 million and \$1.6 million loss for the three and nine months ended September 30, 2023, respectively, which represents the fair value of the purchase over principal pay down. The loss is included in "other expense" on the condensed consolidated statements of operations.

Fair Value Measurements

The fair value of the Company's fixed rate secured term loans was estimated using available market information and discounted cash flow analyses based on borrowing rates the Company believes it could obtain with a similar term and maturities. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the fair value of the Company's fixed rate secured term loans, which were determined to be Level 3 within the valuation hierarchy, was \$441.8 \$450.5 million and \$429.1 \$420.8 million, respectively, and the carrying value of such loans, was \$451.2 \$452.1 million and \$440.2 \$451.2 million, respectively. As of March 31, 2024, the aggregate fair value of the Cedar Revolving Credit Agreement approximated the carrying value.

The fair value of the Convertible Notes was estimated using available market information. As of September 30, 2023 March 31, 2024, and December 31, 2022 December 31, 2023, the fair value of the Convertible Notes, which were determined to be Level 1 within the valuation hierarchy, was \$69.4 \$70.6 million and \$40.9 \$75.7 million, respectively, and the carrying value, was \$26.2 \$26.1 million and \$25.8 \$26.4 million, respectively.

8.7. Derivative Liabilities

Fair Value of Warrants

The Company utilized the Monte Carlo simulation model Black-Scholes valuation method to calculate the fair value of the two warrant agreements (the "Warrant Agreements") described within the 2022 Form 10-K. warrants noted below. Significant observable and unobservable inputs include stock price, conversion price, risk-free rate, term, likelihood of an event of contractual conversion and expected volatility. The MonteBlack-Scholes valuation method simulation is a Level 3 valuation technique because it requires the development of significant internal assumptions in addition to observable market indicators. The warrants noted below contain terms and features that give rise to derivative liability classification.

As of the close of business on March 12, 2024 (the third anniversary of the issuance of that certain Common Stock Purchase Warrant, dated March 12, 2021, to the holders thereof (the "Warrant")), the exercise price of the Warrant was reset to an amount equal to the product of the Common Stock volume weight average price as provided under the Warrant, multiplied by a factor of 1.25 for Tranche A, 1.50 for Tranche B and 2.50 for Tranche C: approximately \$0.2318, \$0.2781, and \$0.4635, respectively.

Warrants to purchase shares of Common Stock outstanding at March 31, 2024 and December 31, 2023 are as follows:

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 Notes to Condensed Consolidated Financial Statements (Continued)
 (Unaudited)

8. Derivative Liabilities (continued)

Carlo simulation is a Level 3 valuation technique because it requires the development of significant internal assumptions in addition to observable market indicators. The Warrant Agreements contain terms and features that give rise to derivative liability classification.

Warrants to purchase shares of Common Stock outstanding at September 30, 2023 and December 31, 2022 are as follows:

Warrant Name	Warrant Name	Warrants	Exercise Price	Expiration Date	Warrant Name	Warrants	Exercise Price	Expiration Date
Powerscourt Warrant		49,641	\$31.20	12/22/2023				
Wilmington Warrant	Wilmington Warrant				Wilmington Warrant			
Tranche A	Tranche A	51,020	\$34.30	3/12/2026	Tranche A	51,020	\$0.2318	3/12/2026
Wilmington Warrant	Wilmington Warrant				Wilmington Warrant			
Tranche B	Tranche B	42,424	\$41.25	3/12/2026	Tranche B	42,424	\$0.2781	3/12/2026
Wilmington Warrant	Wilmington Warrant				Wilmington Warrant			
Tranche C	Tranche C	12,727	\$68.75	3/12/2026	Tranche C	12,727	\$0.4635	3/12/2026

In measuring the warrant liabilities, the Company used the following inputs in its Monte Carlo model:

	September 30, 2023	December 31, 2022			
	March 31, 2024		March 31, 2024	December 31, 2023	
Common Stock price	Common Stock price	\$3.28	\$13.96	Common Stock price	\$0.16
Weighted average contractual term to maturity	Weighted average contractual term to maturity	1.7 years	2.5 years	Weighted average contractual term to maturity	2.0 years
Range of expected market volatility %	Range of expected market volatility %	92.98% - 168.12%	66.00% - 72.88%	Range of expected market volatility %	146.92% 137.71%
Range of risk free interest rate	Range of risk free interest rate	4.92% - 5.55%	4.14% - 4.68%	Range of risk free interest rate	4.59% 4.23%

Fair Value of Conversion Features Related to Convertible Notes

The Company identified certain embedded derivatives related to the conversion features of the Convertible Notes. In accordance with ASC 815-40, *Derivatives and Hedging Activities*, the embedded conversion options contained within the Convertible Notes were accounted for as derivative liabilities at the date of issuance and shall be adjusted to fair value through each reporting date. The Company utilized a binomial lattice model to calculate the fair value of the embedded derivatives. Significant observable and unobservable inputs include conversion price, stock price, dividend rate, expected volatility, risk-free rate, optional conversion price and term. The binomial lattice model is a Level 3 valuation technique because it requires the development of significant internal assumptions in addition to observable market indicators.

8. Derivative Liabilities (continued)

In measuring the embedded derivative liability, the Company used the following inputs in its binomial lattice model: inputs:

	September 30, 2023	December 31, 2022		March 31, 2024		March 31, 2024	December 31, 2023
Conversion price	Conversion price	\$1.85 ⁽¹⁾	\$62.50	Conversion price	\$0.09 ⁽¹⁾	\$0.16 ⁽¹⁾	
Common Stock price	Common Stock price	\$3.28	\$13.96	Common Stock price	\$0.16	\$0.31	
Contractual term to maturity	Contractual term to maturity	8.3 years	9.0 years	Contractual term to maturity	7.8 years	8.0 years	
Expected market volatility %	Expected market volatility %	80.00%	205.00%	Expected market volatility %	100.00%	100.00%	
Risk-free interest rate	Risk-free interest rate	4.60%	3.87%	Risk-free interest rate	4.20%	3.90%	
Traded WHRLR price, % of par	Traded WHRLR price, % of par	220.00%	120.50%	Traded WHRLR price, % of par	228.04%	240.00%	

(1) Represents the volume weighted average of the Company's closing Common Stock price for the 10 trading days preceding the valuation date of September 30, 2023, less a discount of 45%.

(1) Represents the volume weighted average of the Company's closing Common Stock price for the 10 trading days preceding the valuation, less a discount of 45%.

(1) Represents the volume weighted average of the Company's closing Common Stock price for the 10 trading days preceding the valuation, less a discount of 45%.

The following table sets forth a summary of the changes in fair value of the Company's derivative liabilities, which include both the warrant liabilities and embedded derivative liability liabilities (in thousands, unaudited):

		Nine Months Ended September 30, 2023	Year Ended December 31, 2022		
		Three Months Ended March 31, 2024		Three Months Ended March 31, 2024	Year Ended December 31, 2023
Balance at the beginning of period	Balance at the beginning of period	\$ 7,111	\$ 4,776		
Changes in fair value -	Changes in fair value -				
Warrants	Warrants	(466)	(753)		
Changes in fair value -	Changes in fair value -				
Convertible Notes	Convertible Notes	6,747	3,088		
Balance at end of period	Balance at end of period	<u>\$ 13,392</u>	<u>\$ 7,111</u>		

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements (Continued)
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8. Commitments and Contingencies

Lease Commitments

The Company is the lessee under several ground leases and for its corporate headquarters; all are accounted for as operating leases. Most leases include one or more options to renew, with renewal terms that can extend the lease term from 5 to 50 years. As of March 31, 2024 and 2023, the weighted average remaining lease term of our leases was 36 and 34 years, respectively. Rent expense under the operating lease agreements was \$0.2 million and \$0.3 million for the three months ended March 31, 2024 and 2023, respectively.

Litigation

The Company is involved in various legal proceedings arising in the ordinary course of its business, including, but not limited to commercial disputes. The Company believes that such litigation, claims and administrative proceedings will not have a material adverse impact on its financial position or its results of operations. The Company records a liability when it considers the loss probable and the amount can be reasonably estimated. In addition, the below legal proceedings are in process:

On April 8, 2022, several purported holders of Cedar's outstanding preferred stock filed a putative class action complaint against Cedar, Cedar's Directors prior to the Merger, and WHLR in Montgomery County Circuit Court, Maryland entitled *Sydney, et al. v. Cedar Realty Trust, Inc., et al.*, (Case No. C-15-CV-22-001527).

On May 6, 2022, the Plaintiffs in *Sydney* filed a motion for a preliminary injunction. Also on May, 6, 2022, a purported holder of Cedar's outstanding preferred stock filed a separate putative class action complaint against Cedar and Cedar's Board of Directors prior to the Cedar Acquisition in the United States District Court for the District of Maryland, entitled *Kim v. Cedar Realty Trust, Inc., et al.*, Civil Action No. 22-cv-01103. On May 11, 2022, Cedar, former Board of Directors of Cedar and the Company removed the *Sydney* action to the United States District Court for the District of Maryland, Case No. 8:22-cv-01142-GLR. On May 16, 2022, the court ordered that a hearing on the *Sydney* Plaintiffs' motion for preliminary injunction be held on June 22, 2022. On June 2, 2022, the Plaintiffs in *Kim* also filed a motion for a preliminary injunction. The court consolidated the motions for preliminary injunction.

On June 23, 2022, following a hearing, the court issued an order denying both motions for preliminary injunction, holding that the Plaintiffs in both cases were unlikely to succeed on the merits and that Plaintiffs had not established that they would suffer irreparable harm if the injunction was denied.

By order dated July 11, 2022, the court consolidated the *Sydney* and *Kim* cases and set an August 24, 2022 deadline for the Plaintiffs in both cases to file a consolidated amended complaint. Plaintiffs filed their amended complaint on August 24, 2022. The amended complaint alleges on behalf of a putative class of holders of Cedar's preferred stock, among other things, claims for breach of contract against Cedar and Cedar's former Board of Directors with respect to the articles supplementary governing the terms of Cedar's preferred stock, breach of fiduciary duty against Cedar's former Board of Directors, and tortious interference and aiding and abetting breach of fiduciary duty against the Company. On October 7, 2022, Defendants moved to dismiss the amended complaint. Plaintiffs opposed the motion to dismiss and filed a motion to certify a question of law to Maryland's Supreme Court. On August 1, 2023, the court issued a decision and order granting Defendants' motions to dismiss, without leave to amend, and denying Plaintiffs' motion to certify a question of law to the Maryland Supreme Court. The Plaintiffs appealed the dismissal to the United States Court of Appeals for the Fourth Circuit, Case No. 23-1905, docketed on August 30, 2023. The Court has set a briefing schedule. The appeal has been fully briefed and a hearing thereon is set before the Fourth Circuit for May 9, 2024. At this juncture, the outcome of the litigation remains uncertain.

City of Grove, Oklahoma et al v. Harbor Point Associates, LLC, et al., Case No. CJ-2024-961, in the District Court of Tulsa County, State of Oklahoma. On March 14, 2024, the City of Grove, Oklahoma, and the Grove Economic Development Authority filed a petition against Harbor Point Associates, LLC ("Harbor Point"), WHLR, and the Operating Partnership alleging against all Defendants claims for breach of contract, breach of implied covenant of good faith and fair dealing, and unjust enrichment. On April 10, 2024, (i) Harbor Point filed an Answer to Plaintiffs' Claims and set forth a Counterclaim for an accounting from Plaintiffs, (ii) WHLR and the Operating Partnership filed a Motion to Dismiss all of Plaintiffs' claims, and (iii) Harbor Point filed a Partial Motion to Dismiss Plaintiffs' claims

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Wheeler Real Estate Investment Trust, Inc. and Subsidiaries Notes to Condensed Consolidated Financial Statements (Continued) (Unaudited)

for breach of implied covenant of good faith and fair dealing and unjust enrichment. On May 1, 2024, Plaintiffs filed an Answer to Harbor Point's Counterclaim. On April 29, 2024, Plaintiffs filed a Response to Defendants' Motions to Dismiss. The Defendants' Motions to Dismiss are pending before the Court and, thus, at this juncture, the outcome of the litigation is uncertain.

Khoshaba v. Stilwell, et al., Case No. 2:24cv237, in the United States District Court for the Eastern District of Virginia. On April 10, 2024, the plaintiff, a holder of the Company's Common Stock and its former CEO, filed a putative class action and derivative complaint alleging, inter alia, that the current and certain former directors of the Company breached their duty to the Company and its Common Stockholders, and that certain of those directors and an officer of Wheeler were unjustly enriched in connection with action (or inaction) involving the Company's Series D Preferred Stock following the 2021 rights offering through which the Company issued its Convertible Notes. The Company is named as a nominal defendant in the case and no claims are asserted against it. The Company is providing indemnification (including legal fees and costs) to the director and officer defendants. At this juncture, the outcome of the litigation is uncertain.

9. Rental Revenue and Tenant Receivables

Tenant Receivables

As of March 31, 2024 and December 31, 2023, the Company's allowance for uncollectible tenant receivables totaled \$0.7 million and \$0.9 million, respectively. At March 31, 2024 and December 31, 2023, there were \$7.8 million and \$7.9 million, respectively, in unbilled straight-line rent, which is included in "receivables, net."

Lease Contract Revenue

The below table disaggregates the Company's revenue by type of service (in thousands, unaudited):

	Three Months Ended March 31,	
	2024	2023
Base rent	\$ 18,438	\$ 18,009
Tenant reimbursements - variable lease revenue	5,822	5,576
Above (below) market lease amortization, net	913	1,396
Straight-line rents	370	346
Percentage rent - variable lease revenue	102	198
Lease termination fees	9	115
Other	168	451
Total	25,822	26,091
Credit adjustments on operating lease receivables	50	(25)
Total	\$ 25,872	\$ 26,066

10. Equity and Mezzanine Equity

Common Stock One-for-Ten Reverse Stock Split

On August 7, 2023, we announced that our Board of Directors had approved the Reverse Stock Split. The Reverse Stock Split took effect as of 5:00 p.m., Eastern Standard Time, on August 17, 2023 (the "Effective Time"). At the Effective Time, every ten issued and outstanding shares of Common Stock were converted into one share of Common Stock, and as a result, the number of outstanding shares of Common Stock was reduced from approximately 9,809,195 to approximately 980,919. The par value of each share of Common Stock remained unchanged. No fractional shares

were issued in connection with the Reverse Stock Split. Stockholders who would have otherwise been issued a fractional share of the Company's Common Stock as a result of the Reverse Stock Split instead received a cash payment in lieu of such fractional share in an amount equal to the applicable fraction multiplied by the closing price of the Company's Common Stock on the Nasdaq Capital Market ("Nasdaq") on August 17, 2023 (as adjusted for the Reverse Stock Split), without any interest. All share and share-related information presented in this Quarterly Report on Form 10-Q, including our condensed consolidated financial statements, has been retroactively adjusted to reflect the decreased number of shares resulting from the Reverse Stock Split.

Series D Preferred Stock - Redeemable Preferred Stock

After September 21, 2023, each holder of Series D Preferred Stock has the right, at such holder's option, to request that the Company redeem any or all of such holder's shares of Series D Preferred Stock on a monthly basis ("Holder Redemption Date"). Redemptions commenced on September 22, 2023 and the first Holder Redemption Date was October 5, 2023. **Lease Commitments**

At September 30, 2023 The Company is the lessee under several ground leases and December 31, 2022 for its corporate headquarters; all are accounted for as operating leases. Most leases include one or more options to renew, with renewal terms that can extend the lease term from 5 to 50 years. As of March 31, 2024 and 2023, the weighted average remaining lease term of our leases was 36 and 34 years, respectively. Rent expense under the operating lease agreements was \$0.2 million and \$0.3 million for the three months ended March 31, 2024 and 2023, respectively.

Litigation

The Company is involved in various legal proceedings arising in the ordinary course of its business, including, but not limited to commercial disputes. The Company believes that such litigation, claims and administrative proceedings will not have a material adverse impact on its financial position or its results of operations. The Company records a liability when it considers the loss probable and the amount can be reasonably estimated. In addition, the below legal proceedings are in process:

On April 8, 2022, several purported holders of Cedar's outstanding preferred stock filed a putative class action complaint against Cedar, Cedar's of Directors prior to the Merger, and WHLR in Montgomery County Circuit Court, Maryland entitled *Sydney, et al. v. Cedar Realty Trust, Inc., et al.*, (Case No. C-15-CV-22-001527).

On May 6, 2022, the Company had 3,308,603 Plaintiffs in *Sydney* filed a motion for a preliminary injunction. Also on May, 6, 2022, a purported holder of Cedar's outstanding preferred stock filed a separate putative class action complaint against Cedar and 3,152,392 issued shares, respectively Cedar's Board of Directors prior to the Cedar Acquisition in the United States District Court for the District of Maryland, entitled *Kim v. Cedar Realty Trust, Inc., et al.*, Civil Action No. 22-cv-01103. On May 11, 2022, Cedar, former Board of Directors of Cedar and 6,000,000 authorized shares of Series D Preferred Stock, without par value with a \$25.00 liquidation preference per share, or \$123.8 million and \$113.4 million in aggregate liquidation value, respectively, of which the Company had received requests removed the *Sydney* action to redeem 172,241 shares as the United States District Court for the District of September 30, 2023. These redemptions were considered certain at September 30, 2023 and \$6.4 million was reclassified from mezzanine equity to Maryland, Case No. 8:22-cv-01142-GLR. On May 16, 2022, the court ordered that a liability, "Series D Preferred Stock redemptions," hearing on the condensed *Sydney* Plaintiffs' motion for preliminary injunction be held on June 22, 2022. On June 2, 2022, the Plaintiffs in *Kim* also filed a motion for a preliminary injunction. The court consolidated balance sheets. the motions for preliminary injunction.

On June 23, 2022, following a hearing, the court issued an order denying both motions for preliminary injunction, holding that the Plaintiffs in both cases were unlikely to succeed on the merits and that Plaintiffs had not established that they would suffer irreparable harm if the injunction was denied.

By order dated July 11, 2022, the court consolidated the *Sydney* and *Kim* cases and set an August 24, 2022 deadline for the Plaintiffs in both cases to file a consolidated amended complaint. Plaintiffs filed their amended complaint on August 24, 2022. The amended complaint alleges on behalf of a putative class of holders of Cedar's preferred stock, among other things, claims for breach of contract against Cedar and Cedar's former Board of Directors with respect to the articles supplementary governing the terms of Cedar's preferred stock, breach of fiduciary duty against Cedar's former Board of Directors, and tortious interference and aiding and abetting breach of fiduciary duty against the Company. On October 7, 2022, Defendants moved to dismiss the amended complaint. Plaintiffs opposed the motion to dismiss and filed a motion to certify a question of law to Maryland's Supreme Court. On August 1, 2023, the court issued a decision and order granting Defendants' motions to dismiss, without leave to amend, and denying Plaintiffs' motion to certify a question of law to the Maryland Supreme

Court. The Plaintiffs appealed the dismissal to the United States Court of Appeals for the Fourth Circuit, Case No. 23-1905, docketed on August 30, 2023. The Court has set a briefing schedule. The appeal has been fully briefed and a hearing thereon is set before the Fourth Circuit for May 9, 2024. At this juncture, the outcome of the litigation remains uncertain.

City of Grove, Oklahoma et al v. Harbor Point Associates, LLC, et al., Case No. CJ-2024-961, in the *District Court of Tulsa County, State of Oklahoma*. On March 14, 2024, the City of Grove, Oklahoma, and the Grove Economic Development Authority filed a petition against Harbor Point Associates, LLC ("Harbor Point"), WHLR, and the Operating Partnership alleging against all Defendants claims for breach of contract, breach of implied covenant of good faith and fair dealing, and unjust enrichment. On April 10, 2024, (i) Harbor Point filed an Answer to Plaintiffs' Claims and set forth a Counterclaim for an accounting from Plaintiffs, (ii) WHLR and the Operating Partnership filed a Motion to Dismiss all of Plaintiffs' claims, and (iii) Harbor Point filed a Partial Motion to Dismiss Plaintiffs' claims

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Wheeler Real Estate Investment Trust, Inc. and Subsidiaries Notes to Condensed Consolidated Financial Statements (Continued) (Unaudited)

for breach of implied covenant of good faith and fair dealing and unjust enrichment. On May 1, 2024, Plaintiffs filed an Answer to Harbor Point's Counterclaim. On April 29, 2024, Plaintiffs filed a Response to Defendants' Motions to Dismiss. The Defendants' Motions to Dismiss are pending before the Court and, thus, at this juncture, the outcome of the litigation is uncertain.

Khoshaba v. Stilwell, et al., Case No. 2:24cv237, in the United States District Court for the Eastern District of Virginia. On April 10, 2024, the plaintiff, a holder of the Company's Common Stock and its former CEO, filed a putative class action and derivative complaint alleging, inter alia, that the current and certain former directors of the Company breached their duty to the Company and its Common Stockholders, and that certain of those directors and an officer of Wheeler were unjustly enriched in connection with action (or inaction) involving the Company's Series D Preferred Stock following the 2021 rights offering through which the Company issued its Convertible Notes. The Company is named as a nominal defendant in the case and no claims are asserted against it. The Company is providing indemnification (including legal fees and costs) to the director and officer defendants. At this juncture, the outcome of the litigation is uncertain.

9. Rental Revenue and Tenant Receivables

Tenant Receivables

As of March 31, 2024 and December 31, 2023, the Company's allowance for uncollectible tenant receivables totaled \$0.7 million and \$0.9 million, respectively. At March 31, 2024 and December 31, 2023, there were \$7.8 million and \$7.9 million, respectively, in unbilled straight-line rent, which is included in "receivables, net."

Lease Contract Revenue

The below table disaggregates the Company's revenue by type of service (in thousands, unaudited):

	Three Months Ended March 31,	
	2024	2023
Base rent	\$ 18,438	\$ 18,009
Tenant reimbursements - variable lease revenue	5,822	5,576
Above (below) market lease amortization, net	913	1,396
Straight-line rents	370	346
Percentage rent - variable lease revenue	102	198
Lease termination fees	9	115
Other	168	451
Total	25,822	26,091

Credit adjustments on operating lease receivables	50	(25)
Total	\$ 25,872	\$ 26,066

10. Equity and Mezzanine Equity (continued)

The changes in the carrying value of the Series D Preferred Stock for the nine months ended September 30, 2023 and 2022 are as follows (in thousands, unaudited):

	Series D Preferred Stock
Balance December 31, 2022	\$ 101,518
Accretion of Preferred Stock discount	125
Conversion of Series D Preferred Stock to Common Stock	(140)
Undeclared dividends	2,118
Balance March 31, 2023	103,621
Accretion of Preferred Stock discount	124
Undeclared dividends	2,115
Paid-in-kind interest, issuance of Preferred Stock	2,006
Balance June 30, 2023	107,866
Accretion of Preferred Stock discount	124
Undeclared dividends	2,269
Accretion to liquidation preference ⁽¹⁾	13,542
Series D Preferred Stock redemptions	(6,448)
Balance September 30, 2023	\$ 117,353

(1) As of the Series D Redemption Date, the Series D Preferred Stock was adjusted to \$25.00 liquidation preference plus accrued and unpaid dividends, representing a \$13.5 million adjustment to its carrying value.

	Series D Preferred Stock
Balance December 31, 2021	\$ 92,548
Accretion of Preferred Stock discount	125
Undeclared dividends	2,118
Balance March 31, 2022	94,791
Accretion of Preferred Stock discount	124
Undeclared dividends	2,118
Balance June 30, 2022	97,033
Accretion of Preferred Stock discount	125
Undeclared dividends	2,118
Balance September 30, 2022	\$ 99,276

Earnings per share

Basic earnings per share for the Company's common stockholders is calculated by dividing income (loss) from continuing operations, excluding amounts attributable to preferred stockholders and the net income (loss) attributable to noncontrolling interests, by the Company's weighted average shares of Common Stock outstanding during the period. Diluted earnings per share is computed by dividing the net income (loss) attributable to common stockholders, excluding amounts attributable to preferred stockholders and the net income (loss) attributable to noncontrolling interests, by the weighted average number of common shares including any dilutive shares.

The following table summarizes the potential dilution of conversion of Operating Partnership common units ("Common Units"), Series B Preferred, Series D Preferred Stock, warrants and Convertible Notes into the Company's Common Stock. These have been excluded from the Company's diluted earnings per share calculation because their inclusion would be

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Wheeler Real Estate Investment Trust, Inc. and Subsidiaries Notes to Condensed Consolidated Financial Statements (Continued) (Unaudited)

9. Equity and Mezzanine Equity (continued)

antidilutive.

	September 30, 2023	
	Outstanding shares	Potential Dilutive Shares
Common units	13,566	13,566
Series B Preferred Stock	3,379,142	211,196
Series D Preferred Stock	3,308,603	729,958
Warrants to purchase Common Stock	—	155,812
Convertible Notes	—	9,405,539

Dividends

The following table summarizes the Series D Preferred Stock dividends (in thousands except for per share amounts, unaudited):

	Arrears Date	Series D Preferred Stock	
		Arrears	Per Share
For the nine months ended September 30, 2023		\$ 6,502	\$ 1.97
For the nine months ended September 30, 2022		\$ 6,354	\$ 2.01

The total cumulative dividends in arrears for Series D Preferred Stock is \$41.1 million as of September 30, 2023 (per share \$12.42). Commencing September 21, 2023, the Series D Preferred Stock holders are entitled to cumulative cash dividends at an annual dividend rate of 12.75% increased by 2% of the liquidation preference per annum on each subsequent anniversary thereafter, subject to a maximum annual dividend rate of 16%, including the 2% default rate.

There were no dividends declared to holders of Common Stock, Series A Preferred, Series B Preferred or Series D Preferred Stock during the nine months ended September 30, 2023 and 2022.

10. Commitments and Contingencies

Lease Commitments

The Company has is the lessee under several ground leases and leases for its corporate headquarters; both all are accounted for as operating leases. Most leases include one or more options to renew, with renewal terms that can extend the lease term from 5 to 50 years. As of September 30, 2023 March 31, 2024 and 2022, 2023, the weighted average remaining lease term of our leases was 36 and 34 years, respectively. Rent expense under the operating lease agreements were was \$0.3\$0.2 million and \$0.3 million \$0.3 million for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively. Rent expense under the operating lease agreements was \$0.9 million and \$0.8 million for the nine months ended September 30, 2023 and 2022, 2023, respectively.

Litigation

The Company is involved in various legal proceedings arising in the ordinary course of its business, including, but not limited to commercial disputes. The Company believes that such litigation, claims and administrative proceedings will not have a material adverse impact on its financial position or its results of operations. The Company records a liability when it considers the loss probable and the amount can be reasonably estimated. In addition, the below legal proceedings are in process:

In Re: Cedar Realty Trust, Inc. Preferred Shareholder Litigation, Case No.: 1:22-cv-1103, in the United States District Court for the District of Maryland. On April 8, 2022, several purported holders of Cedar's outstanding Cedar preferred stock filed a putative class action complaint against Cedar, Cedar's Board of Directors prior to the Cedar Acquisition Merger, and the Company WHLR in Montgomery County Circuit Court, Maryland entitled *Sydney, et al. v. Cedar Realty Trust, Inc., et al.*, (Case No. C-15-CV-22-001527).

On May 6, 2022, the Plaintiffs in *Sydney* filed a motion for a preliminary injunction. Also on May, 6, 2022, a purported holder of Cedar's outstanding preferred stock filed a separate putative class action complaint against Cedar and Cedar's Board of Directors prior to the Cedar Acquisition in the United States District

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Wheeler Real Estate Investment Trust, Inc. and Subsidiaries

Notes to Condensed Consolidated Financial Statements (Continued)

(Unaudited)

10. Commitments and Contingencies (continued)

Court for the District of Maryland, entitled *Kim v. Cedar Realty Trust, Inc., et al.*, Civil Action No. 22-cv-01103. On May 11, 2022, Cedar, former Board of Directors of Cedar and the Company removed the *Sydney* action to the United States District Court for the District of Maryland, Case No. 8:22-cv-01142-GLR. On May 16, 2022, the court ordered that a hearing on the *Sydney* Plaintiffs' motion for preliminary injunction be held on June 22, 2022. On June 2, 2022, the Plaintiffs in *Kim* also filed a motion for a preliminary injunction. The court consolidated the motions for preliminary injunction.

On June 23, 2022, following a hearing, the court issued an order denying both motions for preliminary injunction, holding that the Plaintiffs in both cases were unlikely to succeed on the merits and that Plaintiffs had not established that they would suffer irreparable harm if the injunction was denied.

By order dated July 11, 2022, the court consolidated the *Sydney* and *Kim* cases and set an August 24, 2022 deadline for the Plaintiffs in both cases to file a consolidated amended complaint. Plaintiffs filed their amended complaint on August 24, 2022. The amended complaint alleges on behalf of a putative class of holders of Cedar's preferred stock, among other things, claims for breach of contract against Cedar and Cedar's former Board of Directors with respect to the articles supplementary governing the terms of Cedar's preferred stock, breach of fiduciary duty against Cedar's former Board of Directors, and tortious interference and aiding and abetting breach of fiduciary duty against the Company. On October 7, 2022, Defendants moved to dismiss the amended complaint. Plaintiffs opposed the motion to dismiss and filed a motion to certify a question of law to Maryland's Supreme Court. On August 1, 2023, the court issued a decision and order granting Defendants' motions to dismiss, without leave to amend, and denying Plaintiffs' motion to certify a question of law to the Maryland Supreme Court. The Plaintiffs appealed the dismissal to the United States Court of Appeals for the Fourth Circuit, Case No. 23-1905, docketed on August 30, 2023. The Court has set a briefing schedule. **The appeal has been fully briefed and a hearing thereon is set before the Fourth Circuit for May 9, 2024.** At this juncture, the outcome of the litigation remains uncertain.

High Income Securities Fund City of Grove, Oklahoma et al v. Cedar Realty Harbor Point Associates, LLC, et al., Case No. CJ-2024-961, in the District Court of Tulsa County, State of Oklahoma. On March 14, 2024, the City of Grove, Oklahoma, and the Grove Economic Development Authority filed a petition against Harbor Point Associates, LLC ("Harbor Point"), WHLR, and the Operating Partnership alleging against all Defendants claims for breach of contract, breach of implied covenant of good faith and fair dealing, and unjust enrichment. On April 10, 2024, (i) Harbor Point filed an Answer to Plaintiffs' Claims and set forth a Counterclaim for an accounting from Plaintiffs, (ii) WHLR and the Operating Partnership filed a Motion to Dismiss all of Plaintiffs' claims, and (iii) Harbor Point filed a Partial Motion to Dismiss Plaintiffs' claims

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Wheeler Real Estate Investment Trust, Inc. and Subsidiaries

Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

for breach of implied covenant of good faith and fair dealing and unjust enrichment. On May 1, 2024, Plaintiffs filed an Answer to Harbor Point's Counterclaim. On April 29, 2024, Plaintiffs filed a Response to Defendants' Motions to Dismiss. The Defendants' Motions to Dismiss are pending before the Court and, thus, at this juncture, the outcome of the litigation is uncertain.

Khoshaba v. Stilwell, et al., Case No. 2:22-cv-4031, 24cv237, in the United States District Court for the Eastern District of New York, Virginia. On July 11, 2022 April 10, 2024, the plaintiff, a purported holder of Cedar's outstanding preferred stock filed a complaint against Cedar the Company's Common Stock and Cedar's Board of Directors prior to the Merger in the United States District Court for the Eastern District of New York, entitled *High Income Securities Fund v. Cedar Realty Trust, Inc., et al.*, No. 2:22-cv-4031. The complaint alleged that the Defendants violated Section 10(b) of the Exchange Act and SEC Rule 10b-5 promulgated thereunder by making false and misleading statements and omissions, and that Cedar's its former Board of Directors are control persons under Section 20(a) of the Exchange Act. On September 25, 2023, the Court granted Defendants' motion to dismiss the complaint with prejudice, and the time within which the Plaintiff could have appealed such decision has passed.

Krasner v. Cedar Realty Trust, Inc., et. al., in the United States District Court for the Eastern District of New York, Case No. 2:22-cv-06945. On October 14, 2022, a purported holder of Cedar's outstanding preferred stock CEO, filed a putative class action against Cedar, and derivative complaint alleging, inter alia, that the Board current and certain former directors of Directors prior the Company breached their duty to the Cedar Acquisition, Company and its Common Stockholders, and that certain of those directors and an officer of Wheeler were unjustly enriched in connection with action (or inaction) involving the Company's Series D Preferred Stock following the 2021 rights offering through which the Company issued its Convertible Notes. The Company is named as a nominal defendant in Nassau County Supreme Court, New York entitled *Krasner v. Cedar Realty Trust, Inc., et al.*, (Case No. 613985/2022), the case and no claims are asserted against it. The complaint alleges on behalf of a putative class of holders of Cedar's preferred stock, among other things, claims for breach of contract against Cedar Company is providing indemnification (including legal fees and the former Board of Directors with respect costs) to the articles supplementary governing the terms of Cedar's preferred stock, breach of fiduciary duty against the former Board of Directors, director and tortious interference and aiding and abetting breach of fiduciary duty against the Company. The complaint seeks, among other relief, an award of monetary damages, attorneys' fees, and expert fees. Defendants removed the case to a federal court. On April 24, 2023, the federal court granted Plaintiff's motion to remand the case to the Nassau County Supreme Court. Defendants sought and received leave from the federal appellate court for permission to appeal the remand decision. The appeal has been briefed and argued. In the interim, Defendants filed motions in the Nassau County action to dismiss or stay the case based both on the pendency of the lawsuit in Maryland in which the same claims were asserted by other preferred stockholders and on the merits. The motions have been fully briefed, including supplemental briefing on the impact of the Maryland decision. The court held a hearing on the motions on October 27, 2023, but has not yet issued a ruling thereon. officer defendants. At this juncture, the outcome of the litigation is uncertain.

9. Rental Revenue and Tenant Receivables

Tenant Receivables

As of March 31, 2024 and December 31, 2023, the Company's allowance for uncollectible tenant receivables totaled \$0.7 million and \$0.9 million, respectively. At March 31, 2024 and December 31, 2023, there were \$7.8 million and \$7.9 million, respectively, in unbilled straight-line rent, which is included in "receivables, net."

Lease Contract Revenue

The below table disaggregates the Company's revenue by type of service (in thousands, unaudited):

	Three Months Ended March 31,	
	2024	2023
Base rent	\$ 18,438	\$ 18,009
Tenant reimbursements - variable lease revenue	5,822	5,576

Above (below) market lease amortization, net	913	1,396
Straight-line rents	370	346
Percentage rent - variable lease revenue	102	198
Lease termination fees	9	115
Other	168	451
Total	25,822	26,091
Credit adjustments on operating lease receivables	50	(25)
Total	\$ 25,872	\$ 26,066

10. Equity and Mezzanine Equity

Series D Preferred Stock - Redeemable Preferred Stock

At March 31, 2024 and December 31 2023, the Company had 6,000,000 authorized shares of Series D Preferred Stock, without par value with a \$25.00 liquidation preference per share, or \$95.9 million and \$97.1 million in aggregate liquidation value, respectively.

After September 21, 2023, each holder of the Series D Preferred Stock may, at such holder's option, request that the Company redeem any or all of such holder's shares of the Series D Preferred Stock on a monthly basis (each redemption date, a "Holder Redemption Date") at a redemption price of \$25.00 per share, plus an amount equal to all accrued and unpaid dividends, if any, to and including the Holder Redemption Date, payable in cash or in shares of Common Stock, or any combination thereof, at the Company's option. Redemptions commenced on September 22, 2023, and the first Holder Redemption Date was October 5, 2023.

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Wheeler Real Estate Investment Trust, Inc. and Subsidiaries Notes to Condensed Consolidated Financial Statements (Continued) (Unaudited)

During the three months ended March 31, 2024, the Company processed redemptions for an aggregate of 84,561 shares of Series D Preferred Stock from the holders thereof. Accordingly, the Company issued 14,253,931 shares of Common Stock in settlement of an aggregate Redemption Price of approximately \$3.2 million.

The value of the Common Stock issued to holders redeeming their Series D Preferred Stock is the volume weighted average price per share of our Common Stock for the ten consecutive trading days immediately preceding, but not including, the Holder Redemption Date as reported on Nasdaq (the "VWAP"). As of March 31, 2024, the Company has realized a gain of \$0.2 million in the aggregate due to the closing price of the Common Stock on the last VWAP date differing from the VWAP used to calculate the shares issued in each redemption round.

The changes in the carrying value of the Series D Preferred Stock for the three months ended March 31, 2024 and 2023 are as follows (in thousands, except per share data, unaudited):

	Series D Preferred Stock	
	Shares	Value
Balance December 31, 2023	2,590,458	\$ 96,705
Series D Preferred Stock redemptions	(84,561)	(2,826)
Undeclared dividends	—	2,020
Balance March 31, 2024	2,505,897	\$ 95,899

Series D Preferred Stock

	Shares	Value
Balance December 31, 2022	3,152,392	\$ 101,518
Accretion of Preferred Stock discount	—	125
Conversion of Series D Preferred Stock to Common Stock	(4,244)	(140)
Undeclared dividends	—	2,118
Balance March 31, 2023	<u>3,148,148</u>	<u>\$ 103,621</u>

Earnings per share

Basic earnings per share ("EPS") is calculated by dividing net income (loss) attributable to the Company's common shareholders by the weighted average number of common shares outstanding for the period including participating securities.

Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into shares of common stock.

The following table summarizes the potential dilution of conversion of Operating Partnership common units ("Common Units"), Series B Preferred, Series D Preferred Stock, warrants and Convertible Notes into the Company's Common Stock. These have been excluded from the Company's diluted earnings per share calculation because their inclusion would be antidilutive.

	March 31, 2024	
	Outstanding shares	Potential Dilutive Shares
Common units	13,323	13,323
Series B Preferred Stock	3,379,142	211,196
Series D Preferred Stock	2,505,897	442,837,727
Warrants to purchase Common Stock	—	106,171
Convertible Notes	—	259,767,599

Dividends

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Wheeler Real Estate Investment Trust, Inc. and Subsidiaries **Notes to Condensed Consolidated Financial Statements (Continued)** **(Unaudited)**

The following table summarizes the Series D Preferred Stock dividends (in thousands, except for per share amounts, unaudited):

Arrears Date	Series D Preferred Stock		
	Undeclared		
	Dividends	Per Share	
For the three months ended March 31, 2024	\$ 2,020	\$ 0.81	
For the three months ended March 31, 2023	\$ 2,115	\$ 0.67	

The total cumulative dividends in arrears for Series D Preferred Stock is \$33.3 million as of March 31, 2024 (\$13.28 per share). There were no dividends declared to holders of Common Stock, Series A Preferred, Series B Preferred or Series D Preferred Stock during the three months ended March 31, 2024 and 2023.

11. Related Party Transactions

Related Party Transactions with Cedar

The Company performs property management and leasing services for Cedar, a wholly-owned subsidiary of the Company, pursuant to the Wheeler management agreement entered into by and between the companies (the "Wheeler Real Estate Company Management Agreement"). During the three and nine months ended September 30, 2023 March 31, 2024, Cedar paid the Company \$0.7 \$0.3 million and \$1.1 million, respectively, for these services. During the three and nine months ended September 30, 2022 March 31, 2023, Cedar paid the Company \$0.1 \$0.4 million and \$0.1 million, respectively, for these services. The Operating Partnership and Cedar's operating partnership, Cedar Realty Trust Partnership, L.P., are party to a cost sharing and reimbursement agreement, pursuant to which the parties agreed to share costs and expenses associated with certain employees, certain facilities and property, and certain arrangements with third parties (the "Cost Sharing Agreement"). Related party amounts due to the Company from Cedar as of September 30, 2023 and December 31, 2022 are comprised of: (in thousands):

	September 30, 2023 (b)	December 31, 2022 (b)	
2022 financings and real estate taxes	\$ 7,166	\$ 7,166	
	March 31, 2024 (2)	March 31, 2024 (2)	December 31, 2023 (2)
Financings and real estate taxes			
Management fees	220	110	
Leasing commissions	555	85	
Cost Sharing Agreement allocations (a)	424	—	
Cost Sharing Agreement allocations (1)			
Other	21	(33)	
Total	\$ 8,386	\$ 7,328	

(a)(1) Includes allocations for executive compensation and directors' liability insurance. In 2022, there were no allocations made to Cedar for these services due to certain limitations set forth in the Cost Sharing Agreement.

(b)(2) These related party amounts have been eliminated for consolidation purposes.

Investment securities - related party

The Company has investments held with SAI, a related party. See Note 4 in this Form 10-Q for additional details.

Excepted Holder Limits

12. Subsequent Events

Series D Preferred On December 4, 2023, the Company's Board of Directors, under the terms of its charter (the "Charter"), created a Capital Stock Redemption update

The first monthly Excepted Holder Redemption Date occurred on October 5, 2023. The Company received fully complete Limit of 55% and timely redemption requests from 50 Series D Preferred Holders, collectively redeeming 172,911 shares of Series D Preferred Stock for a redemption

price per share of approximately \$37.48. The Company settled the redemption price in Common Stock. The volume weighted average of the closing sales price, as reported on the Nasdaq, per share of Common Stock Excepted Holder Limit of 86% for each of SAI, Stilwell Activist Fund, L.P., Stilwell Value Partners VII, L.P., and Stilwell Associates, L.P. (collectively, the ten consecutive trading days immediately preceding, but not including, "Investors"). Joseph Stilwell, a member of our Board of Directors, is the Holder Redemption Date was approximately \$2.89. Accordingly, managing member and owner of Stilwell Value LLC, which is the Company issued 2,245,591 shares general partner of Common Stock in settlement of an aggregate redemption price of approximately \$6.5 million.

The second monthly Holder Redemption Date occurred on November 6, 2023. The Company received fully complete and timely redemption requests from 90 Series D Preferred Holders, collectively redeeming 319,762 shares of Series D Preferred Stock for a redemption price per share of approximately \$37.76. The Company settled the redemption price in Common Stock. The volume weighted average of the closing sales price, as reported on the Nasdaq, per share of Common Stock for the ten consecutive trading days immediately preceding, but not including, the Holder Redemption Date was approximately \$0.84. Accordingly, the Company issued 14,355,723 shares of Common Stock in settlement of an aggregate redemption price of approximately \$12.1 million.

The Company recognized an aggregate \$5.9 million gain as a result of the difference between the VWAP used to calculate the number of shares of Common Stock distributed to redeeming holders of Series D Preferred Stock and the fair market value of such Common Stock on each of the two Holder Redemption Dates. Investors.

On December 5, 2023, the Company entered into an Excepted Holder Agreement with the Investors with respect to such limits. The Capital Stock Excepted Holder Limit provides that the Investors are exempted from the Charter's aggregate stock ownership limit of not more than 9.8% in value of the aggregate of the outstanding shares of all classes of the Company's capital stock (as calculated under the definitions of "Aggregate Stock Ownership Limit" and "Beneficial Ownership" in the Charter) and are instead subject to the percentage limit established by the Board of Directors. The Common Stock Excepted

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Wheeler Real Estate Investment Trust, Inc. and Subsidiaries Notes to Condensed Consolidated Financial Statements (Continued) (Unaudited)

12. Subsequent Events (continued)

Adjustment Holder Limit provides that the Investors are exempted from the Charter's common stock ownership limit of not more than 9.8% in value of the aggregate of the outstanding shares of the Company's Common Stock (as calculated under the definitions of "Common Stock Ownership Limit" and "Beneficial Ownership" in the Charter) and is instead subject to Conversion Price the percentage limit established by the Board of Convertible Notes Directors. The Capital Stock Excepted Holder Limit and Common Stock Excepted Holder Limit will automatically terminate upon reduction of the Investors' capital stock and Common Stock ownership below 9.8%, respectively.

Because at least 100,000 shares Following the transfer of Common Stock to the Investors in consideration of the February 2024 Series D Preferred Stock redemptions made by the Investors, the Investors would have been redeemed, pursuant to Section 14.02 (Optional Conversion) beneficially owned or constructively owned an amount of capital stock in excess of the indenture governing the Company's Convertible Notes (the "Convertible Notes Indenture"), effective October 5, 2023 Prior Excepted Holder Limits. On February 5, 2024, the conversion price for Board of Directors agreed to increase the Convertible Notes was adjusted prior Excepted Holder Limits to \$1.59 per share of permit this additional ownership and, accordingly, the Company's Company entered into an amendment to the Excepted Holder Agreement with the Investors under which the Company increased the Capital Stock Excepted Holder Limit granted to Investors under the Excepted Holder Agreement to 60% and the Common Stock (15.72 shares of Common Stock for each \$25.00 of principal amount of the Convertible Notes being converted).

For the November redemptions, the lowest price at which any Series D Preferred Stock was converted by a holder into Common Stock was approximately \$0.84.

Accordingly, pursuant Excepted Holder Limit to Section 14.02 (Optional Conversion) of the Convertible Notes Indenture, the conversion price for the Convertible Notes was further adjusted to \$0.46 per share of Common Stock (54.05 shares of Common Stock for each \$25.00 of principal amount of the Convertible Notes being converted), representing a 45% discount to \$0.84. 90%.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion of our financial condition and results of operations in conjunction with our unaudited condensed consolidated financial statements and the notes thereto included in this **Quarterly Report on Form 10-Q**, along with the consolidated financial statements and the notes thereto, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our **2022** **2023** Form 10-K. All per share amounts, common units and shares outstanding, warrants, and conversion features of the Convertible Notes for all periods presented reflect the one-for-ten Reverse Stock Split, which took effect on August 17, 2023. For more detailed information regarding the basis of presentation for the following information, you should read the notes to the unaudited condensed consolidated financial statements included in this Form 10-Q.

In addition to historical information, this discussion and analysis contains forward-looking statements based on current expectations that involve risks, uncertainties and assumptions, such as our plans, objectives, expectations and intentions. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, including those discussed under the section entitled "**Forward-Looking** **"Cautionary Note on Forward-Looking Statements."**" These forward-looking statements are not historical facts but are the intent, belief or current expectations of our management based on its knowledge and understanding of our business and industry.

Company Overview

The Company, a Maryland corporation, is a fully integrated, self-managed commercial real estate investment trust that owns, leases and operates income-producing retail properties with a primary focus on grocery-anchored centers. In August 2022, the Company acquired Cedar Realty Trust. As a result of that acquisition, Cedar became a subsidiary of the **Company** and this Form 10-Q includes Cedar starting from the date of acquisition. **Company**.

As of **September 30, 2023** **March 31, 2024**, the Company, through the Operating Partnership, owned and operated seventy-five retail shopping centers and four undeveloped properties in South Carolina, Georgia, Virginia, Pennsylvania, North Carolina, Massachusetts, New Jersey, Florida, Connecticut, Kentucky, Tennessee, Alabama, Maryland, West Virginia, and Oklahoma. This list includes the properties acquired through the Cedar Acquisition.

The Company's portfolio of properties is dependent upon regional and local economic conditions, and is geographically concentrated in the Mid-Atlantic, Southeast and Northeast, which markets represent approximately **45%** **46%**, 40% and **15%** **14%** respectively, of the total annualized base rent of the properties in its portfolio as of **September 30, 2023** **March 31, 2024**. The Company's geographic concentration may cause it to be more susceptible to adverse developments in those markets than if it owned a more geographically diverse portfolio. Additionally, the Company's retail shopping center properties depend on anchor stores or major tenants to attract shoppers and could be adversely affected by the loss of, or a store closure by, one or more of these tenants.

Recent Trends and Activities

Series D Preferred Stock - Exchange Offer and Consent Solicitation Assets Held for Sale

As of March 31, 2024, South Philadelphia, located in Philadelphia, Pennsylvania has been classified as "assets held for sale" in the accompanying condensed consolidated balance sheet.

Cedar Revolving Credit Agreement

On November 22, 2022, the Company commenced the Exchange Offer, which, as subsequently amended, provided for the exchange of up to 2,112,103 outstanding shares of Series D Preferred Stock, representing 67% of the outstanding shares of Series D Preferred Stock, for (i) 6.00% Subordinated Convertible Notes due 2028, and (ii) Common Stock, in each case to have been newly issued by the Company. As of the expiration of the Exchange Offer on January 20, 2023, 864,391 shares of Series D Preferred Stock (representing 26.8% of the total outstanding Series D Preferred Stock) had been validly tendered (and not validly withdrawn) in the Exchange Offer. Accordingly, the condition that the holders of at least 66 2/3% of the outstanding shares of Series D Preferred Stock validly tender their Series D Preferred Stock into the Exchange Offer had not been satisfied and the Exchange Offer expired on January 20, 2023.

Series D Preferred Stock - Redemption

After September 21, 2023, each holder of the Series D Preferred Stock of the Company has the right, at such holder's option, to request that the Company redeem any or all of such holder's shares of Series D Preferred Stock on a monthly basis – with redemptions commencing September 22, 2023 and the first Holder Redemption Date of October 5, 2023. At September 30, 2023, the Company had received requests to redeem 172,241

shares of Series D Preferred Stock. As such, the redemption of these Series D Preferred Stock is considered certain at September 30, 2023 and \$6.4 million was reclassified from mezzanine equity to a liability, "Series D Preferred Stock redemptions" on the condensed consolidated balance sheets. This represents the \$25.00 liquidation preference plus accrued and unpaid dividends at September 30, 2023.

Dispositions

Disposal Date	Property	Contract Price	Gain	Net Proceeds
July 11, 2023	Carll's Corner Outparcel - Bridgeton, New Jersey	\$ 3,000	\$ 2,204	\$ 2,759

Land Acquisitions

On February 21, 2023 the Company purchased a 2.5 acre land parcel adjacent to St. George Plaza, located in St. George, South Carolina, for \$0.2 million.

On August 18, 2023 the Company purchased a 3.25 acre land parcel within Devine Street, located in Columbia, South Carolina, for \$4.1 million. The Devine Street Land Acquisition terminated the Company's ground lease associated with this property.

Term Loan Agreement, 12 properties

On May 5, 2023 February 29, 2024, the Company entered into a revolving credit agreement with KeyBank National Association to draw up to \$9.5 million (the "Cedar Revolving Credit Agreement"). The interest rate under the Term Loan Cedar Revolving Credit Agreement 12 properties for \$61.1 million at a fixed rate is the daily SOFR, plus applicable margins of 6.194% and interest-only 0.10% plus 2.75%. Interest payments are due monthly, through June 2025. Commencing in July 2025, until any outstanding principal is due at maturity on February 28, 2025. The Cedar Revolving Credit Agreement may be extended, at the maturity date Company's option, for up to two additional three-month periods, subject to customary conditions. The Cedar Revolving Credit Agreement is collateralized by 6 properties, consisting of June 1, 2033, monthly principal Carll's Corner, Fieldstone Marketplace, Oakland Commons, Kings Plaza, Oregon Avenue and interest payments South Philadelphia, and proceeds will be \$0.4 million. Loan proceeds were used to refinance 12 properties, including \$1.1 million in defeasance.

Term Loan Agreement, 8 properties

On May 18, 2023, the Company entered into the Term Loan Agreement, 8 properties for \$53.1 million at a fixed rate of 6.24% capital expenditures and interest-only payments due monthly through June 2028. Commencing in July 2028, until the maturity date of June 10, 2033, monthly principal and interest payments will be \$0.3 million. Loan proceeds were used to refinance 8 properties, including \$0.7 million in defeasance. tenant improvements for such properties.

Timpany Plaza Loan Agreement

On September 12, 2023 March 28, 2024, the Company entered into received \$1.0 million of \$2.5 million in deferred loan proceeds under the Timpany Plaza Loan Agreement for \$11.6 million at a fixed rate following the Company's satisfaction of 7.27% with interest-only payments due monthly for the first twelve months. Commencing on September 12, 2024, until the maturity date of September 12, 2028, monthly principal and interest payments will be made based on a 30-year amortization schedule calculated based on the principal amount as of that time. On the closing date, the Company received \$9.1 million of the \$11.6 million and the remaining \$2.5 million will be received upon certain lease-related contingencies. The Timpany Plaza Loan Agreement Company anticipates receiving the \$1.5 million balance of the deferred loan proceeds upon the satisfaction of certain other lease-related contingencies.

Series D Preferred Stock - Redemptions

During the three months ended March 31, 2024, the Company processed redemptions of an aggregate of 84,561 shares of Series D Preferred Stock from the holders thereof. Accordingly, the Company issued 14,253,931 shares of Common Stock in settlement of an aggregate Redemption Price of approximately \$3.2 million.

The value of the Common Stock issued to holders redeeming their Series D Preferred Stock is collateralized by the Timpany Plaza shopping center, volume weighted average price per share of our Common Stock for the ten consecutive trading days immediately preceding, but not including, the Holder Redemption Date as reported on Nasdaq (the "VWAP"). As of March 31, 2024, the Company has realized a gain of \$0.2 million in the

aggregate due to the closing price of the Common Stock on the last VWAP date differing from the VWAP used to calculate the shares issued in each redemption round.

Convertible Notes

Interest expense on related to the Convertible Notes consisted of was \$0.5 million and \$0.6 million during the following (in thousands, except for shares):

For the nine months ended September 30,	Series B Preferred number of shares		Series D Preferred Stock number of shares		Convertible Note interest at 7% coupon		Fair value adjustment	Interest expense
	(1)	(1)	(1)	\$	\$			
2023	—	—	160,455	\$ 1,718	\$ 851	\$ 2,569		
2022	432,994	—	—	\$ 1,733	\$ 944	\$ 2,677		

(1) Shares issued as interest payment on Convertible Notes.

three months ended March 31, 2024 and 2023, respectively.

On June 8, 2023 January 17, 2024, the Company paid down \$0.6 million of the Convertible Notes through an open market purchase of 23,784 units totaling \$1.2 million. On September 11, 2023, the Company paid down \$0.9 million \$0.6 million of the Convertible Notes through an open market purchase of 35,000 23,280 units totaling \$1.9 million, at a total purchase price of \$1.3 million. As a result of these transactions the Company recognized a \$1.1 million and \$1.6 million \$0.7 million loss for the three and nine months ended September 30, 2023, respectively, March 31, 2024 which represents the fair value of the purchase over principal pay down. The loss is included in "other expense" on in the condensed consolidated statements of operations.

As of March 31, 2024, the Conversion Price for the Convertible Notes was approximately \$0.12 per share of the Company's Common Stock (approximately 209.84 shares of Common Stock for each \$25.00 of principal amount of the Convertible Notes being converted).

Related Party Transactions

Management and Leasing Services for Cedar

The Company performs property management and leasing services for Cedar, a wholly-owned subsidiary of the Company. During the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, Cedar paid the Company \$0.7 million \$0.3 million and \$0.1 million, \$0.4 million, respectively, for these services. During the nine months ended September 30, 2023 and 2022, Cedar paid the Company \$1.1 million and \$0.1 million, respectively, for these services.

Related party amounts due to the Company from Cedar for financing and real estate taxes, management fees, leasing commissions and Cost Sharing Agreement allocations were \$8.4 million and \$7.3 million \$8.1 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, and have been eliminated for consolidation purposes.

On June 1, 2023 the Company subscribed for an investment Investment in the amount of \$3.0 million for limited partnership interests in SAI. On September 1, 2023 the Company subscribed for an additional investment in the amount of \$3.5 million for limited partnership interests in SAI. Stilwell Activist Investments, L.P

The Company's SAI investment is accounted for under the equity method and measured at net asset value as a practical expedient and has not been classified within the fair value hierarchy. All gains and losses, realized and unrealized, and fees are recorded through "gains (losses) on investment securities, net" on in the condensed consolidated statements of operations. As of September 30, 2023 March 31, 2024, the fair value of the Company's SAI investment was \$6.6 \$10.6 million which includes \$6.5 \$10.0 million from subscriptions and \$33 the 2023 subscriptions. For the three months ended March 31, 2024 the Company recognized \$27 thousand in fees. Unrealized gains fees and an unrealized loss of \$79 thousand for a loss on investment securities., net of fees were \$49 thousand and \$80 thousand for the three and nine months ended September 30, 2023, respectively. \$106 thousand. See Note 4 in to the accompanying condensed consolidated financial statements for additional details. detail.

Excepted Holder Limits

On February 5, 2024, the Board of Directors agreed to increase the prior Excepted Holder Limits granted to the Stilwell Investors to permit additional stock ownership and, accordingly, the Company entered into an amendment to the Excepted Holder Agreement with the Investors under which the Company increased the Capital Stock Excepted Holder Limit granted to Investors under the Excepted Holder Agreement to 60% and the Common Stock Excepted Holder Limit to 90%. See Note 11 to the accompanying condensed consolidated financial statements for additional detail.

Preferred Dividends

At **September 30, 2023** **March 31, 2024**, the Company had accumulated undeclared dividends of **\$41.1 million** **\$33.3 million** (**\$13.28 per share**) to holders of shares of our Series D Preferred Stock of which **\$2.3 million** and **\$6.5 million** **\$2.0 million** (per share **\$0.81**) is attributable to the three and nine months ended **September 30, 2023**, respectively. Commencing September 21, 2023, the Series D Preferred Stock holders are entitled to cumulative cash dividends at an annual dividend rate of 12.75% increased by 2% of the liquidation preference per annum on each subsequent anniversary thereafter, subject to a maximum annual dividend rate of 16%, including the 2% default rate. **March 31, 2024**.

New Leases and Leasing Renewals

The following table presents selected lease activity statistics for our properties:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
Three Months Ended March 31,					
Three Months Ended March 31,					
Three Months Ended March 31,					
2024					
2024					
2024					
Renewals⁽¹⁾:					
Renewals⁽¹⁾:					
Renewals⁽¹⁾:	Renewals⁽¹⁾:				
Leases renewed with rate increase (sq feet)	Leases renewed with rate increase (sq feet)	129,041	166,594	598,259	382,802
Leases renewed with rate increase (sq feet)					
Leases renewed with rate increase (sq feet)					
Leases renewed with rate decrease (sq feet)					
Leases renewed with rate decrease (sq feet)					
Leases renewed with rate decrease (sq feet)					
Leases renewed with rate decrease (sq feet)	Leases renewed with rate decrease (sq feet)	—	47,538	—	59,027

Leases renewed with no rate change (sq feet)	Leases renewed with no rate change (sq feet)	133,119	143,060	210,377	217,711
Leases renewed with no rate change (sq feet)					
Leases renewed with no rate change (sq feet)					
Total leases renewed (sq feet)					
Total leases renewed (sq feet)					
Total leases renewed (sq feet)	Total leases renewed (sq feet)	262,160	357,192	808,636	659,540
Leases renewed with rate increase (count)	Leases renewed with rate increase (count)	32	31	91	75
Leases renewed with rate increase (count)					
Leases renewed with rate increase (count)					
Leases renewed with rate decrease (count)					
Leases renewed with rate decrease (count)					
Leases renewed with rate decrease (count)	Leases renewed with rate decrease (count)	—	5	—	10
Leases renewed with no rate change (count)	Leases renewed with no rate change (count)	7	6	16	24
Leases renewed with no rate change (count)					
Leases renewed with no rate change (count)					
Total leases renewed (count)					
Total leases renewed (count)					
Total leases renewed (count)	Total leases renewed (count)	39	42	107	109
Option exercised (count)	Option exercised (count)	6	5	22	12
Option exercised (count)					
Option exercised (count)					
Weighted average on rate increases (per sq foot)					
Weighted average on rate increases (per sq foot)					

Weighted average on rate increases (per sq foot)	Weighted average on rate increases (per sq foot)	\$ 1.32	\$ 1.18	\$ 0.84	\$ 1.22
Weighted average on rate decreases (per sq foot)	Weighted average on rate decreases (per sq foot)	\$ —	\$ (0.70)	\$ —	\$ (1.15)
Weighted average rate on all renewals (per sq foot)		\$ 0.65	\$ 0.46	\$ 0.62	\$ 0.61
Weighted average on rate decreases (per sq foot)					
Weighted average on rate decreases (per sq foot)					
Weighted average rate (per sq foot)					
Weighted average rate (per sq foot)					
Weighted average rate (per sq foot)					
Weighted average change over prior rates		7.2 %	5.5 %	6.9 %	6.6 %
Weighted average change of renewals over prior rates					
Weighted average change of renewals over prior rates					
Weighted average change of renewals over prior rates					
New Leases^{(1) (2)}:					
New Leases^{(1) (2)}:					
New Leases⁽¹⁾	New Leases⁽¹⁾				
(2):	(2):				
New leases (sq feet)	New leases (sq feet)	135,537	84,874	267,319	183,064
New leases (sq feet)					
New leases (sq feet)					
New leases (count)					
New leases (count)					
New leases (count)					
New leases (count)	New leases (count)	16	18	44	56
Weighted average rate (per sq foot)	Weighted average rate (per sq foot)	\$ 10.71	\$ 11.21	\$ 12.37	\$ 11.99
Weighted average rate (per sq foot)					

Weighted average rate (per sq foot)
Weighted average change of new leases over prior rates
Weighted average change of new leases over prior rates
Weighted average change of new leases over prior rates

(1) Lease data presented is based on average rate per square foot over the renewed or new lease term.

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

Three and Nine Months Ended September 30, 2023 Compared Recent Accounting Pronouncements

See Note 2 to the Three and Nine Months Ended September 30, 2022 condensed consolidated financial statements of this Form 10-Q.

Critical Accounting Policies

In preparing the condensed consolidated financial statements, we have made estimates, assumptions and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reported periods. Actual results may differ from these estimates. A summary of our critical accounting estimates and policies is included in our 2023 Form 10-K under "Management's Discussion and Analysis of Financial Condition and Results of Operations." During the three months ended March 31, 2024, there have been no significant changes to these estimates and policies previously disclosed in our 2023 Form 10-K. For disclosure regarding recent accounting pronouncements and the anticipated impact they will have on our operations, please refer to Note 2 of the condensed consolidated financial statements included in this Form 10-Q.

Results of Operations

Results from operations for the three and nine months ended September 30, 2023 reflect the results of the Cedar Acquisition on August 22, 2022. Accordingly, our results of operations will reflect the combined operations for future quarters subsequent to the acquisition date. Therefore, our historical financial statements will not be indicative of future operating results. Year-To-Date Comparison

Comparison of the three months ended September 30, 2023 and 2022

	Three Months Ended March 31,		Changes	
	2024	2023	Dollars	Percent
Revenues	\$ 25,872	\$ 26,066	\$ (194)	(0.7)%
Property operating expense	(9,050)	(8,955)	(95)	(1.1)%
Property operating income	16,822	17,111	(289)	
Depreciation and amortization	(6,598)	(7,466)	868	11.6 %
Corporate general & administrative	(2,746)	(3,071)	325	10.6 %
Interest income	63	47	16	34.0 %
Loss on investment securities, net	(106)	—	(106)	n/a
Interest expense	(7,405)	(6,477)	(928)	(14.3)%
Net changes in fair value of derivative liabilities	(5,507)	1,852	(7,359)	(397.4)%
Gain on preferred stock redemptions	213	—	213	n/a
Other expense	(742)	(2,405)	1,663	69.1 %
Net Loss	(6,006)	(409)	(5,597)	
Less: Net income attributable to noncontrolling interests	2,701	2,692	9	0.3 %
Net Loss Attributable to Wheeler REIT	\$ (8,707)	\$ (3,101)	\$ (5,606)	

The following table presents Revenues were lower primarily as a comparison result of the condensed consolidated statements (1) a decrease in market lease amortization of operations for the three months ended September 30, 2023 \$0.5 million and 2022: (2) a decrease in non-property revenue of \$0.2 million, partially offset by (3) an increase in base rent of \$0.3 million and (4) an increase in tenant reimbursements of \$0.2 million.

	Three Months Ended September 30,		Three Months Ended Changes		
	2023	2022	Change	% Change	
PROPERTY DATA:					
Number of properties owned and leased at period end (1)	75	76	(1) decrease	(1.3)%	a
Aggregate gross leasable area at period end (1)	8,140,236	8,183,345	(43,109) decrease	(0.5)%	a
Ending leased rate at period end (1)	93.1 %	92.1 %	1.0 % increase	1.1 %	an
FINANCIAL DATA:					
Rental revenues	\$ 24,655	\$ 18,486	\$ 6,169 increase	33.4 %	an
Other revenues	549	232	317 increase	136.6 %	an
Total Revenue	25,204	18,718	6,486 increase	34.7 %	an
OPERATING EXPENSES:					
Property operations	8,771	6,655	2,116 increase	31.8 %	an
Depreciation and amortization	6,875	4,981	1,894 increase	38.0 %	an
Corporate general & administrative	2,475	2,498	(23) decrease	(0.9)%	a
Total Operating Expenses	18,121	14,134	3,987 increase	28.2 %	an
Gain on disposal of properties	2,204	—	2,204 increase	100.0 %	an
Operating Income	9,287	4,584	4,703 increase	102.6 %	an
Interest income	163	15	148 increase	986.7 %	an
Gain on investment securities, net	49	—	49 increase	100.0 %	an
Interest expense	(7,469)	(6,949)	(520) decrease	(7.5)%	a
Net changes in fair value of derivative liabilities	(11,163)	(656)	(10,507) decrease	(1,601.7)%	a
Other expense	(2,233)	—	(2,233) decrease	(100.0)%	a

Net Loss Before Income Taxes	(11,366)	(3,006)	(8,360)	a decrease	(278.1)%
Income tax expense	(2)	—	(2)	a decrease	(100.0)%
Net Loss	(11,368)	(3,006)	(8,362)	a decrease	(278.2)%
Less: Net Income attributable to noncontrolling interests	2,693	1,234	1,459	an increase	118.2 %
Net Loss Attributable to Wheeler REIT	\$ (14,061)	\$ (4,240)	\$ (9,821)	a decrease	(231.6)%

(1) Excludes the undeveloped land parcels. Includes assets held for sale.

Total Revenue

Total revenues **Property Operating expenses** were \$25.2 million and \$18.7 million for the three months ended September 30, 2023 and 2022, respectively, representing higher primarily as a result of (1) an increase of 34.7%. The increase \$0.2 million in rental revenues insurance, partially offset by (2) a decrease of \$6.2 million is primarily a result of the \$5.8 million increase \$0.1 million in non-same store property revenues marketing expense for non-recurring rebrand signage due to the Cedar Acquisition, and a \$0.7 million increase in market lease amortization. Acquisition.

Total Operating Expenses

Total operating expenses were \$18.1 million and \$14.1 million for the three months ended September 30, 2023 and 2022, respectively, representing an increase of 28.2%. Property operations expense increased \$2.1 million, primarily a result of the \$1.4 million increase in non-same store property expense due to the Cedar Acquisition and a \$0.7 million increase in same store property expense.

Depreciation and amortization increased 38.0% for the three months ended September 30, 2023, were lower primarily as a result of the purchase price allocation of lease intangibles due to the timing of the Cedar Acquisition.

Corporate general and administrative expenses were \$2.5 million lower primarily as a result of (1) a decrease of \$0.2 million in legal fees due to bringing certain legal services in-house and \$2.5 million for the three months ended September 30, 2023 and 2022, respectively.

Interest Expense (2) a decrease of \$0.1 million in agent commissions.

Interest expense was \$7.5 million and \$6.9 million for the three months ended September 30, 2023 and 2022, respectively, representing an increase of 7.5% increased 14.3%. Below is a comparison of the components which make up interest expense (in thousands, unaudited) thousands):

	Three Months Ended September 30,		Three Months Ended Changes		% Change
	2023	2022	Change	% Change	
Property debt interest - excluding Cedar debt	\$ 4,353	\$ 3,715	\$ 638	17.2 %	
Convertible Notes interest	563	578	(15)	(2.6)%	
Defeasance paid	—	1,156	(1,156)	(100.0)%	
Amortization of deferred financing costs	636	806	(170)	(21.1)%	
Property debt interest - Cedar	1,917	694	1,223	100.0 %	
Total Interest Expense	\$ 7,469	\$ 6,949	\$ 520	7.5 %	

Net Change in Fair Value of Derivative Liabilities

	Three Months Ended March 31,	Changes

	2024	2023	Dollars	Percent
Property debt interest - excluding Cedar debt	\$ 4,201	\$ 3,606	\$ 595	16.5 %
Convertible Notes interest	543	578	(35)	(6.1)%
Amortization of deferred financing costs	628	479	149	31.1 %
Property debt interest - Cedar	2,033	1,814	219	12.1 %
Total Interest Expense	\$ 7,405	\$ 6,477	\$ 928	14.3 %

The net above increase in property debt interest inclusive of Cedar debt was \$0.8 million a result of (1) an increase of \$0.6 million due to an increase in the overall average interest rate and (2) an increase of \$0.2 million in the average principal balance.

Net changes in the fair value of derivative liabilities was a loss of \$11.2 million and a loss of \$0.7 million for the three months ended September 30, 2023 and 2022, respectively, decreased, which represents a non-cash adjustment from a change in the fair value that includes adjustments in valuation assumptions. See Note 8 in 7 to the accompanying condensed consolidated financial statements for additional details.

Other Expense

Other expense represents expenses which are non-operating in nature. Other expenses were \$2.2 million for the three months ended September 30, 2023 March 31, 2024, which is the result primarily consisted of \$1.1 million for the repurchases of the Company's capital structure costs to repurchase Convertible Notes, described in see Note 7 in this Form 10-Q and transaction costs related to the Series D Redemptions and Reverse Stock Split for \$1.1 million. Other expenses were \$0.0 million for the three months ended September 30, 2022.

Comparison of the nine months ended September 30, 2023 and 2022

The following table presents a comparison of the condensed consolidated statements of operations for the nine months ended September 30, 2023 and 2022:

	Nine Months Ended September 30,		Nine Months Ended Changes		
	2023	2022	Change	% Change	
PROPERTY DATA:					
Number of properties owned and leased at period end (1)	75	76	(1) decrease	(1.3)%	a
Aggregate gross leasable area at period end (1)	8,140,236	8,183,345	(43,109) decrease	(0.5)%	a
Ending leased rate at period end (1)	93.1 %	92.1 %	1.0 % increase	1.1 %	an
FINANCIAL DATA:					
Rental revenues	\$ 74,738	\$ 49,142	\$ 25,596 increase	52.1 %	an
Other revenues	1,372	552	820 increase	148.6 %	an
Total Revenue	76,110	49,694	26,416 increase	53.2 %	an
OPERATING EXPENSES:					
Property operations	26,068	16,637	9,431 increase	56.7 %	an

Depreciation and amortization				an	
	21,642	12,222	9,420	increase	77.1 %
Impairment of assets held for sale				a	
	—	760	(760)	decrease	(100.0)%
Corporate general & administrative				an	
	8,364	5,434	2,930	increase	53.9 %
Total Operating Expenses	56,074	35,053	21,021	increase	60.0 %
Gain (loss) on disposal of properties				an	
	2,204	(15)	2,219	increase	14,793.3 %
Operating Income	22,240	14,626	7,614	increase	52.1 %
Interest income				a	
	336	42	294	increase	700.0 %
Gain on investment securities, net				a	
	80	—	80	increase	100.0 %
Interest expense				a	
	(24,125)	(19,079)	(5,046)	decrease	(26.4)%
Net changes in fair value of derivative liabilities				a	
	(6,281)	(2,533)	(3,748)	decrease	(148.0)%
Other expense				a	
	(5,273)	(691)	(4,582)	decrease	(663.1)%
Net Loss Before Income Taxes	(13,023)	(7,635)	(5,388)	decrease	(70.6)%
Income tax expense				a	
	(48)	—	(48)	decrease	(100.0)%
Net Loss	(13,071)	(7,635)	(5,436)	decrease	(71.2)%
Less: Net Income attributable to noncontrolling interests				a	
	8,061	1,237	6,824	increase	551.7 %
Net Loss Attributable to Wheeler REIT	\$ (21,132)	\$ (8,872)	\$ (12,260)	decrease	(138.2)%

(1) Excludes the undeveloped land parcels. Includes assets held for sale.

Total Revenue

Total revenues were \$76.1 million and \$49.7 million for the nine months ended September 30, 2023 and 2022, respectively, representing an increase of 53.2%. The increase in rental revenues of \$25.6 million is primarily a result of the \$21.7 million increase in non-same store property revenues due to the Cedar Acquisition, \$0.7 million increase in same store property revenues and a \$3.4 million increase in market lease amortization.

Total Operating Expenses

Total operating expenses were \$56.1 million and \$35.1 million for the nine months ended September 30, 2023 and 2022, respectively, representing an increase of 60.0%. Property operations expense increased \$9.4 million, primarily a result of the \$8.1 million increase in non-same store property expense due to the Cedar Acquisition and a \$1.3 million increase in same store property expense.

Impairment of assets held for sale was \$0.0 million and \$0.8 million for the nine months ended September 30, 2023 and 2022, respectively, as a result of Harbor Pointe Land Parcel impairment.

Depreciation and amortization increased 77.1% for the nine months ended September 30, 2023, as a result of the Cedar Acquisition.

Corporate general and administrative expenses were \$8.4 million and \$5.4 million for the nine months ended September 30, 2023 and 2022, respectively, representing an increase of 53.9%, primarily a result of the following:

- \$2.1 million increase in professional fees, primarily due to the Cedar Acquisition;
- \$0.3 million increase in compensation and benefits, primarily driven by hiring more employees due to the Cedar Acquisition and payroll related costs; and
- \$0.4 million increase in corporate administration costs.

Interest Expense

Interest expense was \$24.1 million and \$19.1 million for the nine months ended September 30, 2023 and 2022, respectively, representing an increase of 26.4%. Below is a comparison of the components which make up interest expense (in thousands, unaudited):

	Nine Months Ended September 30,		Nine Months Ended Changes	
	2023	2022	Change	% Change
Property debt interest - excluding Cedar debt	\$ 11,850	\$ 10,940	\$ 910	8.3 %
Convertible Notes interest (1)	2,569	2,677	(108)	(4.0)%
Defeasance paid	1,758	2,614	(856)	(32.7)%
Amortization of deferred financing costs	2,357	2,154	203	9.4 %
Property debt interest - Cedar	5,591	694	4,897	100.0 %
Total Interest Expense	\$ 24,125	\$ 19,079	\$ 5,046	26.4 %

(1) Includes the fair value adjustment for the paid-in-kind interest.

Net Change in Fair Value of Derivative Liabilities

The net changes in the fair value of derivative liabilities was a loss of \$6.3 million and a loss of \$2.5 million for the nine months ended September 30, 2023 and 2022, respectively, which represents a non-cash adjustment from a change in the fair value that includes adjustments in valuation assumptions. See Note 8 in the accompanying condensed consolidated financial statements for additional details.

Other Expense

Other expense represents expenses which are non-operating in nature. Other expenses were \$5.3 million for the nine months ended September 30, 2023, which primarily consisted of \$2.4 million capital structure costs for an exchange offer for the Exchange Offer and \$1.6 million result Company's outstanding shares of the two repurchases of Convertible Notes. Additionally, other expense included transaction costs related to the Series D Redemptions and Reverse Stock Split for \$1.3 million for the nine months ended September 30, 2023. Other expenses were \$0.7 million for the nine months ended September 30, 2022, which consisted of legal settlement costs.

Preferred Stock.

Same Store Same-Property Net Operating Income

Net Same-property net operating income ("Same-Property NOI") is a widely-used non-GAAP financial measure for REITs. The Company believes that Same-Property NOI is a useful measure of the Company's property operating performance. The Company defines Same-Property NOI as property revenues (rental and other revenues) less property and related expenses (property operation and maintenance and real estate taxes). Because Same-Property 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 and impairment charges, 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 Same-Property NOI to evaluate its operating performance since Same-Property 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. Properties are included in Same-Property NOI if they are owned and operated for the entirety of both periods being compared. Consistent with the capital treatment of such costs under GAAP, tenant improvements, leasing commissions and other direct leasing costs are excluded from Same-Property NOI.

The most directly comparable GAAP financial measure is consolidated operating income. Same-Property NOI should not be viewed as an alternative to consolidated operating income prepared in accordance with GAAP or as a measure of liquidity. Further, Same-Property NOI is a measure for which there is no standard industry definition and, as such, it is not consistently defined or reported on among the Company's overall financial performance since it does not reflect general peers, and administrative expenses, depreciation and amortization, involuntary conversion, interest expense, interest income, provision for income taxes, straight-line rents, market lease amortization, 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 thus may not be comparable to that of other provide an adequate basis for comparison among REITs.

The following table is a reconciliation of same store Same-Property NOI from operating income (the most directly comparable GAAP financial measure). Same stores consist only of those properties owned during all periods presented in their entirety.:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023		2022	
	(in thousands, unaudited)			
Operating Income	\$ 9,287	\$ 4,584	\$ 22,240	\$ 14,626
Adjustments:				
(Gain) loss on disposal of properties	(2,204)	—	(2,204)	15
Corporate general & administrative	2,475	2,498	8,364	5,434
Impairment of assets held for sale	—	—	—	760
Depreciation and amortization	6,875	4,981	21,642	12,222
Straight-line rents	(285)	(314)	(1,004)	(547)
Above (below) market lease amortization	(1,232)	(494)	(3,865)	(478)
Other non-property revenue	—	2	(131)	(14)
NOI related to non-same store properties	(5,384)	(1,004)	(14,994)	(1,432)
Same Store Property Net Operating Income	\$ 9,532	\$ 10,253	\$ 30,048	\$ 30,586
Property revenues	\$ 15,384	\$ 15,382	\$ 46,287	\$ 45,551
Property expenses	5,852	5,129	16,239	14,965
Same Store Property Net Operating Income	\$ 9,532	\$ 10,253	\$ 30,048	\$ 30,586

	Three Months Ended March 31,	
	2024	
	(in thousands, unaudited)	
Operating Income	\$ 7,478	\$ 6,574
Add (deduct):		
Corporate general & administrative	2,746	3,071
Depreciation and amortization	6,598	7,466

Straight-line rents		(370)	(346)
Above (below) market lease amortization, net		(913)	(1,396)
Other non-property revenue		(3)	(41)
NOI related to properties not defined as same-property		—	(204)
Same-Property Net Operating Income		\$ 15,536	\$ 15,124

Total same store property Same-Property NOI was \$9.5 million \$15.5 million and \$10.3 million \$15.1 million for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively, representing a decrease an increase of 7.0% 2.7% primarily due to a 14.1 % 2.1% increase in property expenses. Total same store property NOI was \$30.0 million and \$30.6 million for the nine months ended September 30, 2023 and 2022, respectively, representing an decrease of 1.8% primarily due to increases revenue partially offset by a 1.1% increase in property expenses.

Funds from Operations

We use funds from operations ("FFO"), a non-GAAP measure, as an alternative measure of our operating performance, specifically as it relates to results of operations and liquidity. We compute FFO in accordance with standards established by the Board of Governors of Nareit in its March 1995 White Paper (as amended in November 1999, April 2002 and December 2018). 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), plus impairment of real estate related long-lived assets and after adjustments for unconsolidated partnerships and joint ventures. Most industry analysts and equity REITs, including us, 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 our 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. Accordingly, we believe FFO provides a valuable alternative measurement tool to GAAP when presenting our operating results.

Below is a reconciliation of net loss to FFO, a non-GAAP measurement (in thousands, unaudited):

	Three Months Ended		Nine Months Ended September		Three Months Ended Changes		Nine Months Ended Changes	
	September 30,		30,		Change	% Change	Change	% Change
	2023	2022	2023	2022				
Net Loss	\$ (11,368)	\$ (3,006)	\$ (13,071)	\$ (7,635)	\$ (8,362)	(278.2)%	\$ (5,436)	(71.2)%
Depreciation and amortization of real estate assets	6,875	4,981	21,642	12,222	1,894	38.0 %	9,420	77.1 %
Impairment of assets held for sale	—	—	—	760	—	— %	(760)	(100.0)%
(Gain) loss on disposal of properties	(2,204)	—	(2,204)	15	(2,204)	(100.0)%	(2,219)	(14,793.3)%
FFO	\$ (6,697)	\$ 1,975	\$ 6,367	\$ 5,362	\$ (8,672)	(439.1)%	\$ 1,005	18.7 %

During the three months ended September 30, 2023, FFO decreased \$8.7 million. During the nine months ended September 30, 2023, FFO increased \$1.0 million.

We believe the computation of FFO in accordance with Nareit's definition includes certain items that are not indicative of the results provided by our operating portfolio and affect the comparability of our period-over-period performance. These items include, but are not limited to, legal settlements, non-cash share-based compensation expense, non-cash amortization on loans and acquisition costs. Therefore, in addition to FFO, management uses Adjusted FFO ("AFFO"), which we define to exclude such items. Management believes that these adjustments are appropriate in determining AFFO as they are not indicative of the operating performance of our assets. In addition, we believe that AFFO is a useful supplemental

measure for the investing community to use in comparing us to other REITs as many REITs provide some form of adjusted or modified FFO. However, there can be no assurance that AFFO presented by us is comparable to the adjusted or modified FFO of other REITs.

Total A reconciliation of net loss to FFO available to common stockholders and AFFO is shown in the table below: below (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net Loss				
Net Loss				
Net Loss				
Depreciation and amortization of real estate assets				
Depreciation and amortization of real estate assets				
Depreciation and amortization of real estate assets				
FFO	FFO	\$ (6,697)	\$ 1,975	\$ 6,367
Preferred Stock dividends - undeclared		(2,415)	(2,264)	(6,940)
FFO				
FFO				
Preferred stock dividends - undeclared				
Preferred stock dividends - undeclared				
Preferred stock dividends - undeclared				
Dividends on noncontrolling interests preferred stock				
Dividends on noncontrolling interests preferred stock				
Dividends on noncontrolling interests preferred stock				
Dividends on noncontrolling interests preferred stock	Dividends on noncontrolling interests preferred stock	(2,688)	(1,225)	(8,064)
Preferred stock accretion adjustments	Preferred stock accretion adjustments	146	146	438
Preferred stock accretion adjustments				
Preferred stock accretion adjustments				
FFO available to common stockholders and common unitholders				

FFO available to common stockholders and common unitholders

FFO available to common stockholders and common unitholders	FFO available to common stockholders and common unitholders	(11,654)	(1,368)	(8,199)	(2,217)
Other non-recurring and non-cash expense		8	1,241	2,043	3,388
Gain on investment securities, net		(49)	—	(80)	—
Other non-recurring and non-cash expenses					
Other non-recurring and non-cash expenses					
Other non-recurring and non-cash expenses					
Loss on investment securities, net					
Loss on investment securities, net					
Loss on investment securities, net					
Net changes in fair value of derivative liabilities	Net changes in fair value of derivative liabilities	11,163	656	6,281	2,533
Net changes in fair value of derivative liabilities					
Net changes in fair value of derivative liabilities					
Gain on preferred stock redemptions					
Gain on preferred stock redemptions					
Gain on preferred stock redemptions					
Straight-line rental revenue, net straight-line expense					
Straight-line rental revenue, net straight-line expense					
Straight-line rental revenue, net straight-line expense					
Straight-line rental revenue, net straight-line expense	Straight-line rental revenue, net straight-line expense	(293)	(306)	(997)	(523)
Deferred financing cost amortization	Deferred financing cost amortization	636	806	2,357	2,154
Paid-in-kind interest		—	—	2,006	2,099
Above (below) market lease amortization		(1,232)	(494)	(3,865)	(478)
Recurring capital expenditures and tenant improvement reserves		(404)	(409)	(1,221)	(948)
Deferred financing cost amortization					

Deferred financing cost amortization							
Above (below) market lease amortization, net							
Above (below) market lease amortization, net							
Above (below) market lease amortization, net							
Recurring capital expenditures tenant improvement reserves							
Recurring capital expenditures tenant improvement reserves							
Recurring capital expenditures tenant improvement reserves							
AFFO	AFFO	\$ (1,825)		\$ 126		\$ (1,675)	\$ 6,008
AFFO							
AFFO							

Other non-recurring and non-cash expenses are costs of the Company that we believe will not be incurred on a go-forward basis. Other non-recurring expenses of \$0.0 million and \$2.0 million for the three and nine months ended September 30, 2023 March 31, 2024. Other non-recurring expenses of \$0.3 million for the three months ended March 31, 2023, respectively, were primarily a result of \$1.8 million in loan defeasance payments and \$0.3 million costs to demolish decommissioned space not included in the Company's gross leasable area. Other non-recurring

Inflation, Deflation and Economic Condition Considerations

The U.S. continues to experience elevated levels of inflation, which could improve or worsen. Substantially all of the Company's tenant leases contain provisions designed to partially mitigate the negative impact of inflation in the near term. Such lease provisions include clauses that require tenants to reimburse the Company for inflation-sensitive costs such as real estate taxes, insurance and many of the operating expenses it incurs. In addition, many of \$1.2 million our leases are for terms of less than ten years, which permits us to seek increased rents upon re-rental at market rates. However, significant inflation rate increases over a prolonged period of time may have a material adverse impact on the Company's business. Conversely, deflation could lead to downward pressure on rents and \$3.4 million other sources of income.

Interest rate increases could result in higher incremental borrowing costs for the three Company and nine months ended September 30, 2022, respectively, primarily include \$1.2 million and \$2.6 million in loan defeasance payments, respectively, a result our tenants. The duration of the 2022 loan refinancing activities, \$0.0 million Company's indebtedness and \$0.7 million legal settlement costs, respectively our relatively low exposure to floating rate debt have mitigated the direct impact of inflation and severance. interest rate increases. The degree and pace of these changes have had and may continue to have impacts on our business.

Liquidity and Capital Resources

At September 30, 2023 March 31, 2024, our consolidated cash, cash equivalents and restricted cash totaled \$48.9 million \$38.5 million compared to consolidated cash, cash equivalents and restricted cash of \$54.3 million \$52.1 million at September 30, 2022 March 31, 2023. Cash flows from operating activities, investing activities and financing activities were as follows (in thousands, unaudited):

	Nine Months Ended		Operating activities	Three Months Ended March 31,			Changes			
	September 30,			2024			2023	Dollars	Percent	
	2023	2022								
Operating activities	\$ 15,032	\$ 27,954		\$ 5,234	\$ 3,687	\$ 1,547	42.0	42.0	%	

Investing activities	Investing activities	\$ (19,618)	\$ (140,106)	\$	(4,134)	\$	\$ (4,155)	\$ \$	21	0.5	0.5 %
Financing activities	Financing activities	\$ (2,422)	\$ 126,035	\$	(2,393)	\$	\$ (3,276)	\$ \$	883	27.0	27.0 %

Operating Activities

Our cash flows from operating activities decreased \$12.9 million increased \$1.5 million. Net cash provided by operating activities, before net changes in operating assets and liabilities, was \$15.2 million \$6.3 million and \$12.0 million \$4.3 million for 2024 and 2023, respectively, primarily due to (1) a \$2.7 million decrease in corporate administrative expenses and 2022, respectively, an other expenses and (2) a \$0.4 million increase of \$3.2 million. The increase was primarily a result of the Cedar Acquisition, in Same-Property NOI, partially offset by (3) an \$0.9 increase in cash paid for interest expense other expenses and corporate general and administrative expenses. (4) \$0.2 million decrease in NOI related to properties not defined as same-property.

Investing Activities

Our cash flows used in investing activities decreased \$120.5 million, primarily due to the costs related to the Cedar Acquisition in 2022 and the proceeds from the Carl's Corner Out Parcel sale, partially offset by the investment purchase of \$6.5 million subscription with SAI, increase in capital expenditures paid of \$9.5 million, including the purchases of the St. George Plaza Land Parcel and Devine Street Land Acquisition and the proceeds from the Walnut Hill Plaza property sale in 2022. remained relatively flat.

Financing Activities

Our cash flows used in financing activities were \$2.4 million for the nine three months ended September 30, 2023 March 31, 2024, compared to cash flows provided by used in financing activities of \$126.0 million \$3.3 million for the comparable period in 2022, 2023.

Financing activities during the nine three months ended September 30, 2023 March 31, 2024 primarily consisted of:

Cash inflows:

- \$16.4 million 2023 loan refinancing activities, net, including loan agreement for draw on Cedar Revolving Credit Agreement; and
- \$1.0 million draw on Timpany Plaza; Plaza Loan Agreement.

Cash outflows:

- \$8.1 million for distributions paid on noncontrolling interests;
- \$4.4 million repurchase of debt securities;
- \$0.4 million payments for deferred financing costs;
- \$1.8 million defeasance payments;
- \$3.1 million repurchase of debt securities; and
- \$1.4 million scheduled loan principal payments on debt.

Financing activities during the nine three months ended September 30, 2022 March 31, 2023 primarily consisted of:

Cash inflows:

- \$14.3 million 2022 loan refinancing activities, net; and
- \$130.0 million loan related to the Cedar Acquisition;

Cash outflows:

- \$8.7 million payments for deferred financing costs; distributions paid on noncontrolling interests; and
- \$3.8 million scheduled loan principal payments on debt;
- \$3.1 million loan principal payment related to the sale of Walnut Hill Plaza; and
- \$2.6 million defeasance payments. debt.

The Company continues to endeavor to manage its debt prudently with the objective of achieving a conservative capital structure and minimizing leverage within the Company. Our debt balances, excluding unamortized debt issuance costs, consisted of the following (in thousands):

	September 30, 2023	December 31, 2022	
	(unaudited)		
	March 31, 2024		March 31, 2024
	(unaudited)		December 31, 2023
Fixed-rate notes	Fixed-rate notes	\$ 495,933	\$ 482,447
Fixed-rate notes			
Fixed-rate notes			
Variable-rate credit agreement			
Total debt	Total debt	\$ 495,933	\$ 482,447

The weighted average interest rate and term of our fixed-rate debt are 5.42% were 5.43% and 8.41 7.9 years, respectively, at September 30, 2023 March 31, 2024. The weighted average interest rate and term of our fixed-rate debt was 4.99% and 7.2 years, respectively, at March 31, 2023. We have \$7.1 million \$8.7 million of debt maturing including principal repayments, during the twelve months ending September 30, 2024 March 31, 2025. While we anticipate being able to refinance all the loans at reasonable market terms upon maturity, our inability to do so may materially impact our financial position and results of operations. See Note 7 included in 6 to the accompanying condensed consolidated financial statements for additional mortgage indebtedness details.

NASDAQ Notices Recent Accounting Pronouncements

On June 26, 2023, we received a letter from the listing qualifications staff (the "Staff") of Nasdaq notifying the Company that it is not in compliance with the minimum bid price requirement set forth in Nasdaq Listing Rule 5550(a)(2) (the "Bid Price Rule") for continued listing standards. This rule requires listed securities See Note 2 to maintain a minimum bid price of \$1.00 per share, and Nasdaq Listing Rule 5810(c)(3)(A) provides that a failure to meet the minimum bid price requirement exists if the deficiency continues for a period of 30 consecutive business days.

On September 1, 2023, the Company received a letter from the Listing Qualifications Department of The Nasdaq Stock Market LLC notifying the Company that, based on the closing bid price of the Company's Common Stock having been at least \$1.00 per share for the required period, the Company has regained compliance with Nasdaq Listing Rule 5550(a)(2) and the minimum bid price deficiency matter previously disclosed by the Company on June 28, 2023 was closed.

In addition, effective as of June 2, 2023, one of our directors, Michelle D. Bergman, tendered her resignation, for personal reasons, as a member of the Board of Directors, including her membership on the Audit Committee and Compensation Committee of the Board of Directors. The effect of this resignation caused the Audit Committee to consist of two members. On July 12, 2023, we received a letter from the Staff of Nasdaq notifying the Company that because the Audit Committee only had two members, the Company no longer complied with the requirement set forth in the Nasdaq Listing Rule 5605 that the Audit Committee consist of at least three members. On August 31, 2023, the Board voted to elect Dennis Pollack as a director of the Company and to appoint him to the Audit Committee, in each case effective as of September 5, 2023. On September 14, 2023, Nasdaq notified the Company that it had regained compliance with Nasdaq Listing Rules 5605(b)(1) and 5605(c)(2), which require an audit committee of a Nasdaq-listed company to have a minimum of three members, each satisfying the independence requirements set forth in the applicable listing rules, and the matter was closed.

Material Cash Requirements, Contractual Obligations and Commitments

Our expected material cash requirements for the twelve months ended September 30, 2024 and thereafter are comprised of (i) contractually obligated expenditures; (ii) other essential expenditures; and (iii) opportunistic expenditures.

The primary liquidity needs of the Company, in addition to the funding of our ongoing operations, at September 30, 2023 are \$7.1 million in principal and regularly scheduled payments due in the twelve months ended September 30, 2024 as described in Note 7 in the condensed consolidated financial statements of this Form 10-Q.

Critical Accounting Policies

In addition to liquidity required to fund debt payments, preparing the condensed consolidated financial statements, we may incur some level have made estimates, assumptions and judgments that affect the reported amounts of capital expenditures assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the year for reported periods. Actual results may differ from these estimates. A summary of our existing properties that cannot be passed critical accounting estimates and policies is included in our 2023 Form 10-K under "Management's Discussion and Analysis of Financial Condition and Results of Operations." During the three months ended March 31, 2024, there have been no significant changes to these estimates and policies previously disclosed in our 2023 Form 10-K. For disclosure regarding recent accounting pronouncements and the anticipated impact they will have on our operations, please refer to our tenants. Note 2 of the condensed consolidated financial statements included in this Form 10-Q.

To meet these future liquidity needs, the Company:

Results of Operations

Year-To-Date Comparison

	Three Months Ended March 31,		Changes	
	2024		2023	
	\$		\$	Percent
Revenues	\$ 25,872		\$ 26,066	\$ (194)
Property operating expense	(9,050)		(8,955)	(95)
Property operating income	16,822		17,111	(289)
Depreciation and amortization	(6,598)		(7,466)	868
Corporate general & administrative	(2,746)		(3,071)	325
Interest income	63		47	16
Loss on investment securities, net	(106)		—	(106)
Interest expense	(7,405)		(6,477)	(928)
Net changes in fair value of derivative liabilities	(5,507)		1,852	(7,359)
Gain on preferred stock redemptions	213		—	213
Other expense	(742)		(2,405)	1,663
Net Loss	(6,006)		(409)	(5,597)
Less: Net income attributable to noncontrolling interests	2,701		2,692	9
Net Loss Attributable to Wheeler REIT	\$ (8,707)		\$ (3,101)	\$ (5,606)

• Revenues had \$25.4 million were lower primarily as a result of (1) a decrease in cash market lease amortization of \$0.5 million and cash equivalents at September 30, 2023;

- had \$23.4 million held (2) a decrease in lender reserves for the purpose non-property revenue of \$0.2 million, partially offset by (3) an increase in base rent of \$0.3 million and (4) an increase in tenant improvements, lease commissions, real estate taxes and insurance at September 30, 2023; and
- intends to use cash generated from operations during the twelve months ended September 30, 2024 reimbursements of \$0.2 million.

Additionally, **Property Operating expenses** were higher primarily as a result of (1) an increase of \$0.2 million in insurance, partially offset by (2) a decrease of \$0.1 million in marketing expense for non-recurring rebrand signage due to the Company plans to undertake measures to grow its operations and increase liquidity through delivering space currently leased but not yet occupied, backfilling vacant anchor spaces, replacing tenants who are in default of their lease terms, increasing future lease revenue through tenant improvements partially funded by restricted cash, disposition of non-core assets in the ordinary course of business and refinancing properties. **Cedar Acquisition.**

Our success in executing on our strategy will dictate our liquidity needs going forward. If we are unable **Depreciation and amortization** were lower primarily as a result of the purchase price allocation of lease intangibles due to execute in these areas, our ability to grow may be limited without additional capital. the timing of the Cedar Acquisition.

Convertible Notes **Corporate general and administrative** expenses were lower primarily as a result of (1) a decrease of \$0.2 million in legal fees due to bringing certain legal services in-house and (2) a decrease of \$0.1 million in agent commissions.

Interest expense increased 14.3%. Below is a comparison of the components which make up interest expense (in thousands):

In July 2021, we raised additional capital for the Company through a rights offering pursuant to which the Common Stock holders purchased \$30.0 million in aggregate principal amount of our Convertible Notes. Interest on the Convertible Notes is payable at the Company's option in cash, Series B Preferred and/or Series D Preferred Stock.

On December 31, 2021, the first interest payment date on the Convertible Notes, interest was paid in the form of Series D Preferred Stock. On June 30, 2023, interest was paid in the form of Series D Preferred Stock; which was the second instance when interest on the Convertible Notes was paid in the form of Series D Preferred Stock. For purposes of determining the value of the Series D Preferred Stock paid as interest on the Convertible Notes, each share of Series D Preferred Stock was deemed to have a value equal to the product of (x) the average of the per share volume-weighted average prices of the Series D Preferred Stock for the 15 consecutive trading days ending on the third business day immediately preceding the interest payment date, and (y) 0.55.

	Three Months Ended March 31,		Changes	
	2024	2023	Dollars	Percent
Property debt interest - excluding Cedar debt	\$ 4,201	\$ 3,606	\$ 595	16.5 %
Convertible Notes interest	543	578	(35)	(6.1)%
Amortization of deferred financing costs	628	479	149	31.1 %
Property debt interest - Cedar	2,033	1,814	219	12.1 %
Total Interest Expense	\$ 7,405	\$ 6,477	\$ 928	14.3 %

The above increase in property debt interest inclusive of Cedar debt was \$0.8 million a result of (1) an increase of \$0.6 million due to an increase in the overall average interest rate and (2) an increase of \$0.2 million in the average principal balance.

Net changes in the fair value of derivative liabilities decreased, which represents a non-cash adjustment from a change in the fair value that includes adjustments in valuation assumptions. See Note 7 to the accompanying condensed consolidated financial statements for additional details.

Other expense represents expenses which are non-operating in nature. Other expenses were \$0.7 million for the three months ended March 31, 2024, which primarily consisted of capital structure costs to repurchase Convertible Notes, could have see Note 6 to the effect accompanying condensed consolidated financial statements for additional details. Other expenses were \$2.4 million for the

three months ended March 31, 2023, which primarily consisted of causing, if interest is paid in capital structure costs for an exchange offer for the future in Company's outstanding shares of Series D Preferred Stock, substantial dilution Stock.

Same-Property Net Operating Income

Same-property net operating income ("Same-Property NOI") is a widely-used non-GAAP financial measure for REITs. The Company believes that Same-Property NOI is a useful measure of the Series D Preferred Stock Company's property operating performance. The Company defines Same-Property NOI as property revenues (rental and reduction other revenues) less property and related expenses (property operation and

maintenance and real estate taxes). Because Same-Property 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 and impairment charges, 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 Same-Property NOI to evaluate its operating performance since Same-Property 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. Properties are included in Same-Property NOI if they are owned and operated for the entirety of both periods being compared. Consistent with the capital treatment of such costs under GAAP, tenant improvements, leasing commissions and other direct leasing costs are excluded from Same-Property NOI.

The most directly comparable GAAP financial measure is consolidated operating income. Same-Property NOI should not be considered as an alternative to consolidated operating income prepared in accordance with GAAP or as a measure of liquidity. Further, Same-Property NOI is a measure for which there is no standard industry definition and, as such, it is not consistently defined or reported on among the Company's peers, and thus may not provide an adequate basis for comparison among REITs.

The following table is a reconciliation of Same-Property NOI from operating income (the most directly comparable GAAP financial measure):

	Three Months Ended March 31,	
	2024	2023
	(in thousands, unaudited)	
Operating Income	\$ 7,478	\$ 6,574
Add (deduct):		
Corporate general & administrative	2,746	3,071
Depreciation and amortization	6,598	7,466
Straight-line rents	(370)	(346)
Above (below) market lease amortization, net	(913)	(1,396)
Other non-property revenue	(3)	(41)
NOI related to properties not defined as same-property	—	(204)
Same-Property Net Operating Income	\$ 15,536	\$ 15,124

Total Same-Property NOI was \$15.5 million and \$15.1 million for the three months ended March 31, 2024 and 2023, respectively, representing an increase of 2.7% primarily due to a 2.1% increase in property revenue partially offset by a 1.1% increase in property expenses.

Funds from Operations

We use funds from operations ("FFO"), a non-GAAP measure, as an alternative measure of our operating performance, specifically as it relates to results of operations and liquidity. We compute FFO in accordance with standards established by the Board of Governors of Nareit in its March 1995 White Paper (as amended in November 1999, April 2002 and December 2018). 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), plus impairment of real estate related long-lived assets and after adjustments for unconsolidated partnerships and joint ventures. Most industry analysts and equity REITs, including us, 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 our 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 any Series D Preferred Stock. In addition, depending on the prices at which the ongoing monthly redemptions of Series D Preferred Stock occur, the conversion price for the Convertible Notes could be repeatedly adjusted downwards which would in turn cause significant pressure on the value of the Company's Common Stock.

In an effort real estate assets diminishes predictably over time, while historically real estate values have risen or fallen with market conditions. Accordingly, we believe FFO provides a valuable alternative measurement tool to address the risk associated with the significant and growing financial obligation to the Series D Preferred Holders, and to provide the Series D Preferred Holders with an opportunity to receive value for their Series D Preferred Stock prior to the Series D Redemption Date, on November 22, 2022, the Company commenced an Exchange Offer and related Consent Solicitation which was unsuccessful and expired in January 2023.

Series D Preferred Stock

As of September 30, 2023, the outstanding Series D Preferred Stock had an aggregate liquidation preference of approximately \$82.7 million, with aggregate accrued and unpaid dividends in the amount of approximately \$41.1 million, for a total liquidation value of \$123.8 million. After September 21, 2023, each holder of Series D Preferred Stock has the right, at such holder's option, to request that the Company redeem any or all of such holder's shares of Series D Preferred Stock on a monthly basis.

The first monthly Holder Redemption Date occurred on October 5, 2023. The Company received fully complete and timely redemption requests from 50 Series D Preferred Holders, collectively redeeming 172,911 shares of Series D Preferred Stock for a redemption price per share of approximately \$37.48. The Company settled the redemption price in Common Stock. The volume weighted average of the closing sales price, as reported on the Nasdaq, per share of Common Stock for the ten consecutive trading days immediately preceding, but not including, the Holder Redemption Date was approximately \$2.89. Accordingly, the Company issued 2,245,591 shares of Common Stock in settlement of an aggregate redemption price of approximately \$6.5 million.

The second monthly Holder Redemption Date occurred on November 6, 2023. The Company received fully complete and timely redemption requests from 90 Series D Preferred Holders, collectively redeeming 319,762 shares of Series D Preferred Stock for a redemption price per share of approximately \$37.76. The Company settled the redemption price in Common Stock. The volume weighted average of the closing sales price, as reported on the Nasdaq, per share of Common Stock for the ten consecutive trading days immediately preceding, but not including, the Holder Redemption Date was approximately \$0.84. Accordingly, the Company issued 14,355,723 shares of Common Stock in settlement of an aggregate redemption price of approximately \$12.1 million.

We anticipate that, in the event the Series D Preferred Holders' continue to exercise their redemption rights, the Company will continue to pay the aggregate redemption price in shares of GAAP when presenting our Common Stock.

The Company does not believe it is in its interests to liquidate assets or incur indebtedness to fund cash redemptions of the Series D Preferred Stock and, accordingly, it has no intention of doing so. Therefore, the Company intends to continue to settle redemptions of Series D Preferred in Common Stock.

operating results.

We believe the computation of FFO in accordance with Nareit's definition includes certain items that the issuance of Common Stock to settle redemptions in Common Stock will continue to result in a substantial dilution are not indicative of the outstanding Common Stock. results provided by our operating portfolio and affect the comparability of our period-over-period performance. These items include, but are not limited to, legal settlements, non-cash amortization on loans and acquisition costs. Therefore, in addition to FFO, management uses Adjusted FFO ("AFFO"), which we define to exclude such items. Management believes that these adjustments are appropriate in determining AFFO as they are not indicative of the operating performance of our assets. In addition, we believe that AFFO is a useful supplemental measure for the investing community to use in comparing us to other REITs as many REITs provide some form of adjusted or modified FFO. However, there can be no assurance that AFFO presented by us is comparable to the adjusted or modified FFO of other REITs.

A reconciliation of net loss to FFO available to common stockholders and AFFO is shown in the table below (in thousands):

	Three Months Ended March 31,	
	2024	2023
Net Loss	\$ (6,006)	\$ (409)
Depreciation and amortization of real estate assets	6,598	7,466
FFO	592	7,057
Preferred stock dividends - undeclared	(2,042)	(2,264)

Dividends on noncontrolling interests preferred stock	(2,688)	(2,688)
Preferred stock accretion adjustments	22	147
FFO available to common stockholders and common unitholders	(4,116)	2,252
Other non-recurring and non-cash expenses	—	268
Loss on investment securities, net	106	—
Net changes in fair value of derivative liabilities	5,507	(1,852)
Gain on preferred stock redemptions	(213)	—
Straight-line rental revenue, net straight-line expense	(387)	(403)
Deferred financing cost amortization	628	479
Above (below) market lease amortization, net	(913)	(1,396)
Recurring capital expenditures tenant improvement reserves	(407)	(409)
AFFO	\$ 205	\$ (1,061)

Other non-recurring and non-cash expenses are costs of the Company that we believe will not be incurred on a go-forward basis. Other non-recurring expenses of \$0.0 million for the three months ended March 31, 2024. Other non-recurring expenses of \$0.3 million for the three months ended March 31, 2023, a result of cost to demolish decommissioned space not included in the Company's gross leasable area.

Inflation, Deflation and Economic Condition Considerations

If The U.S. continues to experience elevated levels of inflation, rates increase, substantially which could improve or worsen. Substantially all of the Company's tenant leases contain provisions designed to partially mitigate the negative impact of inflation in the near term. Such lease provisions include clauses that require tenants to reimburse the Company for inflation-sensitive costs such as real estate taxes, insurance and many of the operating expenses it incurs. In addition, many of our leases are for terms of less than ten years, which permits us to seek increased rents upon re-rental at market rates. However, significant inflation rate increases over a prolonged period of time may have a material adverse impact on the Company's business. Conversely, deflation could lead to downward pressure on rents and other sources of income.

Interest rate increases could result in higher incremental borrowing costs for the Company and our tenants. The duration of the Company's indebtedness and our relatively low exposure to floating rate debt have mitigated the direct impact of inflation and interest rate increases. The degree and pace of these changes have had and may continue to have impacts on our business.

Liquidity and Capital Resources

At March 31, 2024, our consolidated cash, cash equivalents and restricted cash totaled \$38.5 million compared to consolidated cash, cash equivalents and restricted cash of \$52.1 million at March 31, 2023. Cash flows from operating activities, investing activities and financing activities were as follows (in thousands, unaudited):

	Three Months Ended March 31,		Changes	
	2024	2023	Dollars	Percent
Operating activities	\$ 5,234	\$ 3,687	\$ 1,547	42.0 %
Investing activities	\$ (4,134)	\$ (4,155)	\$ 21	0.5 %
Financing activities	\$ (2,393)	\$ (3,276)	\$ 883	27.0 %

Operating Activities

Our cash flows from operating activities increased \$1.5 million. Net cash provided by operating activities, before net changes in operating assets and liabilities, was \$6.3 million and \$4.3 million for 2024 and 2023, respectively, primarily due to (1) a \$2.7 million decrease in corporate

administrative expenses and other expenses and (2) a \$0.4 million increase in Same-Property NOI, partially offset by (3) an \$0.9 increase in interest expense and (4) \$0.2 million decrease in NOI related to properties not defined as same-property.

Investing Activities

Our cash flows used in investing activities remained relatively flat.

Financing Activities

Our cash flows used in financing activities were \$2.4 million for the three months ended March 31, 2024, compared to cash flows used in financing activities of \$3.3 million for the comparable period in 2023.

Financing activities during the three months ended March 31, 2024 primarily consisted of:

Cash inflows:

- \$1.4 million draw on Cedar Revolving Credit Agreement; and
- \$1.0 million draw on Timpany Plaza Loan Agreement.

Cash outflows:

- \$2.7 million for distributions paid on noncontrolling interests;
- \$1.3 million repurchase of debt securities;
- \$0.4 million payments for deferred financing costs; and
- \$0.4 million scheduled loan principal payments on debt.

Financing activities during the three months ended March 31, 2023 primarily consisted of:

Cash outflows:

- \$2.7 million for distributions paid on noncontrolling interests; and
- \$0.6 million scheduled loan principal payments on debt.

The Company continues to endeavor to manage its debt prudently with the objective of achieving a conservative capital structure and minimizing leverage within the Company. Our debt balances, excluding unamortized debt issuance costs, consisted of the following (in thousands):

	March 31, 2024	December 31, 2023
	(unaudited)	
Fixed-rate notes	\$ 495,626	\$ 495,572
Variable-rate credit agreement	1,387	—
Total debt	\$ 497,013	\$ 495,572

The weighted average interest rate and term of our fixed-rate debt were 5.43% and 7.9 years, respectively, at March 31, 2024. The weighted average interest rate and term of our fixed-rate debt was 4.99% and 7.2 years, respectively, at March 31, 2023. We have \$8.7 million of debt maturing during the twelve months ending March 31, 2025. While we anticipate being able to refinance all the loans at reasonable market terms upon maturity, our inability to do so may materially impact our financial position and results of operations. See Note 6 to the accompanying condensed consolidated financial statements for additional mortgage indebtedness details.

Recent Accounting Pronouncements

See Note 2 to the condensed consolidated financial statements beginning on page 13 of this Quarterly Report on Form 10-Q.

Critical Accounting Policies

In preparing the condensed consolidated financial statements, we have made estimates, assumptions and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reported periods. Actual results may differ from these estimates. A summary of our critical accounting estimates and policies is included in our **2022** **2023** Form 10-K under "Management's Discussion and Analysis of Financial Condition and Results of Operations." During the **nine** **three** months ended **September 30, 2023** **March 31, 2024**, there have been no significant changes to these estimates and policies previously disclosed in our **2022** **2023** Form 10-K. For disclosure regarding recent accounting pronouncements and the anticipated impact they will have on our operations, please refer to Note 2 of the condensed consolidated financial statements included in this **Quarterly Report** on Form 10-Q.

Available Information

Results of Operations

Year-To-Date Comparison

	Three Months Ended March 31,		Changes	
	2024	2023	Dollars	
			Percent	
Revenues	\$ 25,872	\$ 26,066	\$ (194)	(0.7)%
Property operating expense	(9,050)	(8,955)	(95)	(1.1)%
Property operating income	16,822	17,111	(289)	
Depreciation and amortization	(6,598)	(7,466)	868	11.6 %
Corporate general & administrative	(2,746)	(3,071)	325	10.6 %
Interest income	63	47	16	34.0 %
Loss on investment securities, net	(106)	—	(106)	n/a
Interest expense	(7,405)	(6,477)	(928)	(14.3)%
Net changes in fair value of derivative liabilities	(5,507)	1,852	(7,359)	(397.4)%
Gain on preferred stock redemptions	213	—	213	n/a
Other expense	(742)	(2,405)	1,663	69.1 %
Net Loss	(6,006)	(409)	(5,597)	
Less: Net income attributable to noncontrolling interests	2,701	2,692	9	0.3 %
Net Loss Attributable to Wheeler REIT	\$ (8,707)	\$ (3,101)	\$ (5,606)	

Revenues were lower primarily as a result of (1) a decrease in market lease amortization of \$0.5 million and (2) a decrease in non-property revenue of \$0.2 million, partially offset by (3) an increase in base rent of \$0.3 million and (4) an increase in tenant reimbursements of \$0.2 million.

Property Operating expenses were higher primarily as a result of (1) an increase of \$0.2 million in insurance, partially offset by (2) a decrease of \$0.1 million in marketing expense for non-recurring rebrand signage due to the Cedar Acquisition.

Depreciation and amortization were lower primarily as a result of the purchase price allocation of lease intangibles due to the timing of the Cedar Acquisition.

Corporate general and administrative expenses were lower primarily as a result of (1) a decrease of \$0.2 million in legal fees due to bringing certain legal services in-house and (2) a decrease of \$0.1 million in agent commissions.

Interest expense increased 14.3%. Below is a comparison of the components which make up interest expense (in thousands):

	Three Months Ended March 31,		Changes	
	2024	2023	Dollars	Percent
Property debt interest - excluding Cedar debt	\$ 4,201	\$ 3,606	\$ 595	16.5 %

Convertible Notes interest	543	578	(35)	(6.1)%
Amortization of deferred financing costs	628	479	149	31.1 %
Property debt interest - Cedar	2,033	1,814	219	12.1 %
Total Interest Expense	\$ 7,405	\$ 6,477	\$ 928	14.3 %

The Company's website address is www.whlr.us. We make available free above increase in property debt interest inclusive of charge through our website our most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, Cedar debt was \$0.8 million a result of (1) an increase of \$0.6 million due to an increase in the overall average interest rate and amendments to those reports as soon as reasonably practicable after we electronically file or furnish such materials (2) an increase of \$0.2 million in the average principal balance.

Net changes in the fair value of derivative liabilities decreased, which represents a non-cash adjustment from a change in the fair value that includes adjustments in valuation assumptions. See Note 7 to the SEC accompanying condensed consolidated financial statements for additional details.

Other expense represents expenses which are non-operating in nature. Other expenses were \$0.7 million for the three months ended March 31, 2024, which primarily consisted of capital structure costs to repurchase Convertible Notes, see Note 6 to the accompanying condensed consolidated financial statements for additional details. Other expenses were \$2.4 million for the

three months ended March 31, 2023, which primarily consisted of capital structure costs for an exchange offer for the Company's outstanding shares of Series D Preferred Stock.

Same-Property Net Operating Income

Same-property net operating income ("Same-Property NOI") is a widely-used non-GAAP financial measure for REITs. The Company believes that Same-Property NOI is a useful measure of the Company's property operating performance. The Company defines Same-Property NOI as property revenues (rental and other revenues) less property and related expenses (property operation and maintenance and real estate taxes). Because Same-Property 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 and impairment charges, 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 Same-Property NOI to evaluate its operating performance since Same-Property 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. Properties are included in Same-Property NOI if they are owned and operated for the entirety of both periods being compared. Consistent with the capital treatment of such costs under GAAP, tenant improvements, leasing commissions and other direct leasing costs are excluded from Same-Property NOI.

The most directly comparable GAAP financial measure is consolidated operating income. Same-Property NOI should not be considered as an alternative to consolidated operating income prepared in accordance with GAAP or as a measure of liquidity. Further, Same-Property NOI is a measure for which there is no standard industry definition and, as such, it is not consistently defined or reported on among the Company's peers, and thus may not provide an adequate basis for comparison among REITs.

The following table is a reconciliation of Same-Property NOI from operating income (the most directly comparable GAAP financial measure):

	Three Months Ended March 31,	
	2024	2023
	(in thousands, unaudited)	
Operating Income	\$ 7,478	\$ 6,574
Add (deduct):		
Corporate general & administrative	2,746	3,071
Depreciation and amortization	6,598	7,466
Straight-line rents	(370)	(346)

Above (below) market lease amortization, net	(913)	(1,396)
Other non-property revenue	(3)	(41)
NOI related to properties not defined as same-property	—	(204)
Same-Property Net Operating Income	\$ 15,536	\$ 15,124

Total Same-Property NOI was \$15.5 million and \$15.1 million for the three months ended March 31, 2024 and 2023, respectively, representing an increase of 2.7% primarily due to a 2.1% increase in property revenue partially offset by a 1.1% increase in property expenses.

Funds from Operations

We use funds from operations ("FFO"), a non-GAAP measure, as an alternative measure of our operating performance, specifically as it relates to results of operations and liquidity. We compute FFO in accordance with standards established by the Board of Governors of Nareit in its March 1995 White Paper (as amended in November 1999, April 2002 and December 2018). 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), plus impairment of real estate related long-lived assets and after adjustments for unconsolidated partnerships and joint ventures. Most industry analysts and equity REITs, including us, 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 our 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. Accordingly, we believe FFO provides a valuable alternative measurement tool to GAAP when presenting our operating results.

We believe the computation of FFO in accordance with Nareit's definition includes certain items that are not indicative of the results provided by our operating portfolio and affect the comparability of our period-over-period performance. These items include, but are not limited to, legal settlements, non-cash amortization on loans and acquisition costs. Therefore, in addition to FFO, management uses Adjusted FFO ("AFFO"), which we define to exclude such items. Management believes that these adjustments are appropriate in determining AFFO as they are not indicative of the operating performance of our assets. In addition, we ~~have posted~~ believe that AFFO is a useful supplemental measure for the ~~Charters~~ investing community to use in comparing us to other REITs as many REITs provide some form of adjusted or modified FFO. However, there can be no assurance that AFFO presented by us is comparable to the adjusted or modified FFO of other REITs.

A reconciliation of net loss to FFO available to common stockholders and AFFO is shown in the table below (in thousands):

	Three Months Ended March 31,	
	2024	2023
Net Loss	\$ (6,006)	\$ (409)
Depreciation and amortization of real estate assets	6,598	7,466
FFO	592	7,057
Preferred stock dividends - undeclared	(2,042)	(2,264)
Dividends on noncontrolling interests preferred stock	(2,688)	(2,688)
Preferred stock accretion adjustments	22	147
FFO available to common stockholders and common unitholders	(4,116)	2,252
Other non-recurring and non-cash expenses	—	268
Loss on investment securities, net	106	—
Net changes in fair value of derivative liabilities	5,507	(1,852)
Gain on preferred stock redemptions	(213)	—
Straight-line rental revenue, net straight-line expense	(387)	(403)
Deferred financing cost amortization	628	479
Above (below) market lease amortization, net	(913)	(1,396)

Recurring capital expenditures tenant improvement reserves		(407)	(409)
AFFO	\$ 205	\$ (1,061)	

Other non-recurring and non-cash expenses are costs of the Company that we believe will not be incurred on a go-forward basis. Other non-recurring expenses of \$0.0 million for the three months ended March 31, 2024. Other non-recurring expenses of \$0.3 million for the three months ended March 31, 2023, a result of cost to demolish decommissioned space not included in the Company's gross leasable area.

Inflation, Deflation and Economic Condition Considerations

The U.S. continues to experience elevated levels of inflation, which could improve or worsen. Substantially all of the Company's tenant leases contain provisions designed to partially mitigate the negative impact of inflation in the near term. Such lease provisions include clauses that require tenants to reimburse the Company for inflation-sensitive costs such as real estate taxes, insurance and many of the operating expenses it incurs. In addition, many of our Asset Liability Committee, Audit Committee, Compensation Committee, Governance leases are for terms of less than ten years, which permits us to seek increased rents upon re-rental at market rates. However, significant inflation rate increases over a prolonged period of time may have a material adverse impact on the Company's business. Conversely, deflation could lead to downward pressure on rents and Nominating Committee, Executive Committee, Litigation Committee, Related Person Transactions Committee other sources of income.

Interest rate increases could result in higher incremental borrowing costs for the Company and our tenants. The duration of the Company's indebtedness and our relatively low exposure to floating rate debt have mitigated the direct impact of inflation and interest rate increases. The degree and pace of these changes have had and may continue to have impacts on our business.

Liquidity and Capital Resources

At March 31, 2024, our consolidated cash, cash equivalents and restricted cash totaled \$38.5 million compared to consolidated cash, cash equivalents and restricted cash of \$52.1 million at March 31, 2023. Cash flows from operating activities, investing activities and financing activities were as follows (in thousands, unaudited):

	Three Months Ended March 31,		Changes	
	2024	2023	Dollars	Percent
Operating activities	\$ 5,234	\$ 3,687	\$ 1,547	42.0 %
Investing activities	\$ (4,134)	\$ (4,155)	\$ 21	0.5 %
Financing activities	\$ (2,393)	\$ (3,276)	\$ 883	27.0 %

Operating Activities

Our cash flows from operating activities increased \$1.5 million. Net cash provided by operating activities, before net changes in operating assets and liabilities, was \$6.3 million and \$4.3 million for 2024 and 2023, respectively, primarily due to (1) a \$2.7 million decrease in corporate administrative expenses and other expenses and (2) a \$0.4 million increase in Same-Property NOI, partially offset by (3) an \$0.9 increase in interest expense and (4) \$0.2 million decrease in NOI related to properties not defined as same-property.

Investing Activities

Our cash flows used in investing activities remained relatively flat.

Financing Activities

Our cash flows used in financing activities were \$2.4 million for the three months ended March 31, 2024, compared to cash flows used in financing activities of \$3.3 million for the comparable period in 2023.

Financing activities during the three months ended March 31, 2024 primarily consisted of:

Cash inflows:

- \$1.4 million draw on Cedar Revolving Credit Agreement; and
- \$1.0 million draw on Timpany Plaza Loan Agreement.

Cash outflows:

- \$2.7 million for distributions paid on noncontrolling interests;
- \$1.3 million repurchase of debt securities;
- \$0.4 million payments for deferred financing costs; and
- \$0.4 million scheduled loan principal payments on debt.

Financing activities during the three months ended March 31, 2023 primarily consisted of:

Cash outflows:

- \$2.7 million for distributions paid on noncontrolling interests; and
- \$0.6 million scheduled loan principal payments on debt.

The Company continues to endeavor to manage its debt prudently with the objective of achieving a conservative capital structure and minimizing leverage within the Company. Our debt balances, excluding unamortized debt issuance costs, consisted of the following (in thousands):

	March 31, 2024	December 31, 2023
	(unaudited)	
Fixed-rate notes	\$ 495,626	\$ 495,572
Variable-rate credit agreement	1,387	—
Total debt	\$ 497,013	\$ 495,572

The weighted average interest rate and term of our fixed-rate debt were 5.43% and 7.9 years, respectively, at March 31, 2024. The weighted average interest rate and term of our fixed-rate debt was 4.99% and 7.2 years, respectively, at March 31, 2023. We have \$8.7 million of debt maturing during the twelve months ending March 31, 2025. While we anticipate being able to refinance all the loans at reasonable market terms upon maturity, our inability to do so may materially impact our financial position and results of operations. See Note 6 to the accompanying condensed consolidated financial statements for additional mortgage indebtedness details.

NASDAQ Notices

On December 7, 2023, the listing qualifications staff (the "Staff") of Nasdaq notified the Company that based on the Common Stock's bid price closing below \$1.00 per share for 30 consecutive business days, the Company no longer complied with Nasdaq Listing Rule 5550(a)(2) (the "Bid Price Rule") and that Company has a 180-day compliance period until June 4, 2024 to regain compliance. This rule requires listed securities to maintain a minimum bid price of \$1.00 per share, and Nasdaq Listing Rule 5810(c)(3)(A) provides that a failure to meet the minimum bid price requirement exists if the deficiency continues for a period of 30 consecutive business days.

Material Cash Requirements, Contractual Obligations and Commitments

Our expected material cash requirements for the twelve months ended March 31, 2025 and thereafter are comprised of (i) contractually obligated expenditures; (ii) other essential expenditures; and (iii) other investments.

The primary liquidity needs of the Company, in addition to the funding of our ongoing operations, at March 31, 2024 are \$8.7 million in principal and regularly scheduled payments due in the twelve months ended March 31, 2025 as described in Note 6 in the accompanying condensed consolidated financial statements.

In addition, the Company has \$8.2 million outstanding construction commitments at March 31, 2024.

In addition to liquidity required to fund debt payments, we may incur some level of capital expenditures during the year for our existing properties that cannot be passed on to our tenants.

To meet these future liquidity needs, the Company:

- had \$17.7 million in cash and cash equivalents at March 31, 2024;
- had \$20.8 million held in lender reserves for the purpose of tenant improvements, lease commissions, real estate taxes and insurance at March 31, 2024; and
- intends to use cash generated from operations during the twelve months ended March 31, 2025.

Additionally, the Company plans to undertake measures to grow its operations and increase liquidity through delivering space currently leased but not yet occupied, backfilling vacant anchor spaces, replacing tenants who are in default of their lease terms, increasing future lease revenue through tenant improvements partially funded by restricted cash, disposition of non-core assets in the ordinary course of business and refinancing properties.

In order to continue qualifying as a REIT, the Company is required to distribute at least 90% of its "REIT taxable income," as defined in the Internal Revenue Code of 1986, as amended (the "Code"). Future dividend declarations will continue to be at the discretion of the Board of Directors, and will depend on the cash flow and financial condition of the Company, capital requirements, annual distribution requirements under the REIT provisions of the Code, and such other factors as the Board of Directors may deem relevant. The Company intends to continue to operate its business in a manner that will allow it to qualify as a REIT for U.S. federal income tax requirements.

Our success in executing on our strategy will dictate our liquidity needs going forward. If we are unable to execute in these areas, our ability to grow may be limited without additional capital.

Convertible Notes

The Convertible Notes have caused, and could continue to cause, substantial dilution of the Series D **Redemption Facilitation Committee**, as well as our **Code Preferred Stock** and reduction in the value of **Business Conduct** any Series D Preferred Stock if interest thereon continues to be paid in the future in shares of Series D Preferred Stock. In addition, depending on the prices at which the ongoing monthly redemptions of Series D Preferred Stock occur, the conversion price for the Convertible Notes could continue to be repeatedly adjusted downwards, which has caused, and **Ethics, Corporate Governance Principles**, could continue to cause, significant downward pressure on the value of the Company's Common Stock.

Series D Preferred Stock

As of March 31, 2024, the outstanding Series D Preferred Stock had an aggregate liquidation preference of approximately \$62.6 million, with aggregate accrued and **Insider Trading Policy**, unpaid dividends in the amount of approximately \$33.3 million, for a total liquidation value of \$95.9 million. After September 21, 2023, each holder of Series D Preferred Stock has the right, at such holder's option, to request that the Company redeem any or all under separate headings. The content of such holder's shares of Series D Preferred Stock on a monthly basis.

As the Series D Preferred Holders' continue to exercise their redemption rights on a monthly basis, the Company will continue to pay the aggregate redemption price in shares of our **website** Common Stock. The Company does not believe it is **not incorporated by reference** into this **Quarterly Report on Form 10-Q** in its interests to liquidate assets or incur indebtedness to fund cash redemptions of the Series D Preferred Stock and, accordingly, it has no intention of doing so. Therefore, the Company intends to continue to settle redemptions of Series D Preferred Stock in **any other report or document we file with** Common Stock. We believe that the **SEC**, and any references issuance of Common Stock to **our website** is intended **settle redemptions in** Common Stock will continue to be **inactive textual references only**. result in a substantial dilution of the outstanding Common Stock.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable. We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information under this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

The management of the Company, under the supervision and with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures in ensuring that the information required to be disclosed in our filings under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, including ensuring that such information is accumulated and communicated to the Company's management, as appropriate, to allow timely decisions regarding required disclosure. Based on such evaluation, our principal executive and financial officers have concluded that such disclosure controls and procedures were effective as of September 30, 2023 March 31, 2024 (the end of the period covered by this Form 10-Q) to provide reasonable assurance that information required to be disclosed by us in our filings under the Exchange Act is recorded, processed,

summarized, and reported within the time periods specified in the SEC's rules and forms and to provide reasonable assurance that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

None. There has been no change in the Company's internal control over financial reporting that occurred during the three months ended March 31, 2024, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well-designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

See Note 10, 8, Commitments and Contingencies, to our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information under this item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.

Item 3. Defaults Upon Senior Securities.

As of November 7, 2023 May 6, 2024, the Company had accumulated undeclared dividends of \$36.8 million \$33.3 million to holders of shares of our Series D Preferred Stock, of which \$2.3 million and \$6.5 million \$2.0 million were attributable to the three and nine months ended

September 30, 2023, respectively. March 31, 2024.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None. During the three months ended March 31, 2024, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, modified or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement," as defined in Item 408 of Regulation S-K.

Item 6. Exhibits.

Exhibit Item	Title of Description	Incorporated by Reference	Form	Filing Date
10.1	Articles of Excepted Holder Amendment, of by and among Wheeler Real Estate Investment Trust, Inc. filed with SDAT on August 17, 2023 (Filed , Stilwell Activist Investments, L.P., Stilwell Activist Fund, L.P., Stilwell Value Partners VII, L.P. and Stilwell Associates, L.P., dated as an Exhibit to Form 8-K, filed on August 17, 2023) of February 5, 2024			
3.1	Articles of Amendment of Wheeler Real Estate Investment Trust, Inc. filed with SDAT Current Report on August 17, 2023 (Filed as an Exhibit to Form 8-K filed on August 17, 2023)	February 6, 2024		
31.1†	Certification of the Chief Executive Officer of Wheeler Real Estate Investment Trust, Inc. pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Filed herewith).			
31.2	Certification of the Chief Financial Officer of Wheeler Real Estate Investment Trust, Inc. pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Filed herewith).			
32.1†	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Filed herewith).			
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Filed herewith).			
101.INS XBRL XBRL†	Instance Document (Filed herewith). Document.			
101.SCH 101.SCH†	XBRL Taxonomy Extension Schema Document (Filed herewith). Document.			
101.CAL 101.CAL†	XBRL Taxonomy Extension Calculation Linkbase (Filed herewith). Linkbase.			
101.DEF 101.DEF†	XBRL Taxonomy Extension Definition Linkbase (Filed herewith). Linkbase.			
101.LAB 101.LAB†	XBRL Taxonomy Extension Labels Linkbase (Filed herewith). Linkbase.			
101.PRE 101.PRE†	XBRL Taxonomy Extension Presentation Linkbase (Filed herewith). Linkbase.			
104 104†	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)			

† Filed or furnished herewith.

SIGNATURE

Pursuant to the requirements of the Securities 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/ Crystal Plum

CRYSTAL PLUM

Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)

Date: November 7, 2023 May 6, 2024

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Exhibit 31.1

**Wheeler Real Estate Investment Trust, Inc.
Quarterly Certification
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, M. Andrew Franklin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Wheeler Real Estate Investment Trust, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

- d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2023 May 6, 2024

/s/ M. Andrew Franklin

M. Andrew Franklin
Chief Executive Officer and President

Exhibit 31.2

Wheeler Real Estate Investment Trust, Inc.
Quarterly Certification
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Crystal Plum, certify that:

- 1. I have reviewed this quarterly report on Form 10-Q of Wheeler Real Estate Investment Trust, Inc.;
- 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

- d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2023 May 6, 2024

/s/ Crystal Plum

Crystal Plum
Chief Financial Officer

Exhibit 32

Wheeler Real Estate Investment Trust, Inc.
Certification Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Wheeler Real Estate Investment Trust, Inc. (the "Company") on Form 10-Q for the three and nine months ended September 30, 2023 March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, M. Andrew Franklin, Chief Executive Officer of the Company, and I, Crystal Plum, Chief Financial Officer of the Company, each certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 7, 2023 May 6, 2024

/s/ M. Andrew Franklin

M. Andrew Franklin
Chief Executive Officer and President

/s/ Crystal Plum

Crystal Plum
Chief Financial Officer

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