UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2021

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)

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% Senior Subordinated Convertible Notes due 2031	WHLRL	Nasdaq Capital Market

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

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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 file	☐	☐	Accelerated filer
Non-accelerated filer	☑	▯	Smaller reporting company
		▯	Emerging growth company

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☐ No ☑

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ▯ No ☑

As of June 30, 2021, the last trading day of the registrant’s most recently completed second fiscal quarter, the aggregate market value of the registrant’s Common Stock held by non-affiliates of the registrant was $36,779,197, based on the closing price of the registrant’s Common Stock on such date as reported on the Nasdaq Capital Market. For the purposes of this computation, shares held by directors and executive officer of the registrant have been excluded. Such exclusion is not intended, nor shall it be deemed, to be an admission that such persons are affiliates of the registrant.

As of February 24, 2022, there were9,720,532 shares of Common Stock, $0.01 par value per share, outstanding.

Documents Incorporated by Reference

Portions of the registrant’s Proxy Statement for its 2022 Meeting to be filed with the Securities and Exchange Commission not later than 120 days after the end of the year covered by this Annual Report are incorporated by reference into Part III of this Annual Report.

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CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K ("Form 10-K") of Wheeler Real Estate Investment Trust, Inc. (the "Company" or "our Company") contains forward-looking statements that are subject to risk and uncertainties. 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. Forward-looking statements are typically identified by the use of terms such as “may,” “will,” “should,” “potential,” “predicts,” “anticipates,” “expects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” or the negative of such terms and variations of these words and similar expressions. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements.

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

- the ongoing adverse effect of the COVID-19 pandemic, and federal, state, and/or local regulatory guidelines and private business actions to control it, on the Company’s financial condition, operating results and cash flows, the Company’s tenants and their customers, the use of and demand for retail space, the real estate market in which the Company operates, the U.S. economy, the global economy and the financial markets;
- 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;
- availability, terms and deployment of capital;
  general volatility of the capital markets and the market price of our common and preferred stock;
- 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 Virginia, Florida, Georgia, Alabama, South Carolina, North Carolina, Oklahoma, Kentucky, Tennessee, West Virginia, New Jersey and Pennsylvania;
- litigation risks;
- lease-up risks;
- increases in the Company’s financing and other costs as a result of changes in interest rates and other factors, including the expected discontinuation of the London Interbank Offered Rate (“LIBOR”);
- changes in our ability to obtain and maintain financing;
- damage to the Company’s properties from catastrophic weather and other natural events, and the physical effects of climate change;
- information technology security breaches;
- the Company’s ability and willingness to maintain its qualification as a REIT in light of economic, market, legal, tax and other considerations;
- the ability of our operating partnership, Wheeler REIT, L.P. (the "Operating Partnership") 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
- inability to generate sufficient cash flows due to market conditions, competition, uninsured losses, changes in tax or other applicable laws.

Forward-looking statements should be read in light of these factors.

Part I

Item 1. Business.

Overview

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. Substantially, all of our assets are held by, and all of our operations are conducted through, our Operating Partnership. At December 31, 2021, the Company owned 98.59% of the Operating Partnership. The Company is a fully-integrated, self-managed commercial real estate investment company that owns, leases and operates income-producing retail properties with a primary focus on grocery-anchored centers.

For additional information on recent business developments, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in this Form 10-K.

Our corporate office is located at 2529 Virginia Beach Boulevard, Virginia Beach, Virginia 23452. Our telephone number is (757) 627-9088. Our registrar and stock transfer agent is Computershare Trust Company, N.A. and may be contacted at 250 Royall Street, Canton, MA 02021 or their website, www.computershare.com.

Portfolio

Our portfolio contains retail properties in secondary and tertiary markets, with a particular emphasis on grocery-anchored retail centers. Our properties are in communities that have stable demographics and have historically exhibited favorable trends, such as strong population and income growth. We generally lease our properties to national and regional retailers that offer consumer goods and services and generate regular consumer traffic. We believe our tenants carry goods and offer services that are less impacted by fluctuations in the broader U.S. economy and consumers’ disposable income, generating more predictable property level cash flows.

The Company’s portfolio of properties is dependent upon regional and local economic conditions. As of December 31, 2021, we own a portfolio consisting of sixty-two properties, including fifty-eight retail shopping centers, totaling 5,478,855 leasable square feet which is 94.2% leased (our "operating portfolio"), and four undeveloped land parcels totaling approximately 61 acres. The properties are geographically located in the Southeast, Mid-Atlantic and Northeast, which markets represented approximately 62%, 34% and 4%, respectively, of the total annualized base rent of the properties in its portfolio as of December 31, 2021.

No tenant represents greater than approximately 10% of the Company’s annualized base rent or 10% of gross leasable square footage. The top 10 tenants account for 29.06% or $14.01 million of annualized base rent and 33.96% or 1.86 million of gross leasable square footage at December 31, 2021.

Management Team and Human Capital

Andrew Franklin, age 41, served as Chief Executive Officer (the "CEO") since October 2021 and has over twenty-three years of commercial real estate experience. Mr. Franklin joined the Company in 2014 and held the position of interim CEO since July 2021 and prior to this role was the Company's Chief Operating Officer. Prior to joining the Company, Mr. Franklin was a partner with Broad Reach Retail Partners, LLC where he ran the day-to-day operations, managed the leasing team as well as oversaw the asset, property and construction management of the portfolio with assets totaling $50 million. Mr. Franklin is a graduate of the University of Maryland, with a Bachelor of Science degree in Finance.

Crystal Plum, age 40, served as Chief Financial Officer (the "CFO") since February 2020 and first joined the Company in 2016. Prior to her appointment as CFO, Ms. Plum most recently served as the Vice President of Financial Reporting and Corporate Accounting for the Company. Prior to that time, she served as Manager at Dixon Hughes Goodman LLP from September 2014 to August 2016 and as Supervisor at Dixon Hughes Goodman LLP from 2008 to September 2014. Ms. Plum has experience reviewing and performing audits, reviews, compilations and tax engagements for a diverse group of clients, as well as banking experience. Ms. Plum is a Certified Public Accountant and has a Bachelor of Science degree in Accounting and Finance from Old Dominion University.

As of December 31, 2021, we have 36 full-time employees. Our management team has experience and capabilities across the real estate sector with experience in all aspects of the commercial real estate industry, specifically in our target/existing markets. Employees are offered flexibility to meet personal and family needs, which was further expanded when the COVID-19 pandemic began. In addition to exceptional medical insurance support, the Company offers wellness programs including free short and long term disability insurance, free employee assistance programs that includes emotional health support, free gym memberships, volunteer time off and tuition assistance.

Business Objectives and Investment Strategy

Our primary business objective is to provide attractive risk-adjusted returns to our stockholders. We intend to achieve this objective utilizing the following investment strategies:

- ***Focus on necessity-based retail***. Own and operate retail properties that serve the essential day-to-day shopping needs of the surrounding communities. These necessity-based centers attract high levels of daily traffic resulting in cross-selling of goods and services from our tenants. The majority of our tenants provide non-cyclical consumer goods and services that are less impacted by fluctuations in the economy. We believe these centers that provide essential goods and services such as groceries and electric vehicle charging stations result in a stable, lower-risk portfolio of retail investment properties.

- ***Focus on secondary and tertiary markets with strong demographics and demand***. Our properties are in markets that have strong demographics such as population density, population growth, stable tenant sales trends and growth in household income. We seek to identify new tenants and renew leases with existing tenants in these locations that support the need for necessity-based retail and limited new supply.

- ***Increase operating income through leasing strategies and expense management*** We employ intensive lease management strategies to optimize occupancy. Management has strong expertise in acquiring and managing under-performing properties and increasing operating income through more effective leasing strategies and expense management. Our leases generally require the tenant to reimburse us for a substantial portion of the expenses incurred in operating, maintaining, repairing, and managing the shopping center and the common areas, along with the associated insurance costs and real estate taxes. In many cases the tenant is either fully or partially responsible for all maintenance of the property, thereby limiting our financial exposure towards maintaining the center and increasing our net income. We refer to this arrangement as a "triple net lease."

- ***Selectively utilize our capital to improve retail properties.*** We intend to make capital investments where the return on such capital is accretive to our stockholders. We allocate capital to value-added improvements of retail properties to increase rents, extend long-term leases with anchor tenants and increase occupancy. We selectively allocate capital to revenue enhancing projects that we believe will improve the market position of a given property.

- ***Recycling and sensible management of capital structure.*** We intend to sell non-income producing land parcels utilizing sales proceeds to deleverage the balance sheet. In addition, we intend to monetize assets to redeploy the capital to further deleverage and strengthen the balance sheet. In 2021, we sold two land parcels, two properties and an out parcel for a total of $11.51 million net proceeds which were used to reduce outstanding indebtedness. Additional properties may be slated for disposition based upon management's periodic review of our portfolio, and the determination by our Board of Directors.

Governmental Regulations Affecting Our Properties

We and our properties are subject to a variety of federal, state and local environmental, health, safety and similar laws. The application of these laws to a specific property that we own depends on a variety of property-specific circumstances, including the current and former uses of the property, the building materials used at the property and the physical layout of the property. Neither existing environmental, health, safety and similar laws nor the costs of our compliance with these laws has had a material adverse effect on our financial condition or results of operations, and management does not believe they will in the future. In addition, we have not incurred, and do not expect to incur, any material costs or liabilities due to environmental contamination at properties we currently own or have owned in the past. However, we cannot predict the impact of new or changed laws or regulations on properties we currently own or may acquire in the future. We have no current plans for substantial capital expenditures with respect to compliance with environmental, health, safety and similar laws and we carry environmental insurance that covers a number of environmental risks for most of our properties.

Competition

Numerous commercial developers and real estate companies compete with us with respect to the leasing of properties. Some of these competitors may possess greater capital resources than we do, although we do not believe that any single competitor or group of competitors in any of the primary markets where our properties are located are dominant in that market. This competition may interfere with our ability to attract and retain tenants, leading to increased vacancy rates and/or reduced rents and adversely affect our ability to minimize operating expenses.

Retailers at our properties also face increasing competition from online retailers, outlet stores, discount shopping clubs, superstores, and other forms of sales and marketing of goods and services, such as direct mail. This competition could contribute to lease defaults and insolvency of tenants.

Company Website Access and SEC Filings

We are subject to the information reporting requirements of the Exchange Act. Pursuant to those requirements, we are required to file annual and periodic reports, proxy statements and other information, including audited consolidated financial statements, with the SEC which can be found at http://www.sec.gov.

Additionally, we make available free of charge through our website http://www.whlr.us our most recent Annual Report on Form 10-K, including our audited consolidated financial statements, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports as soon as reasonably practicable after we electronically file or furnish such materials to the Securities and Exchange Commission (the "SEC"). In addition, we have posted the Charters of our Audit Committee, Compensation Committee, and Governance and Nominating Committee, as well as our Code of Business Conduct and Ethics for Employees, Officers, Agents and Representatives, Code of Business Conduct and Ethics for Members of the Board of Directors, Corporate Governance Principles, including guidelines on director independence, and Insider Trading Policy, all under separate headings. The content of our website is not incorporated by reference into this Annual Report on Form 10-K or in any other report or document we file with the SEC, and any references to our website is intended to be inactive textual references only.

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 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

Our Portfolio

At December 31, 2021, we owned sixty-two properties, including fifty-eight income producing properties located in Virginia, North Carolina, South Carolina, Florida, Georgia, Kentucky, Tennessee, Alabama, New Jersey, Pennsylvania and West Virginia, containing a total of 5,478,855 gross leasable square feet of retail space, which we refer to as our operating portfolio. Additionally, we owned four undeveloped land parcels located in Virginia, North Carolina and Oklahoma. The following table presents an overview of our properties, based on information as of December 31, 2021.

Portfolio

Property	Location	Number of Tenants (1)	Total Leasable Square Feet	Percentage Leased (1)	Percentage Occupied	Total SF Occupied	Annualized Base Rent (in 000's) (2)	Annualized Base Rent per Occupied Sq. Foot
Alex City Marketplace	Alexander City, AL	19	151,843	100.0 %	100.0 %	151,843	$ 1,201	$ 7.91
Amscot Building	Tampa, FL	1	2,500	100.0 %	100.0 %	2,500	83	33.00
Beaver Ruin Village	Lilburn, GA	30	74,038	96.8 %	96.8 %	71,648	1,250	17.44
Beaver Ruin Village II	Lilburn, GA	4	34,925	100.0 %	100.0 %	34,925	460	13.16
Brook Run Shopping Center	Richmond, VA	19	147,738	87.8 %	48.2 %	71,237	877	12.32
Brook Run Properties (3)	Richmond, VA	—	—	— %	— %	—	—	—
Bryan Station	Lexington, KY	10	54,277	100.0 %	100.0 %	54,277	597	11.00
Butler Square	Mauldin, SC	16	82,400	98.2 %	98.2 %	80,950	855	10.57
Cardinal Plaza	Henderson, NC	9	50,000	100.0 %	100.0 %	50,000	502	10.03
Chesapeake Square	Onley, VA	14	108,982	99.1 %	99.1 %	108,016	823	7.62
Clover Plaza	Clover, SC	10	45,575	100.0 %	100.0 %	45,575	378	8.30
Courtland Commons (3)	Courtland, VA	—	—	— %	— %	—	—	—
Conyers Crossing	Conyers, GA	14	170,475	100.0 %	100.0 %	170,475	940	5.51
Crockett Square	Morristown, TN	4	107,122	100.0 %	100.0 %	107,122	970	9.06
Cypress Shopping Center	Boiling Springs, SC	17	80,435	41.2 %	41.2 %	33,175	452	13.62
Darien Shopping Center	Darien, GA	1	26,001	100.0 %	100.0 %	26,001	140	5.38
Devine Street	Columbia, SC	1	38,464	89.1 %	89.1 %	34,264	180	5.25
Edenton Commons (3)	Edenton, NC	—	—	— %	— %	—	—	—
Folly Road	Charleston, SC	5	47,794	100.0 %	100.0 %	47,794	731	15.30
Forrest Gallery	Tullahoma, TN	27	214,451	91.1 %	80.8 %	173,289	1,285	7.42
Fort Howard Shopping Center	Rincon, GA	19	113,652	95.1 %	95.1 %	108,120	1,046	9.68
Freeway Junction	Stockbridge, GA	17	156,834	97.1 %	97.1 %	152,249	1,304	8.56
Franklin Village	Kittanning, PA	25	151,821	100.0 %	98.7 %	149,821	1,274	8.50
Franklinton Square	Franklinton, NC	15	65,366	100.0 %	100.0 %	65,366	591	9.05
Georgetown	Georgetown, SC	2	29,572	100.0 %	100.0 %	29,572	267	9.04
Grove Park Shopping Center	Orangeburg, SC	15	93,265	100.0 %	100.0 %	93,265	745	7.99
Harbor Point (3)	Grove, OK	—	—	— %	— %	—	—	—
Harrodsburg Marketplace	Harrodsburg, KY	8	60,048	91.0 %	91.0 %	54,648	451	8.25
JANAF (4)	Norfolk, VA	118	798,086	95.3 %	93.1 %	743,314	8,715	11.73
Laburnum Square	Richmond, VA	19	109,405	95.3 %	95.3 %	104,305	950	9.11
Ladson Crossing	Ladson, SC	16	52,607	100.0 %	100.0 %	52,607	535	10.17
LaGrange Marketplace	LaGrange, GA	13	76,594	96.9 %	96.9 %	74,194	433	5.84
Lake Greenwood Crossing	Greenwood, SC	8	43,618	100.0 %	100.0 %	43,618	362	8.30
Lake Murray	Lexington, SC	5	39,218	100.0 %	100.0 %	39,218	255	6.50
Litchfield Market Village	Pawleys Island, SC	21	86,740	90.8 %	90.8 %	78,797	960	12.19
Lumber River Village	Lumberton, NC	11	66,781	98.2 %	98.2 %	65,581	452	6.89
Moncks Corner	Moncks Corner, SC	1	26,800	100.0 %	100.0 %	26,800	323	12.07
Nashville Commons	Nashville, NC	11	56,100	92.0 %	92.0 %	51,600	584	11.32
New Market Crossing	Mt. Airy, NC	11	117,076	90.3 %	90.3 %	105,738	951	8.99
Parkway Plaza	Brunswick, GA	4	52,365	81.7 %	81.7 %	42,785	353	8.25

Property	Location	Number of Tenants (1)	Total Leasable Square Feet	Percentage Leased (1)	Percentage Occupied	Total SF Occupied	Annualized Base Rent (in 000's) (2)	Annualized Base Rent per Occupied Sq. Foot
Pierpont Centre	Morgantown, WV	17	111,162	97.2 %	97.2 %	108,001	$ 996	$ 9.22
Port Crossing	Harrisonburg, VA	7	65,365	100.0 %	100.0 %	65,365	847	12.96
Ridgeland	Ridgeland, SC	1	20,029	100.0 %	100.0 %	20,029	140	7.00
Riverbridge Shopping Center	Carrollton, GA	10	91,188	94.7 %	94.7 %	86,388	692	8.01
Rivergate Shopping Center	Macon, GA	24	193,960	87.0 %	87.0 %	168,816	2,450	14.51
Sangaree Plaza	Summerville, SC	10	66,948	100.0 %	100.0 %	66,948	707	10.56
Shoppes at Myrtle Park	Bluffton, SC	13	56,601	97.3 %	97.3 %	55,084	653	11.86
South Lake	Lexington, SC	10	44,318	97.3 %	97.3 %	43,118	239	5.54
South Park	Mullins, SC	4	60,734	96.9 %	96.9 %	58,834	381	6.48
South Square	Lancaster, SC	6	44,350	81.0 %	81.0 %	35,900	302	8.40
St. George Plaza	St. George, SC	7	59,174	96.3 %	96.3 %	56,999	396	6.95
Sunshine Plaza	Lehigh Acres, FL	23	111,189	100.0 %	100.0 %	111,189	1,089	9.80
Surrey Plaza	Hawkinsville, GA	3	42,680	96.5 %	96.5 %	41,180	247	6.00
Tampa Festival	Tampa, FL	19	137,987	97.7 %	64.6 %	89,166	910	10.21
Tri-County Plaza	Royston, GA	6	67,577	88.8 %	88.8 %	59,977	420	7.00
Tuckernuck	Richmond, VA	16	93,624	98.0 %	98.0 %	91,745	971	10.58
Twin City Commons	Batesburg-Leesville, SC	5	47,680	100.0 %	100.0 %	47,680	478	10.03
Village of Martinsville	Martinsville, VA	20	290,902	96.6 %	96.6 %	280,946	2,177	7.74
Walnut Hill Plaza	Petersburg, VA	6	87,239	38.1 %	38.1 %	33,225	279	8.41
Waterway Plaza	Little River, SC	10	49,750	100.0 %	100.0 %	49,750	499	10.02
Westland Square	West Columbia, SC	10	62,735	95.7 %	95.7 %	60,065	443	7.38
Winslow Plaza	Sicklerville, NJ	18	40,695	100.0 %	100.0 %	40,695	641	15.75
Total Portfolio		785	5,478,855	94.2 %	91.6 %	5,015,789	$ 48,232	$ 9.62

(1) Reflects leases executed through January 5, 2022 that commence subsequent to the end of the current reporting period.
(2) Annualized based rent per occupied square foot, assumes base rent as of the end of the current reporting period, excludes the impact of tenant concessions and rent abatements.
(3) This information is not available because the property is undeveloped.
(4) Square footage is net of the Company's on-premise management office and net of building square footage whereby the Company only leases the land.

Major Tenants

The following table sets forth information regarding the ten largest tenants in our operating portfolio based on annualized base rent as of December 31, 2021.

Tenants	Annualized Base Rent ($ in 000s)	% of Total Annualized Base Rent	Total Occupied Square Feet	Percent Total Leasable Square Foot	Base Rent Per Occupied Square Foot
Food Lion	$ 4,428	9.18 %	551,469	10.07 %	$ 8.03
Kroger Co. (1)	1,948	4.04 %	226,010	4.13 %	8.62
Piggly Wiggly	1,488	3.09 %	202,968	3.70 %	7.33
Dollar Tree (2)	1,192	2.47 %	148,605	2.71 %	8.02
Lowes Foods (3)	1,181	2.45 %	130,036	2.37 %	9.08
Winn Dixie	887	1.84 %	133,575	2.44 %	6.64
Planet Fitness	837	1.74 %	100,427	1.83 %	8.33
Hobby Lobby	717	1.49 %	114,298	2.09 %	6.27
Big Lots	679	1.41 %	105,674	1.93 %	6.43
BJ'S Wholesale Club	651	1.35 %	147,400	2.69 %	4.42
	$ 14,008	29.06 %	1,860,462	33.96 %	$ 7.53

(1) Kroger 4 / Harris Teeter 1
(2) Dollar Tree 9 / Family Dollar 6
(3) Lowes Foods 1 / KJ's Market 2

Lease Expirations

The following table sets forth information with respect to the lease expirations of our properties as of December 31, 2021.

Lease Expiration Period	Number of Expiring Leases	Total Expiring Square Footage	% of Total Expiring Square Footage	% of Total Occupied Square Footage Expiring	Expiring Annualized Base Rent (in 000s)	% of Total Annualized Base Rent	Expiring Base Rent Per Occupied Square Foot
Available	—	463,066	8.45 %	— %	$ —	— %	$ —
Month-to-Month	7	13,489	0.25 %	0.27 %	211	0.44 %	15.64
2022	105	323,894	5.91 %	6.46 %	3,439	7.13 %	10.62
2023	131	817,131	14.91 %	16.29 %	7,107	14.74 %	8.70
2024	141	749,944	13.69 %	14.95 %	7,358	15.26 %	9.81
2025	120	867,537	15.83 %	17.30 %	8,517	17.66 %	9.82
2026	121	830,542	15.16 %	16.56 %	8,207	17.02 %	9.88
2027	59	325,704	5.94 %	6.49 %	3,639	7.54 %	11.17
2028	22	335,606	6.13 %	6.69 %	2,376	4.93 %	7.08
2029	20	150,962	2.76 %	3.01 %	1,479	3.07 %	9.80
2030	15	249,357	4.55 %	4.97 %	1,997	4.14 %	8.01
2031 and thereafter	44	351,623	6.42 %	7.01 %	3,902	8.07 %	11.10
Total	785	5,478,855	100.00 %	100.00 %	$ 48,232	100.00 %	$ 9.62

Property Management and Leasing Strategy

We self-administer our property management and substantially all of our leasing activities and operating and administrative functions (including leasing, legal, acquisitions, development, data processing, finance and accounting). On-site functions such as maintenance, landscaping, sweeping, plumbing and electrical are subcontracted out at each location and, to the extent permitted by their respective leases, the cost of these functions is passed on to the tenants.

We believe that focused property management, leasing and customer retention are essential to maximizing the sales per square foot, operating cash flow and value of our properties. Our primary goal in property management is to maintain an attractive shopping environment on a cost effective basis for our tenants.

The majority of our property management and leasing functions are supervised and administered by us. We maintain regular contact with our tenants and frequently visit each asset to ensure the proper implementation and execution of our market strategies. As part of our ongoing property management, we conduct regular physical property reviews to improve our properties, react to changing market conditions and ensure proper maintenance.

Our leasing representatives are experienced in the markets in which we operate; they are familiar with current tenants and potential local, regional, and national tenants that would complement our current tenant base. We study demographics, customer sales and merchandising mix to optimize the sales performance of our centers and thereby increase rents. We believe this hands-on approach maximizes the value of our shopping centers.

Item 3. Legal Proceedings.

See the discussion set forth under the heading “Commitments and Contingencies, – Litigation” in Note 10 to our consolidated financial statements.

Item 4. Mine Safety Disclosures.

Not applicable.

Part II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information.

Our Common Stock is traded on the NASDAQ Capital Market under the symbol “WHLR”.

Approximate Number of Holders of Our Common Stock

As of February 25, 2022 there were 131 holders of record of our Common Stock. This number excludes stockholders whose stock is held in nominee or street name by brokers.

Dividend Policy

In March 2018, the Board of Directors suspended the payment of dividends on our Common Stock. The Board of Directors also suspended the quarterly dividends on shares of our Series A Preferred Stock ("Series A Preferred"), Series B Convertible Preferred Stock (“Series B Preferred”) and Series D Cumulative Convertible Preferred Stock (“Series D Preferred”), beginning with the three months ended December 31, 2018. Dividends were suspended to retain cash flow to pay operating expenses and reduce debt. On November 3, 2021, common stockholders of the Company voted to amend the Company’s charter (the “Charter”) to remove the cumulative dividend rights of the Series A Preferred and Series B Preferred. Additionally, as the Company has failed to pay cash dividends on the outstanding Series D Preferred, the annual dividend rate on the Series D Preferred has increased to 10.75%; commencing on the first day after the first missed quarterly payment, January 1, 2019 and will continue until such time as the Company has paid all accumulated and unpaid dividends on the Series D Preferred in full. See Note 8, Equity and Mezzanine Equity, to our consolidated financial statements included in this Form 10-K. As a result of the dividend suspension on the Series A Preferred, Series B Preferred and Series D Preferred, no dividends may be declared or paid on the Common Stock until all accumulated accrued and unpaid dividends on the Preferred Stocks have been declared and paid in full. At this time, we can provide no certainty as to when or if dividends will be reinstated. However, we intend to make all required dividend distributions, if any, that will enable us to maintain our REIT status and to eliminate or minimize our obligation to pay income and excise taxes. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations-Future Liquidity Needs.”

Recent Sales of Unregistered Securities

On October 12, 2021, following the Company’s sale of $30.00 million in aggregate principal amount of the Company’s 7.00% senior subordinated convertible notes due 2031 (the “Convertible Notes”) in connection with the Company’s rights offering made pursuant to an effective registration statement filed with the SEC, Magnetar Structured Credit Fund, LP, Magnetar Longhorn Fund LP, Magnetar Lake Credit Fund LLC, Purpose Alternative Credit Fund – F LLC, Purpose Alternative Credit Fund – T LLC, AY2 Capital LLC (each individually, a "Backstop Party" and, collectively, the "Backstop Parties") and their assignee purchased from the Company an additional $3.00 million in aggregate principal amount of the Convertible Notes pursuant to a registration rights agreement, dated as of March 12, 2021. The Convertible Notes are convertible, in whole or in part, at any time, at the option of the holders of the Convertible Notes, into shares of the Company's Common Stock at a conversion price of $6.25 per share of the Company's Common Stock (the "Conversion Price"); provided, however, that if at any time after September 21, 2023, holders of the Series D Preferred have required the Company to redeem (payable in cash or stock) in the aggregate at least 100,000 shares of Series D Preferred, then the Conversion Price will be adjusted to the lower of (i) 55% of the Conversion Price or (ii) a 45% discount to the lowest price at which any Series D Preferred was converted into the Common Stock. Upon a change of control, each Convertible Note will mandatorily convert into shares of the Company's Common Stock equal to: (i) the principal amount of each Convertible Note divided by (ii) the product of (x) the average of the per share volume-weighted average prices for the Common Stock for the 15 consecutive trading days ending on the third business day immediately preceding the date of such change of control, and (y) 0.55.

See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Rights Offering and Convertible Notes' for additional details regarding the Rights Offering and the Convertible Notes.

The additional $3.00 million of Convertible Notes purchased by the Backstop Parties and their assignee pursuant to the registration rights agreement, dated as of March 12, 2021, were issued in reliance on an exemption from registration under Section 4(a)(2) of the Securities Act of 1933, as amended, based upon factual representations of the purchasers thereof. The issuance was made without the use of an underwriter or selling agent, and no commissions or underwriting discounts were paid by the Company in connection with such issuance.

Issuer Purchases of Equity Securities

The Company through "modified Dutch auction" tender offers on the Series D Preferred accepted for purchase 387,097 shares at a purchase price of $15.50 per share, for an aggregate cost of $6.00 million on March 12, 2021 and 103,513 shares of Series D Preferred at a purchase price of $18.00 per share, for an aggregate cost of $1.86 million on May 15, 2021, both excluding fees and expenses.

Item 6. Reserved

Item 7. 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 audited consolidated financial statements and the notes thereto included in this Form 10-K. For more detailed information regarding the basis of presentation for the following information, you should read the notes to the audited consolidated financial statements included in this Form 10-K.

Company Overview

We are a Maryland corporation focused on owning, leasing and operating income producing grocery-anchored centers, neighborhood centers, community centers and free-standing retail properties. We have targeted competitively protected properties located within developed areas, commonly referred to as in-fill, that possess minimal competition risk and are surrounded by communities that have strong demographics and dynamic, diversified economies that will continue to generate jobs and future demand for commercial real estate. Our primary target markets include the Southeast and Mid-Atlantic.

Our portfolio is comprised of fifty-eight retail shopping centers and four undeveloped land parcels. Ten of these properties are located in Virginia, three are located in Florida, six are located in North Carolina, twenty-two are located in South Carolina, twelve are located in Georgia, two are located in Kentucky, two are located in Tennessee, one is located in New Jersey, one is located in Alabama, one is located in West Virginia, one is located in Oklahoma and one is located in Pennsylvania. The Company's portfolio had total gross rentable space of approximately 5,478,855 square feet and a leased level of approximately 94.2% at December 31, 2021.

Impact of COVID-19

The spread of COVID-19 has had a significant impact on the global economy, the U.S. economy, the economies of the local markets in which the Company's properties are located, and the broader financial markets. Local, state and federal authorities have taken preventative measures to alleviate the public health crisis and these preventative measures have affected the operations of the Company's tenant base to varying degrees depending on the category and location of the tenant.

The Company derives revenues primarily from rents and reimbursement payments received from tenants under leases at the Company's properties. The Company's operating results therefore depend materially on the ability of its tenants to make required rental payments. The extent to which the COVID-19 pandemic impacts the businesses of the Company's tenants, and the Company's operations and financial condition, will depend on future developments which are still uncertain and cannot be predicted with confidence. In addition, the trend toward online shopping for goods and services that accelerated during the COVID-19 pandemic may continue and could result in a permanent decrease in spending levels at brick-and-mortar commercial establishments. The factors described above, as well as additional factors that the Company may not currently be aware of, could materially negatively impact the Company's ability to collect rent and could lead to increases in rent relief requests from tenants, termination of leases by tenants, tenant bankruptcies, decreases in demand for retail space at the Company's properties, difficulties in accessing capital, impairment of the Company's long-lived assets and other impacts that could materially and adversely affect the Company's business, results of operations, financial condition and ability to pay distributions to stockholders. The comparability of the Company's results of operations for the year ended December 31, 2021 to future periods may be impacted by the effects of the COVID-19 pandemic.

Recent Trends and Activities

There have been several significant events in 2021 that have impacted our Company. These events are summarized below.

Paycheck Protection Program

On April 24, 2020, the Company received proceeds of $552 thousand in the form of a promissory note (the "Promissory Note") pursuant to the Paycheck Protection Program (the "PPP") under the Coronavirus Aid, Relief and Economic Security ("CARES") Act. Under the terms of the CARES Act, the Promissory Note was forgiven during the year ended December 31, 2021.

Assets Held for Sale and Dispositions

At December 31, 2021, assets held for sale included Walnut Hill Plaza, as the Company has committed to a plan to sell the property. During the year ended December 31, 2021, the Company sold the below properties, of which Columbia Fire Station, Berkley Shopping Center, the 0.75-acre land parcel at Berkley and the outparcel at Rivergate Shopping Center were included as assets held for sale at December 31, 2020. Additionally at December 31, 2020, the Company held for sale a second outparcel at Rivergate Shopping Center which the Company is no longer pursuing. The Company recorded $2.30 million in impairments during the year ended December 31, 2021, $100 thousand on Walnut Hill Plaza and $2.20 million on Columbia Fire Station reducing the carrying value for the amounts that exceeded the property's fair value less estimated selling costs. The Company recorded $600 thousand in impairments on Columbia Fire Station during the year ended December 31, 2020.

Disposal Date	Property	Contract Price	Gain (loss)	Net Proceeds
			(in thousands, unaudited)	
November 17, 2021	Columbia Fire Station - Columbia, SC	$ 4,250	$ (88)	$ 3,90
August 31, 2021	Rivergate Shopping Center Out Parcel - Macon, GA	3,700	1,915	3,45
July 9, 2021	Tulls Creek Land Parcel (1.28 acres) - Moyock, NC	250	52	22
March 25, 2021	Berkley Shopping Center and Berkley Land Parcel (0.75 acres) - Norfolk, VA	4,150	176	3,93

In conjunction with the Berkley Shopping Center disposition the Company made a $3.22 million principal payment on the Berkley/Sangaree/Tri-County loan and paid $687 thousand in defeasance.

In conjunction with the Rivergate Shopping Center Out Parcel disposition the Company made a $3.54 million principal payment on the Rivergate loan.

Powerscourt Financing Agreement Payoff

On March 12, 2021, the Company paid in full the $25.00 million Powerscourt Financing Agreement. The Powerscourt Warrant Agreement and the Powerscourt Registration Rights Agreement remain.

Wilmington Financing Agreement

On March 12, 2021, the Company entered into a financing agreement (the "Wilmington Financing Agreement") as borrower, certain subsidiaries of the Company from time to time party thereto, as guarantors (together with the Company, the “Loan Parties”), the lenders from time to time party thereto, and Wilmington Savings Fund Society, FSB, as administrative agent and collateral agent. The Wilmington Financing Agreement provides for a term loan in the aggregate principal amount of $35.00 million. The proceeds of the Wilmington Financing Agreement are intended for the following: (i) to paydown the Company’s indebtedness on the Powerscourt Financing Agreement, (ii) to fund the redemption of certain shares of the Company’s 8.75% Series D Preferred and (iii) to pay fees and expenses in connection with the transactions contemplated by the Wilmington Financing Agreement. The Wilmington Financing Agreement is at a rate of 8.00% and matures in March 2026 with quarterly interest only payments beginning on April 15, 2021. Any payment or repayment of principal will be made with a premium equal to 5% of the amount repaid or prepaid.

Pursuant to the Wilmington Financing Agreement, the Company issued to the holders from time to time party thereto a warrant (the “Wilmington Warrant”) to purchase in the aggregate, 1,061,719 shares of Common Stock in three tranches: warrants to purchase an aggregate of 510,204 shares at an exercise price of $3.430 per share ("Tranche A"); warrants to purchase an aggregate of 424,242 shares at an exercise price of $4.125 per share ("Tranche B"); and warrants to purchase an aggregate of 127,273 shares at an exercise price of $6.875 per share ("Tranche C") (the “Wilmington Warrant Agreement”). The Warrant is exercisable at the option of its holder in whole or in part into shares of Common Stock from time to time on or after March 12, 2021 (the “Effective Date”) and before the maturity date of the Wilmington Financing Agreement.

On December 21, 2021, the principal balance on the Wilmington Financing Agreement was paid in full. The Wilmington Warrant Agreement and the Wilmington Registration Rights Agreement remain.

Registration Rights Agreements

In connection with the Powerscourt Financing Agreement and Wilmington Financing Agreement, the Company entered into a registration rights agreement with the holders from time to time of the Powerscourt Warrant, dated as of December 22, 2020 (the “Powerscourt Registration Rights Agreement”) and Wilmington Warrants, dated as of March 12, 2021 (the “Wilmington Registration Rights Agreement”), respectively. Accordingly, the Company registered the resale of the common stock underlying the Powerscourt Warrant and Wilmington Warrant on a Form S-11 Registration Statement which became effective on May 25, 2021.

Warrant Agreements

The Company utilized the Monte Carlo simulation model to calculate the fair value of the Powerscourt Warrant and Wilmington Warrant (collectively, the "Warrant Agreements"). 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 Monte 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 were valued at approximately $2.61 million upon issuance and recorded as a liability on the consolidated balance sheets.For the year ended December 31, 2021, the Company reported non-operating income of approximately $1.36 million, due to changes in fair value. See Note 6 included in this Form 10-K for additional details.

Series D Preferred Stock Tender Offers

The Company through “modified Dutch auction” tender offers on the Series D Preferred accepted for purchase 387,097 shares at a purchase price of $15.50 per share, for an aggregate cost of $6.00 million on March 12, 2021 and 103,513 shares of Series D Preferred at a purchase price of $18.00 per share, for an aggregate cost of $1.86 million on May 15, 2021, both excluding fees and expenses.

Rights Offering and Convertible Notes

On July 22, 2021, the Company commenced the rights offering (the “Rights Offering”) for the purchase of up to $30.00 million in aggregate principal amount of the Company’s 7.00% senior subordinated convertible notes due 2031 (the “Convertible Notes”). On August 13, 2021, the Rights Offering expired. Pursuant to the Rights Offering, the Company distributed to holders of its Common Stock, as of 5:00 p.m. New York City time on June 1, 2021 (the “Record Date”), non-transferable subscription rights to purchase Convertible Notes. Each holder of the Company’s Common Stock as of the Record Date received one right for each eight shares of the Company’s Common Stock owned, and each right entitled a holder to purchase $25.00 principal amount of Convertible Notes. The Rights Offering was made pursuant to an effective registration statement filed with the U.S. Securities and Exchange Commission. The aggregate principal amount of Convertible Notes issued in the Rights Offering was $30.00 million. The Rights Offering was backstopped by Magnetar Structured Credit Fund, LP, Magnetar Longhorn Fund LP, Magnetar Lake Credit Fund LLC, Purpose Alternative Credit Fund – F LLC, Purpose Alternative Credit Fund – T LLC, and AY2 Capital LLC (each individually, a “Backstop Party” and, collectively, the “Backstop Parties”) in the amount of $2.19 million in aggregate principal. On October 12, 2021, the Backstop Parties and their assignee elected to exercise their “accordion right” in full and purchased from the Company an additional $3.00 million in aggregate principal amount of the Company’s Convertible Notes.

On August 13, 2021, the Company, as Issuer, and Wilmington Savings Fund Society, FSB., as Trustee, entered into an Indenture governing the terms of the Convertible Notes (the “Indenture”).

The Convertible Notes bear interest at a rate of 7.00% per annum. Interest on the Convertible Notes is payable semi-annually in arrears on June 30 and December 31 of each year, commencing on December 31, 2021.

The Convertible Notes are subordinate and junior in right of payment to the Company’s obligations to the holders of senior indebtedness, and that in the case of any insolvency, receivership, conservatorship, reorganization, readjustment of debt, marshalling of assets and liabilities or similar proceedings or any liquidation or winding-up of or relating to the Company as a whole, whether voluntary or involuntary, all obligations to holders of senior indebtedness shall be entitled to be paid in full before any payment shall be made on account of the principal or interest on the Convertible Notes.

Interest on the Convertible Notes is payable, at the Company’s election: (a) in cash; (b) in shares of Series B Preferred; (c) in shares of Series D Preferred; or (d) in any combination of (a), (b), and/or (c). For purposes of determining the value of Series B Preferred and Series D Preferred Stock paid as interest on the Convertible Notes, each share of Series B Preferred and Series D Preferred Stock shall be deemed have a value equal to the product of (x) the average of the VWAPs (as defined in the Indenture) for the Series B Preferred or the Series D Preferred, as the case may be, for the 15 consecutive trading days ending on the third business day immediately preceding the relevant interest payment date, and (y) 0.55. On December 31, 2021, the first interest payment date on the Convertible Notes, the Company issued a total of 113,709 shares of Series D Preferred in payment of interest on the Convertible Notes.

The Convertible Notes are convertible, in whole or in part, at any time, at the option of the holders of the Convertible Notes, into shares of the Company’s Common Stock at a conversion price of $6.25 per share of the Company’s Common Stock (the “Conversion Price”); provided, however, that if at any time after September 21, 2023, holders of the Series D Preferred have required the Company to redeem (payable in cash or stock) in the aggregate at least 100,000 shares of Series D Preferred, then the Conversion Price will be adjusted to the lower of (i) 55% of the Conversion Price or (ii) a 45% discount to the lowest price at which any Series D Preferred was converted into the Common Stock. Upon a change of control, each Convertible Note will mandatorily convert into shares of the Company’s Common Stock equal to: (i) the principal amount of each Convertible Note divided by (ii) the product of (x) the average of the per share volume-weighted average prices for the Common Stock for the 15 consecutive trading days ending on the third business day immediately preceding the date of such change of control, and (y) 0.55.After January 1, 2024, the Company may redeem the Convertible Notes at any time (in whole or in part) at the Company’s option at a redemption price equal to 100% of the principal amount thereof plus accrued and unpaid interest as of the redemption date (the “Redemption Price”). The Redemption Price may be paid: (a) in cash; (b) in shares of Common Stock; or (c) in any combination of (a) and (b).

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 multinomial lattice model to calculate the fair value of the embedded derivatives. The embedded derivative liabilities were assigned a value of $5.93 million. For the year ended December 31, 2021, the Company reported non-operating income of approximately $2.41 million, due to changes in the fair value of the embedded derivative liability. See Note 6 included in this Form 10-K for additional details.

Preferred Dividends

On November 3, 2021, common stockholders of the Company voted to amend the Company’s Charter to remove the cumulative dividend rights of the Series A Preferred and Series B Preferred. At December 31, 2021, the Company had accumulated undeclared dividends of $26.16 million to holders of shares of our Series D Preferred of which $8.17 million is attributable to the year ended December 31, 2021.

New Leases, Leasing Renewals and Expirations

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

	Years Ended December 31, 2021	Years Ended December 31, 2020
Renewals[1]:		
Leases renewed with rate increase (sq feet)	402,875	616,548
Leases renewed with rate decrease (sq feet)	67,743	123,935
Leases renewed with no rate change (sq feet)	148,542	404,428
Total leases renewed (sq feet)	619,160	1,144,911
Leases renewed with rate increase (count)	104	127
Leases renewed with rate decrease (count)	11	24
Leases renewed with no rate change (count)	23	53
Total leases renewed (count)	138	204
Option exercised (count)	22	22
Weighted average on rate increases (per sq foot)	$ 0.85	$ 1.12
Weighted average on rate decreases (per sq foot)	$ (2.18)	$ (1.43)
Weighted average rate (per sq foot)	$ 0.32	$ 0.45
Weighted average change over prior rates	3.05 %	4.63 %
New Leases[1] [2]:		
New leases (sq feet)	436,170	333,279
New leases (count)	76	72
Weighted average rate (per sq foot)	$ 8.30	$ 9.03
Gross Leasable Area ("GLA") expiring during the next 12 months, including month-to-month leases	6.16 %	6.97 %

(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 feet and weighted average rate (per sq foot) on new leases.

Critical Accounting Estimates

The following discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements included in this Form 10-K, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these consolidated financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. On an on-going basis, we evaluate our estimates based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The critical accounting estimates and policies summarized in this section are discussed in further detail in the notes to the consolidated financial statements appearing elsewhere in this Form 10-K. We believe that the application of these policies on a consistent basis enables us to provide useful and reliable financial information about our operating results and financial condition. The following accounting estimates are considered critical because they are particularly dependent on management's judgment about matters that have a significant level of uncertainty at the time the accounting estimates are made, and changes to those estimates could have a material impact on our financial condition or operating results.

Revenue Recognition

Principal components of our total revenues include base and percentage rents and tenant reimbursements. The Company combines lease and nonlease components in lease contracts, which includes combining base rent and tenant reimbursement revenue. We accrue minimum (base) rent on a straight-line basis over the terms of the respective leases which results in an unbilled rent asset or deferred rent liability being recorded on the balance sheet. Certain lease agreements contain provisions that grant additional rents based on tenants' sales volumes (contingent or percentage rent) which we recognize when the tenants achieve the specified targets as defined in their lease agreements. Although we periodically review the valuation of the asset/liability resulting from the straight-line accounting treatment of our leases in light of any changes in lease terms, financial condition or other factors concerning our tenants, they are subject to uncertainty. These assessments are inherently sensitive as they are based on the judgment of management and information available at the time of evaluation.

Rents and Other Tenant Receivables

We record a tenant receivable for amounts due from tenants such as base rents, tenant reimbursements and other charges allowed under the lease terms. We periodically review tenant receivables for collectability and determine the need for an allowance for the uncollectible portion of accrued rents and other accounts receivable based upon customer creditworthiness (including expected recovery of a claim with respect to any tenants in bankruptcy), historical bad debt levels and current economic trends. We consider a receivable past due once it becomes delinquent per the terms of the lease; our standard lease form considers a rent charge past due after five days. A past due receivable triggers certain events such as notices, fees and other allowable and required actions per the lease.

Beginning in April 2020, the Company received certain rent relief requests, most often in the form of rent deferral requests, as a result of COVID-19. The Company evaluated each tenant rent relief request on an individual basis, considering a number of factors. Not all tenant requests ultimately result in concessions or modification of agreements, nor is the Company forgoing its contractual rights under its lease agreements. The Financial Accounting Standards Board (the "FASB") issued a question-and-answer document (the "Lease Modification Q&A") focused on the application of lease accounting guidance to lease concessions provided as a result of COVID-19. The Lease Modification Q&A clarifies that entities may elect to treat qualifying lease concessions as if they were based on enforceable rights and obligations, and may choose to apply or not to apply modification accounting to those qualifying concessions. Qualifying concessions must be in response to COVID-19 and not have a substantial increase in the lessee's obligation or the lessor's rights under the contract. The Company has elected not to apply ASC 842 modification guidance for concessions that did not increase the lease term, generally these concessions do not impact the overall economics of the lease. Concessions that extend the lease term are accounted for under ASC 842, lease modification guidance.

Impairment of Long-Lived Assets

We periodically review investment properties for impairment on a property-by-property basis whenever events or changes in circumstances indicate that the carrying value of investment properties may not be recoverable, with an evaluation performed at least annually. These circumstances include, but are not limited to, declines in the property's cash flows, occupancy and fair market value. We measure any impairment of investment property when the estimated undiscounted future operating income before depreciation and amortization, plus its residual value, is less than the carrying value of the property. To the extent impairment has occurred, we charge to income the excess of carrying value of the property over its estimated fair value. We estimate fair value using unobservable data such as operating income, estimated capitalization rates or multiples, leasing prospects and local market information. These valuation assumptions are based on the three-level valuation hierarchy for fair value measurement and represent Level 3 inputs. Level 3 inputs are unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company may decide to sell properties. Properties classified as held for sale are reported at the lower of their carrying value or their fair value, less estimated costs to sell. When the carrying value exceeds the fair value, less estimated costs to sell an impairment expense is recognized. The Company estimates fair value, less estimated closing costs based on

similar real estate sales transactions. These valuation assumptions are based on the three-level valuation hierarchy for fair value measurement and represent Level 2 and 3 inputs. Level 2 inputs are quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in markets that are not active; and inputs other than quoted prices.
Level 3 inputs are unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Derivative Financial Instruments

The Company does not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. The Company evaluates all of its financial instruments, including stock purchase warrants and convertible notes, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the consolidated statement of operations. The assumptions used in these fair value estimates are based on the three-level valuation hierarchy for fair value measurement and represent Level 3 inputs. Level 3 inputs are unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Liquidity and Capital Resources

At December 31, 2021, our consolidated cash, cash equivalents and restricted cash totaled $40.42 million compared to consolidated cash, cash equivalents and restricted cash of $42.77 million at December 31, 2020. Cash flows from operating activities, investing activities and financing activities for the years ended December 31, 2021 and 2020 are as follows (in thousands):

	Years Ended December 31,		Year Over Year Change	
	2021	2020	$	%
Operating activities	$ 17,041	$ 15,780	$ 1,261	7.99 %
Investing activities	$ 5,101	$ 2,237	$ 2,864	128.03 %
Financing activities	$ (24,491)	$ 3,160	$ (27,651)	(875.03)%

Operating Activities

During the year ended December 31, 2021, our cash flows from operating activities were $17.04 million, compared to cash flows from operating activities of $15.78 million during the year ended December 31, 2020, representing an increase of 7.99% or $1.26 million. This increase is primarily a result of the timing of receivables and accounts payable, accrued expenses and other liabilities and the decrease in non-operating other expenses, partially offset by the increase in interest expense, corporate general and administrative expense and a decrease in property net operating income ("NOI") of $189 thousand.

Investing Activities

During the year ended December 31, 2021, our cash flows from investing activities were $5.10 million, compared to cash flows from investing activities of $2.24 million during the year ended December 31, 2020, representing an increase of 128.03% or $2.86 million primarily due to the four 2021 sales described in Note 3 included in this Form 10-K compared to two in 2020, partially offset by an increase in capital expenditures of $4.14 million resulting from increased occupancy.

Financing Activities

During the year ended December 31, 2021, our cash flows used in financing activities were $24.49 million, compared to $3.16 million of cash flows provided by financing activities during the year ended December 31, 2020, representing a decrease of 875.03% or $27.65 million due to the following:

- $14.51 million increase in loan principal payments, net loan proceeds, due to the Wilmington Financing Agreement, Powerscourt Financing Agreement, and Columbia Fire Station payoffs, the Convertible Notes and refinancing activity described in Note 5 of this Form 10-K;
- $7.23 million increase in preferred stock redemption;

- $4.67 million increase in deferred financing costs primarily related to the Wilmington Financing Agreement and Convertible Notes; and
- $687 thousand prepayment penalty related to the Berkley/Sangaree/Tri-County loan payoff.

We intend to continue managing our debt prudently so as to maintain a conservative capital structure and minimize leverage within our company. As of December 31, 2021 and 2020, our debt balances, excluding unamortized debt issuance costs, consisted of the following (in thousands):

	December 31,	
	2021	2020
Fixed-rate notes [(1)]	$ 344,177	$ 330,340
Adjustable-rate mortgages [(1)]	2,085	23,576
Total debt	$ 346,262	$ 353,916

(1) Includes portion attributable to liabilities held for sale, see Note 3 included in this Form 10-K.

The weighted average interest rate and term of our fixed-rate debt including liabilities held for sale are 4.90% and 4.13 years, respectively, at December 31, 2021. We have $13.57 million of debt maturing, including scheduled principal repayments, during the year ending December 31, 2022. 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 5 included in this Form 10-K for additional mortgage indebtedness details.

Material Cash Requirements, Contractual Obligations and Commitments

Our expected material cash requirements for the twelve months ended December 31, 2022 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 December 31, 2021 are $13.57 million in principal and regularly scheduled payments due in the year ended December 31, 2022 as described in Note 5 on this Form 10-K.

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:

- $22.90 million in cash and cash equivalents at December 31, 2021;
- $17.52 million held in lender reserves for the purpose of tenant improvements, lease commissions, real estate taxes and insurance at December 31, 2021; and
- intends to use cash generated from operations during the year ended December 31, 2022.

Additionally, the Company plans to undertake measures to grow its operations and increase liquidity through 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 assets, refinancing properties and operating cash.

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 and reinstate dividends may be limited without additional capital.

In addition, our Board of Directors suspended Series A Preferred, Series B Preferred and Series D Preferred dividend payments beginning with the fourth quarter 2018 dividend. On November 3, 2021, common stockholders of the Company approved amendments to the Company’s Charter to remove the cumulative dividend of the Series A Preferred and the Series B Preferred. The Company believes that these actions support the Company's liquidity needs and improve the Company's capital structure.

Looking ahead to 2023, beginning on September 21, 2023, holders of the Series D Preferred will have the right to cause the Company to redeem their Series D Preferred at a price of $25.00 per share plus the amount of all accrued but unpaid dividends. This redemption price is payable by the Company, at the Company’s election, in cash or shares of the Company’s common stock, or a combination of cash and shares of the Company's common stock. Since January 2019, the Company's Series D Preferred (of which there are currently approximately 3.15 million shares outstanding at December 31, 2021) have been accruing unpaid dividends at a rate of 10.75% per annum of the $25.00 liquidation preference per share of Series D Preferred, or at $2.6875 per share per annum. As of December 31, 2021, the outstanding Series D Preferred had a liquidation preference of approximately $78.81 million, with aggregate accrued and unpaid dividends in the amount of approximately $26.16 million. Furthermore, based upon the closing price of the Company's common stock on February 24, 2022 of $1.97 per share, the Company believes it is unlikely that holders of the Series D Preferred would convert their shares into common stock at the current conversion price of $16.96 per share of common stock. As such, there is a significant risk that the Company will not have sufficient cash to pay the aggregate redemption price, and would not be able to meet its redemption obligation without substantial dilution of its common stock.

Inflation, Deflation and Economic Condition Considerations

Inflation has been historically low and had a minimal impact on the operating performance of our shopping centers; however, inflation has recently increased in the United States. Increased inflation could have a negative impact on the Company's property operating expenses, as these costs could increase at a rate higher than the Company's rents. Inflation could also have an adverse effect on consumer spending which could impact the Company's tenants' sales and, in turn, the Company's percentage rents, where applicable, and the willingness and ability of tenants to enter into or renew leases and/or honor their obligations under existing leases. Conversely, deflation could lead to downward pressure on rents and other sources of income. Most of our leases contain provisions designed to partially mitigate the impact of inflation, which require tenants to pay their pro-rata share of operating expenses, including common area maintenance, real estate taxes, insurance and utilities, thereby reducing our exposure to increases in costs and operating expenses resulting from inflation, although some tenants have capped the amount of these operating expenses they are responsible for under the lease. A small number of our leases also include percentage rent clauses enabling us to receive additional rent based on tenant sales above a predetermined level, which sales generally increase as prices rise and are typically related to increases in the Consumer Price Index or similar inflation indices. 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.

Recent Accounting Pronouncements

See Note 2 to the consolidated financial statements beginning on page 34 of this Annual Report on Form 10-K.

Year Ended December 31, 2021 Compared to the Year Ended December 31, 2020

Results of Operations

The following table presents a comparison of the consolidated statements of operations for the years ended December 31, 2021 and 2020, respectively (in thousands, except Property Data).

	For the Years Ended December 31,		Year over Year Changes	
	2021	2020	$/#	%
PROPERTY DATA:				
Number of properties owned and leased at period end(1)	58	60	(2)	(3.33)%
Aggregate gross leasable area at period end(1)	5,478,855	5,561,766	(82,911)	(1.49)%
Ending leased rate at period end(1)	94.2 %	88.9 %	5.3 %	5.96 %
FINANCIAL DATA:				
Rental revenues	$ 60,368	$ 60,039	$ 329	0.55 %
Other revenues	942	964	(22)	(2.28)%
Total Revenue	61,310	61,003	307	0.50 %
EXPENSES:				
Property operations	19,618	18,886	732	3.88 %
Depreciation and amortization	14,797	17,291	(2,494)	(14.42)%
Impairment of assets held for sale	2,300	600	1,700	283.33 %
Corporate general & administrative	7,140	5,831	1,309	22.45 %
Total Operating Expenses	43,855	42,608	1,247	2.93 %
Gain on disposal of properties	2,055	23	2,032	8,834.78 %
Operating Income	19,510	18,418	1,092	5.93 %
Interest income	34	1	33	3,300.00 %
Interest expense	(33,028)	(17,093)	(15,935)	(93.23)%
Net changes in fair value of derivative liabilities	3,768	—	3,768	100.00 %
Other income	552	—	552	100.00 %
Other expense	(185)	(1,039)	854	82.19 %
Net Income (Loss) Before Income Taxes	(9,349)	287	(9,636)	(3,357.49)%
Income tax expense	(2)	—	(2)	(100.00)%
Net Income (Loss)	(9,351)	287	(9,638)	(3,358.19)%
Less: Net loss attributable to noncontrolling interests	92	42	50	119.05 %
Net Income (Loss) Attributable to Wheeler REIT	$ (9,443)	$ 245	$ (9,688)	(3,954.29)%

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

Total Revenue

Total revenue was $61.31 million and $61.00 million for the years ended December 31, 2021 and December 31, 2020, respectively, representing an increase of 0.50%. The increase in rental revenues of $329 thousand is a result of an $892 thousand decline in the provision for credit losses due to collections returning to pre-COVID levels, partially offset by the decrease of property revenues due to dispositions.

Total Operating Expenses

Total operating expenses were $43.86 and $42.61 million for the years ended December 31, 2021 and 2020, respectively, representing an increase of 2.93%. Impairment of assets held for sale was $2.30 million for the year ended December 31, 2021 as a result of Walnut Hill Plaza and Columbia Fire Station and impairment was $600 thousand for the year ended December 31, 2020, a result of Columbia Fire Station. Depreciation and amortization decreased $2.49 million for the year ended December 31, 2021 primarily as a result of lease intangibles becoming fully amortized and ceasing of depreciation and amortization as properties were classified as assets held for sale. See Same Store and Non-same Store Operating Income for further details about the changes within property operations expense.

Corporate general and administrative expenses were $7.14 million and $5.83 million for the years ended December 31, 2021 and 2020, respectively, representing an increase of 22.45%, primarily a result of the following:

- $650 thousand increase in professional fees primarily related to property and corporate legal fees along with costs associated with the Special Meeting of Common Stockholders;
- $531 thousand increase in corporate administration primarily related to office rent expense for the Company's corporate headquarters that had a sale leaseback in December 2020, credit card fees the Company has borne on cash receipts and increased directors and officers insurance costs.

Gain on Disposal of Properties

The net gain on disposal of properties increase of $2.03 million for the year ended December 31, 2021 is a result of the 2021 sales of Columbia Fire Station, Rivergate Shopping Center Out Parcel, Berkley Shopping Center and Berkley Land Parcel, along with the Tulls Creek Land Parcel sale compared to the 2020 sales of St. Matthews and Riversedge North.

Interest Expense

Interest expense was $33.03 million and $17.09 million for the years ended December 31, 2021 and 2020, representing an increase of 93.23%. Loan cost amortization accounted for $11.61 million of the increase, primarily attributable to the write-off of debt issuance costs related to the Powerscourt Financing Agreement and Wilmington Financing Agreement. Interest expense on the Convertible Notes accounted for $1.61 million, which includes the adjustment to fair value with the remaining increase of $2.71 million a result of the Powerscourt and Wilmington Financing Agreements and defeasance resulting from the sale of Berkley Shopping Center.

Net Change in Fair Value of Derivative Liabilities

The net change in the fair value of derivative liabilities of $3.77 million for the year ended December 31, 2021 is a result of the fair value calculations described in Note 6 included in this Form 10-K with the largest impact in the valuation attributed to the change in the Company’s stock price since the issuance of each warrant and embedded derivative.

Other Income and Expense

Other incomes were $552 thousand and $0 for the years ended December 31, 2021 and 2020, respectively, relating to PPP Promissory Note forgiveness.

Other expenses were $185 thousand for the year ended December 31, 2021, which consist of legal settlement costs. Other expenses were $1.04 million for the year ended December 31, 2020 which includes $600 thousand in legal settlement costs and $439 thousand for reimbursement of 2019 proxy expenses. These expenses are non-operating in nature.

Same Store and Non-same Store Operating Income

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

The following table is a reconciliation of same and non-same store NOI from the most directly comparable GAAP financial measure of net income (loss). Same stores consist of those properties owned during all periods presented in their entirety, non-same stores consist of those properties acquired or disposed of during the periods presented. The non-same
store category consists of the following properties:

- Continuing operations
  - St. Matthews (sold January 21, 2020);
  - JANAF Executive Building (24,980 square foot building, decommissioned as of March 31, 2020);
  - Berkley Shopping Center and Berkley Land Parcel (sold March 25, 2021);
  - Tulls Creek Land Parcel (sold July 9, 2021);
  - Rivergate Shopping Center Out Parcel (sold August 31, 2021); and
  - Columbia Fire Station (sold November 17, 2021).

	Years Ended December 31,					
	Same Store		Non-same Store		Total	
	2021	2020	2021	2020	2021	2020
	(in thousands)					
Net (Loss) Income	$ (8,201)	$ 1,280	$ (1,150)	$ (993)	$ (9,351)	$ 287
Adjustments:						
Income tax expense	2	—	—	—	2	—
Other expense	185	1,039	—	—	185	1,039
Other income	(552)	—	—	—	(552)	—
Net changes in fair value of derivative liabilities	(3,768)	—	—	—	(3,768)	—
Interest expense	31,978	16,607	1,050	486	33,028	17,093
Interest Income	(34)	(1)	—	—	(34)	(1)
Gain on disposal of properties	—	—	(2,055)	(23)	(2,055)	(23)
Corporate general & administrative	7,079	5,762	61	69	7,140	5,831
Impairment of assets held for sale	100	—	2,200	600	2,300	600
Depreciation and amortization	14,797	17,141	—	150	14,797	17,291
Other non-property revenue	(36)	(272)	—	—	(36)	(272)
Property Net Operating Income	$ 41,550	$ 41,556	$ 106	$ 289	$ 41,656	$ 41,845
Property revenues	$ 60,948	$ 59,999	$ 326	$ 732	$ 61,274	$ 60,731
Property expenses	19,398	18,443	220	443	19,618	18,886
Property Net Operating Income	$ 41,550	$ 41,556	$ 106	$ 289	$ 41,656	$ 41,845

Property Revenues

Total same store property revenues were $60.95 million and $60.00 million for the years ended December 31, 2021 and 2020, respectively, representing an increase of 1.58% primarily due to:

- $915 thousand decrease in provision for credit losses a result of the Company's proactive tenant outreach during the pandemic and collection initiatives, which included accepting credit card payments;
- $333 thousand increase in rental revenue due to increased occupancy; partially offset by
- $467 thousand decrease in above (below) market lease amortization related to leases becoming fully amortized.

Property Expenses

Total same store property expenses were $19.40 million and $18.44 million for the years ended December 31, 2021 and 2020, respectively, an increase of 5.18% primarily due to increasing management fee allocation and an increase of $301 thousand in grounds and landscaping and an increase of $222 thousand in real estate taxes and utilities, partially offset by $105 thousand decrease in insurance expense.

There were no significant unusual or non-recurring items included in non-same store property expenses for the years ended December 31, 2021 and 2020.

Property Net Operating Income

Total property net operating income were $41.66 million and $41.85 million for the years ended December 31, 2021 and 2020, respectively, representing a decrease of 0.45%. Non-same stores had a decrease of $183 thousand in property net operating income, resulting from the loss of NOI associated with sold properties.

Funds from Operations (FFO)

We use 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), 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 comparison of same and non-same store FFO, which is a non-GAAP measurement, for the years ended December 31, 2021 and 2021:

	Years Ended December 31,							
	Same Store		Non-same Store		Total		Year Over Year Changes	
	2021	2020	2021	2020	2021	2020	$	%
Net (Loss) income	$ (8,201)	$ 1,280	$ (1,150)	$ (993)	$ (9,351)	$ 287	$ (9,638)	(3,358.19)%
Depreciation and amortization of real estate assets	14,797	17,141	—	150	14,797	17,291	(2,494)	(14.42)%
Impairment of assets held for sale	100	—	2,200	600	2,300	600	1,700	283.33 %
Gain on disposal of properties	—	—	(2,055)	(23)	(2,055)	(23)	(2,032)	(8,834.78)%
FFO	$ 6,696	$ 18,421	$ (1,005)	$ (266)	$ 5,691	$ 18,155	$ (12,464)	(68.65)%

During the year ended December 31, 2021, same store FFO decreased $11.72 million primarily due to the following:

- $15.37 million increase in interest expense;
- $1.32 million increase in corporate general and administrative expenses; partially offset by
- $854 thousand decrease in other expense for legal settlements and reimbursement of 2019 proxy costs;
- $552 thousand increase in other income for PPP Promissory Note forgiveness; and
- $3.77 million net change in the fair value of derivative liabilities.

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 AFFO for the years ended December 31, 2021 and 2020 is shown in the table below (in thousands):

	Years Ended December 31,	
	2021	2020
FFO	$ 5,691	$ 18,155
Preferred stock dividends - undeclared	(8,837)	(10,258)
Preferred stock redemption	70	96
Preferred stock accretion adjustments	600	677
FFO available to common stockholders and common unitholders	(2,476)	8,670
Capital related costs	438	291
Other non-recurring and non-cash expenses	352	1,085
Net changes in fair value of derivative liabilities	(3,768)	—
Share-based compensation	14	—
Straight-line rental revenue, net straight-line expense	(1,026)	(971)
Loan cost amortization	12,710	1,097
Paid-in-kind interest	1,610	—
Above (below) market lease amortization	13	(461)
Recurring capital expenditures and tenant improvement reserves	(1,096)	(1,112)
AFFO	$ 6,771	$ 8,599

Other non-recurring and non-cash expenses are costs we believe will not be incurred on a go forward basis. Other nonrecurring expenses of $352 thousand for the year ended December 31, 2021 include $687 thousand loan prepayment penalty on sale of the Berkley Shopping Center and $185 thousand in legal settlement costs, partially offset with $552 thousand in PPP Promissory Note forgiveness. Other nonrecurring expenses of $1.09 million for the year ended December 31, 2020, include legal settlement costs of $600 thousand, reimbursement of 2019 proxy solicitation expenses of $439 thousand incurred in connection with the Company's 2019 annual meeting of stockholders and severance of $51 thousand.

Loan cost amortization was $12.71 million and $1.10 million for the years ended December 31, 2021 and 2020, respectively. The 2021 increase primarily related to the write-off of loan costs associated with the Powerscourt Financing Agreement and Wilmington Financing Agreement as a result of paying off each loan and the addition of the Convertible Notes.

Paid-in-kind interest was $1.61 million for the year ended December 31, 2021 due to interest related to the Convertible Notes paid with shares of Series D Preferred. See Note 5 included in this form 10-K for additional details.

The preferred stock redemption of $70 thousand and $96 thousand for the years ended December 31 2021 and 2020, respectively, represents the undeclared dividends on the stock retirement for the months preceding their retirement.

The preferred stock accretion adjustments represent the amortization of offering costs associated with raising the Series B Preferred and Series D Preferred.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

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 8. Financial Statements and Supplementary Data.

The information required by this Item 8 is incorporated by reference to our Financial Statements beginning on page 29 of this Annual Report on Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Disclosure Controls and Procedures

Our management, 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 our management, as appropriate, to allow timely decisions regarding required disclosure. Based on such evaluation, our principal executive officer and principal financial officer have concluded that, as of December 31, 2021, such disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us 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 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.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting, as defined in rules promulgated under the Exchange Act, is a process designed by, or under the supervision of, our CEO and CFO and effected by our Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of our management and our Board of Directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Our internal control over financial reporting is evaluated on a regular basis by personnel in our organization. The overall goals of these various evaluation activities are to monitor our internal control over financial reporting and to make modifications as necessary, as disclosure and internal controls are intended to be dynamic systems that change (including improvements and corrections) as conditions warrant.

Management conducted an assessment of the effectiveness of our company's internal control over financial reporting as of December 31, 2021, utilizing the framework established in "INTERNAL CONTROL-INTEGRATED FRAMEWORK" issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013). Based on this assessment, management has determined that our internal controls over financial reporting as of December 31, 2021 were effective.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

This Annual Report does not include an attestation report of our independent registered public accounting firm regarding internal controls over financial reporting. Management's report was not subject to attestation by our independent registered public accounting firm pursuant to the rules of the SEC that permit us to provide only management's report in this Annual Report.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting for the year ended December 31, 2021 that materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

Item 9B. Other Information.

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Except as set forth below, the information required by this Item 10 of Part III will be contained in the Company’s definitive proxy statement for the 2022 Annual Meeting (our “Proxy Statement”) and is incorporated herein by reference.

The Company has adopted a Code of Business Conduct and Ethics applicable to the directors, officers and employees. A copy of that code is available on the Company’s corporate website at www.whlr.us, which does not form a part of this Annual Report on Form 10-K. We intend to post any amendments to such code, or any waivers of its requirements, on our website.

Item 11. Executive Compensation.

The information required by this Item 11 of Part III will be contained in our Proxy Statement and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Except as set forth below, the information required by this Item 12 of Part III will be contained in the Company’s Proxy Statement and is incorporated herein by reference.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth information as of December 31, 2021 regarding our compensation plans and the Common Stock we may issue under the plan.

Equity Compensation Plan Information Table

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by stockholders (1)	15,000 (2)	—	153,811
Equity compensation plans not approved by stockholders	—	—	—
Total	15,000	—	153,811

(1) Includes our 2015 and 2016 Long-Term Incentive Plans, which authorized a maximum of 125,000 and 625,000 shares, respectively, of our Common Stock for issue. Awards are granted by the Compensation Committee.
(2) Includes 15,000 performance awards assuming maximum payout (as a result, this aggregate reported number may overstate actual dilution). Performance awards are not taken into account in the weighted-average exercise price as such awards have no exercise price.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this Item 13 of Part III will be contained in the Company's Proxy Statement and incorporated herein by reference.

Item 14. Principal Accounting Fees and Services.

The information by this Item 14 of Part III will be contained in the Company's Proxy Statement and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a)(1). **Financial Statements**.
The financial statements filed as a part of this Annual Report on Form 10-K are as follows:

(a)(2). **Financial Statement Schedules**.

- Schedule II- Valuation and Qualifying Accounts
- Schedule III- Real Estate and Accumulated Depreciation

All other financial statement schedules have been omitted because the required information of such schedules is not present, is not present in amounts sufficient to require a schedule or is included in the consolidated financial statements.

(a)(3). **Exhibits**.

See the Exhibit Index at the end of this Annual Report on Form 10-K, which is incorporated by reference.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders
Wheeler Real Estate Investment Trust, Inc. and Subsidiaries
Virginia Beach, Virginia

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Wheeler Real Estate Investment Trust, Inc. and Subsidiaries (the "Company") as of December 31, 2021 and 2020, and the related consolidated statements of operations, equity, and cash flows for each of the years in the two-year period ended December 31, 2021, and the related notes and schedules (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing a separate opinion on the critical audit matters or on the accounts or disclosures to which it relates.

Evaluation of Investment Properties for Impairment

Description of Matter

At December 31, 2021, the Company's investment properties totaled $386.7 million. As more fully described in Note 2 to the consolidated financial statements, the Company evaluates its investment properties for impairment whenever events or changes in circumstances indicate that the carrying value of investment properties may not be recoverable. Management evaluates various qualitative factors in determining whether or not events or changes in circumstances indicate that the carrying amount of an investment property may not be recoverable.

Auditing the Company's impairment assessment involved subjectivity due to the estimation required to assess significant assumptions utilized in estimating the recoverability of the investment properties based on undiscounted operating income and residual values, such as assumptions related to renewal and renegotiations of current leases, estimates of new leases on vacant spaces, and estimates of operating costs.

How We Addressed the Matter in Our Audit

To test the Company's evaluation of investment properties for impairment, we performed audit procedures that included, among others, assessing the methodologies applied, evaluating the significant assumptions discussed above and testing the completeness and accuracy of the underlying data used in the analysis. We compared the recoverability calculated to the remaining net book value of the assets to ensure recoverability for the properties' remaining useful lives. We compared the significant assumptions used by management to relevant market information and other applicable sources. As part of our evaluation, we performed sensitivity analyses of significant assumptions to evaluate the changes in the undiscounted cash flows of the related investment property that would result from changes in the assumptions.

Derivative Liabilities

Description of Matter

At December 31, 2021, the Company had convertible notes with an outstanding principal balance of $33.0 million and 1.5 million common stock warrants. Calculations and accounting for the notes payable and embedded conversion features as well as the warrants require management's judgments related to initial and subsequent recognition, use of a valuation model, and determination of the appropriate inputs used in the selected valuation model. As more fully described in Note 6 to the consolidated financial statements, the Company utilizes a multinomial lattice model valuation technique in measuring the fair value of the notes' conversion features and a Monte Carlo simulation technique in measuring the fair value of the warrants

Auditing management's valuations of the derivative liabilities was challenging due to the complexity of valuation model and the inputs that are highly sensitive to changes such as the common stock market price, volatility, risk free rates, and yields.

How We Addressed the Matter in Our Audit

To test the accounting for the derivative liabilities resulting from the issuance of warrants and convertible notes, our audit procedures included, among others, inspection of the contracts, and testing completeness and accuracy of the data used as well as management's application of the relevant accounting guidance. We also involved our valuation specialists to evaluate the Company's determination of the fair value of the convertible notes inclusive of the embedded features and warrants, including testing the appropriateness of the methodology and underlying inputs used and assessing the reasonableness of those inputs.

/s/ Cherry Bekaert LLP

We have served as the Company's auditor since 2012.

Virginia Beach, Virginia
February 28, 2022

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

	December 31, 2021	December 31, 2020
ASSETS:		
Investment properties, net	$ 386,730	$ 392,664
Cash and cash equivalents	22,898	7,660
Restricted cash	17,521	35,108
Rents and other tenant receivables, net	9,233	9,153
Assets held for sale	2,047	13,072
Above market lease intangibles, net	2,424	3,547
Operating lease right-of-use assets	12,455	12,745
Deferred costs and other assets, net	11,973	15,430
Total Assets	$ 465,281	$ 489,379
LIABILITIES:		
Loans payable, net	$ 333,283	$ 334,266
Liabilities associated with assets held for sale	3,381	13,124
Below market lease intangibles, net	3,397	4,554
Derivative liabilities	4,776	594
Operating lease liabilities	13,040	13,200
Accounts payable, accrued expenses and other liabilities	11,054	11,229
Total Liabilities	368,931	376,967
Series D Cumulative Convertible Preferred Stock (no par value, 6,000,000 and 4,000,000 shares authorized, respectively, 3,152,392 and 3,529,293 shares issued and outstanding, respectively; $104.97 million and $109.13 million aggregate liquidation value, respectively)	92,548	95,563
EQUITY:		
Series A Preferred Stock (no par value, 4,500 shares authorized, 562 shares issued and outstanding)	453	453
Series B Convertible Preferred Stock no par value, 5,000,000 authorized, 1,872,448 and 1,875,748 shares issued and outstanding, respectively; $46.81 million and $46.90 million aggregate liquidation preference, respectively)	41,189	41,174
Common Stock ($0.01 par value, 200,000,000 and 18,750,000 shares authorized, respectively, 9,720,532 and 9,703,874 shares issued and outstanding, respectively)	97	97
Additional paid-in capital	234,229	234,061
Accumulated deficit	(274,107)	(260,867)
Total Stockholders' Equity	1,861	14,918
Noncontrolling interests	1,941	1,931
Total Equity	3,802	16,849
Total Liabilities and Equity	$ 465,281	$ 489,379

See accompanying notes to consolidated financial statements.

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

	Years Ended December 31, 2021	Years Ended December 31, 2020
REVENUE:		
Rental revenues	$ 60,368	$ 60,039
Other revenues	942	964
Total Revenue	61,310	61,003
OPERATING EXPENSES:		
Property operations	19,618	18,886
Depreciation and amortization	14,797	17,291
Impairment of assets held for sale	2,300	600
Corporate general & administrative	7,140	5,831
Total Operating Expenses	43,855	42,608
Gain on disposal of properties	2,055	23
Operating Income	19,510	18,418
Interest income	34	1
Interest expense	(33,028)	(17,093)
Net changes in fair value of derivative liabilities	3,768	—
Other income	552	—
Other expense	(185)	(1,039)
Net (Loss) Income Before Income Taxes	(9,349)	287
Income tax expense	(2)	—
Net (Loss) Income	(9,351)	287
Less: Net income attributable to noncontrolling interests	92	42
Net (Loss) Income Attributable to Wheeler REIT	(9,443)	245
Preferred Stock dividends - undeclared	(8,837)	(10,258)
Deemed contribution related to preferred stock redemption	5,040	726
Net Loss Attributable to Wheeler REIT Common Stockholders	$ (13,240)	$ (9,287)
Loss per share:		
Basic and Diluted	$ (1.36)	$ (0.96)
Weighted-average number of shares:		
Basic and Diluted	9,711,944	9,698,274

See accompanying notes to consolidated financial statements.

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

	Series A Preferred Stock		Series B Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity	Noncontrolling Interests		Total Equity
	Shares	Value	Shares	Value	Shares	Value				Units	Value	
Balance, December 31, 2019	562	$ 453	1,875,748	$ 41,087	9,694,284	$ 97	$ 233,870	$ (251,580)	$ 23,927	234,019	$ 2,080	$ 26,007
Accretion of Series B Preferred Stock discount	—	—	—	87	—	—	—	—	87	—	—	87
Conversion of operating partnership units to Common Stock	—	—	—	—	9,590	—	21	—	21	(9,590)	(21)	—
Adjustment for noncontrolling interest in operating partnership	—	—	—	—	—	—	170	—	170	—	(170)	—
Deemed contribution related to preferred stock redemption	—	—	—	—	—	—	—	726	726	—	—	726
Dividends and distributions	—	—	—	—	—	—	—	(10,258)	(10,258)	—	—	(10,258)
Net Income	—	—	—	—	—	—	—	245	245	—	42	287
Balance, December 31, 2020	562	453	1,875,748	41,174	9,703,874	97	234,061	(260,867)	14,918	224,429	1,931	16,849
Accretion of Series B Preferred Stock discount	—	—	—	87	—	—	—	—	87	—	—	87
Conversion of operating partnership units to Common Stock	—	—	—	—	9,086	—	33	—	33	(9,086)	(33)	—
Issuance of Common Stock under Share Incentive Plan	—	—	—	—	5,000	—	14	—	14	—	—	14
Adjustment for noncontrolling interest in operating partnership	—	—	—	—	—	—	49	—	49	—	(49)	—
Conversion of Series B Preferred Stock to Common Stock	—	—	(3,300)	(72)	2,572	—	72	—	—	—	—	—
Deemed contribution related to preferred stock redemption	—	—	—	—	—	—	—	5,040	5,040	—	—	5,040
Dividends and distributions	—	—	—	—	—	—	—	(8,837)	(8,837)	—	—	(8,837)
Net (Loss) Income	—	—	—	—	—	—	—	(9,443)	(9,443)	—	92	(9,351)
Balance, December 31, 2021	562	$ 453	1,872,448	$ 41,189	9,720,532	$ 97	$ 234,229	$ (274,107)	$ 1,861	215,343	$ 1,941	$ 3,802

See accompanying notes to consolidated financial statements.

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(in thousands)

	For the Years Ended December 31, 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (Loss) Income	$ (9,351)	$ 287
Adjustments to reconcile consolidated net (loss) income to net cash provided by operating activities:		
Depreciation	11,072	11,317
Amortization	3,725	5,974
Loan cost amortization	12,710	1,097
Changes in fair value of derivative liabilities	(3,768)	—
Above (below) market lease amortization, net	13	(461)
Paid-in-kind interest	1,610	—
Straight-line expense	35	184
Share-based compensation	14	—
Gain on disposal of properties	(2,055)	(23)
Credit losses on operating lease receivables	239	1,131
Impairment of assets held for sale	2,300	600
Net changes in assets and liabilities:		
Rent and other tenant receivables, net	1,001	(2,402)
Unbilled rent	(1,220)	(1,076)
Deferred costs and other assets, net	(427)	(661)
Accounts payable, accrued expenses and other liabilities	1,143	(187)
Net cash provided by operating activities	17,041	15,780
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(6,412)	(2,271)
Cash received from disposal of properties	11,513	4,508
Net cash provided by investing activities	5,101	2,237
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments for deferred financing costs	(7,813)	(3,143)
Loan proceeds	97,650	38,350
Loan principal payments	(105,305)	(31,493)
Paycheck Protection Program proceeds	—	552
Preferred stock redemption	(8,336)	(1,106)
Loan prepayment penalty	(687)	—
Net cash (used in) provided by financing activities	(24,491)	3,160
(DECREASE) INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(2,349)	21,177
CASH, CASH EQUIVALENTS AND RESTRICTED CASH , beginning of year	42,768	21,591
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, end of year	$ 40,419	$ 42,768
Supplemental Disclosures:		
Non-cash Transactions:		
Paycheck Protection Program forgiveness	$ 552	$ —
Initial fair value of warrants	$ 2,018	$ 594
Initial fair value of derivative liability at issuance of convertible notes	$ 5,932	$ —
Conversion of common units to common stock	$ 33	$ 21
Conversion of Series B Preferred Stock to common stock	$ 72	$ —
Accretion of Preferred Stock discounts	$ 600	$ 677
Deemed contribution related to Preferred Stock discount	$ 5,040	$ 726
Other Cash Transactions:		
Cash paid for taxes	$ 2	$ 15
Cash paid for interest	$ 18,973	$ 15,889
The following table provides a reconciliation of cash, cash equivalents and restricted cash:		
Cash and cash equivalents	$ 22,898	$ 7,660
Restricted cash	17,521	35,108
Cash, cash equivalents, and restricted cash	$ 40,419	$ 42,768

See accompanying notes to consolidated financial statements.

1. Organization and Basis of Presentation and Consolidation

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 December 31, 2021, the Company owned 98.59% of the Operating Partnership. As of December 31, 2021, the Trust, through the Operating Partnership, owned and operatedfifty-eight centers and four undeveloped properties. Ten of these properties are located in Virginia, three are located in Florida, six are located in North Carolina, twenty-two are located in South Carolina, twelve are located in Georgia, two are located in Kentucky, two are located in Tennessee, one is located in New Jersey, one is located in Alabama, one is located in West Virginia, one is located in Oklahoma and one is located in Pennsylvania. The Company’s portfolio had total gross rentable space of approximately5,478,855 square feet and a leased level of approximately 94.2% at December 31, 2021. Accordingly, the use of the word “Company”, "we", "our" or "us" refers to the Trust and its consolidated subsidiaries, except where the context otherwise requires. The Company includes the Trust, the Operating Partnership, the entities included in the REIT formation and the entities acquired since November 2012. The Company prepared the accompanying consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, or GAAP. All material balances and transactions between the consolidated entities of the Company have been eliminated.

The Company owns, leases and operates income producing grocery-anchored centers, neighborhood centers, community centers and free-standing retail properties with a strategy to acquire high quality retail properties that generate attractive risk-adjusted returns. The Company targeted competitively protected properties in communities that have stable demographics and have historically exhibited pro-business jurisdictions. The Company considers competitively protected properties to be located in the most prominent shopping districts in their respective markets, ideally situated at major “Main and Main” intersections. The Company generally leases its properties to national and regional supermarket chains and selects retailers that offer necessity and value oriented services and items and generate regular consumer traffic. The Company’s tenants carry goods and offer services that are less impacted by fluctuations in the broader U.S. economy and consumers’ disposable income, which it believes generates more predictable property-level cash flows.

The Trust through the Operating Partnership owns Wheeler Interests, LLC (“WI”) and Wheeler Real Estate, LLC (“WRE”) (collectively 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” 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.

2. Summary of Significant Accounting Policies

Investment Properties

The Company records investment properties and related intangibles at fair value upon acquisition. Investment properties include both acquired and constructed assets. Improvements and major repairs and maintenance are capitalized when the repair and maintenance substantially extends the useful life, increases capacity or improves the efficiency of the asset. All other repair and maintenance costs are expensed as incurred.

The Company allocates the purchase price of acquisitions to the various components of the asset based upon the fair value of each component which may be derived from various observable or unobservable inputs and assumptions. Also, the Company may utilize third party valuation specialists. These components typically include buildings, land and any intangible assets related to out-of-market leases, tenant relationships and in-place leases the Company determines to exist. The Company determines fair value based on estimated cash flow projections that utilize appropriate discount and capitalization rates and available market information. Estimates of future cash flows are based on a number of factors including the historical operating results, known trends and specific market and economic conditions that may affect the property. Factors considered by management in the analysis of determining the as-if-vacant property value include an estimate of carrying costs during the expected lease-up periods considering market conditions, and costs to execute similar leases. In estimating carrying costs, management includes real estate taxes, insurance and estimates of lost rentals at market rates during the expected lease-up periods, tenant demand and other economic conditions. Management also estimates costs to execute similar leases including leasing commissions, tenant improvements, legal and other related expenses. Intangibles related to out-of-market leases, tenant relationships and in-place lease value are recorded at fair value as acquired lease intangibles and are amortized as an adjustment to rental revenue or amortization expense, as appropriate, over the remaining terms of the underlying leases.

The Company records depreciation on buildings and improvements utilizing the straight-line method over the estimated useful life of the asset, generally 5 to 40 years. The Company reviews depreciable lives of investment properties periodically and makes adjustments to reflect a shorter economic life, when necessary. Tenant allowances, tenant inducements and tenant improvements are amortized utilizing the straight-line method over the term of the related lease or occupancy term of the tenant, if shorter.

Amounts allocated to buildings are depreciated over the estimated remaining life of the acquired building or related improvements. The Company amortizes amounts allocated to tenant improvements, in-place lease assets and other lease-related intangibles over the remaining life of the underlying leases. The Company also estimates the value of other acquired intangible assets, if any, and amortizes them over the remaining life of the underlying related intangibles.

The Company reviews investment properties for impairment on a property-by-property basis whenever events or changes in circumstances indicate that the carrying value of investment properties may not be recoverable. These circumstances include, but are not limited to, declines in the property’s cash flows, occupancy and fair market value. The Company measures any impairment of investment property when the estimated undiscounted future operating income before depreciation and amortization, plus its residual value, is less than the carrying value of the property. Estimated undiscounted operating income before depreciation and amortization include renewal and renegotiations of current leases, estimates of new leases on vacant spaces, estimates of operating costs and fluctuating market conditions. The renewal and renegotiations of leases in some cases must be approved by additional third parties outside the control of the Company and the tenant. If such renewed or renegotiated leases are approved at amounts below current estimates, then impairment adjustments may be necessary in the future. To the extent impairment has occurred, the Company charges to income the excess of the carrying value of the property over its estimated fair value. The Company estimates fair value using unobservable data such as operating income, estimated capitalization rates, or multiples, leasing prospects for vacant spaces and local market information. These valuation assumptions are based on the three-level valuation hierarchy for fair value measurement and represent Level 3 inputs. Level 3 inputs are unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Assets Held For Sale and Discontinued Operations

The Company may decide to sell properties that are held for use. The Company records these properties as held for sale when management has committed to a plan to sell the assets, actively seeks a buyer for the assets, and the consummation of the sale is considered probable and is expected within one year. Properties classified as held for sale are reported at the lower of

2. Summary of Significant Accounting Policies (continued)

their carrying value or their fair value, less estimated costs to sell. When the carrying value exceeds the fair value, less estimated costs to sell an impairment expense is recognized. The Company estimates fair value, less estimated closing costs based on similar real estate sales transactions. These valuation assumptions are based on the three-level valuation hierarchy for fair value measurement and represent Level 2 and 3 inputs. Level 2 inputs are quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in markets that are not active; and inputs other than quoted prices. Level 3 inputs are unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. See Note 3 for additional details on impairment of assets held for sale for the years ended December 31, 2021 and 2020.

Assets held for sale are presented as discontinued operations in all periods presented if the disposition represents a strategic shift that has, or will have, a major effect on the Company's financial position or results of operations. This includes the net gain (or loss) upon disposal of property held for sale, the property's operating results, depreciation and interest expense.

Conditional Asset Retirement Obligation

A conditional asset retirement obligation represents a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement depends on a future event that may or may not be within the Company’s control. Currently, the Company does not have any conditional asset retirement obligations. However, any such obligations identified in the future would result in the Company recording a liability if the fair value of the obligation can be reasonably estimated. Environmental studies conducted at the time the Company acquired its properties did not reveal any material environmental liabilities, and the Company is unaware of any subsequent environmental matters that would have created a material liability. The Company believes that its properties are currently in material compliance with applicable environmental, as well as non-environmental, statutory and regulatory requirements. The Company did not record any conditional asset retirement obligation liabilities as of December 31, 2021 and 2020.

Cash and Cash Equivalents and Restricted Cash

The Company considers all highly liquid investments purchased with an original maturity of 90 days or less to be cash and cash equivalents. Cash equivalents are carried at cost, which approximates fair value. Cash equivalents consist primarily of bank operating accounts and money markets. Financial instruments that potentially subject the Company to concentrations of credit risk include its cash and cash equivalents and its trade accounts receivable. The Company places its cash and cash equivalents with institutions of high credit quality.

Restricted cash represents amounts held by lenders for real estate taxes, insurance, reserves for capital improvements, leasing costs, tenant security deposits and funds restricted by lender for redemption of Series D Preferred.

The Company places its cash and cash equivalents and restricted cash on deposit with financial institutions in the United States, which are insured by the Federal Deposit Insurance Company ("FDIC") up to $250 thousand. The Company's loss in the event of failure of these financial institutions is represented by the difference between the FDIC limit and the total amounts on deposit. Management monitors the financial institutions credit worthiness in conjunction with balances on deposit to minimize risk.

Tenant Receivables

Tenant receivables include base rents, tenant reimbursements and receivables attributable to recording rents on a straight-line basis. The Company determines an allowance for the uncollectible portion of accrued rents and accounts receivable based upon customer credit-worthiness (including expected recovery of a claim with respect to any tenants in bankruptcy), historical bad debt levels, and current economic trends. The Company considers a receivable past due once it becomes delinquent per the terms of the lease. The Company’s standard lease form considers a rent charge past due after five days. A past due receivable triggers certain events such as notices, fees and other allowable and required actions per the lease. As of December 31, 2021 and 2020, the Company’s allowance for uncollectible tenant receivables totaled $633 thousand and $994 thousand, respectively.

Above and Below Market Lease Intangibles, net

2. Summary of Significant Accounting Policies (continued)

The Company determines the above and below market lease intangibles upon acquiring a property. Above and below market lease intangibles are amortized over the life of the respective leases. Amortization of above and below market lease intangibles is recorded as a component of rental revenues.

Deferred Costs and Other Assets, net

The Company's deferred costs and other assets consist primarily of leasing commissions, leases in place, capitalized legal and marketing costs, tenant relationships and ground lease sandwich interest intangibles associated with acquisitions. The Company's lease origination costs consist primarily of the portion of property acquisitions allocated to lease originations and commissions paid to third parties in connection with lease originations. The Company generally records amortization of lease origination costs on a straight-line basis over the terms of the related leases. Amortization of deferred costs and other assets represents a component of depreciation and amortization expense.

Paycheck Protection Program

The Company received proceeds of $552 thousand (the "PPP funds") pursuant to the Paycheck Protection Program (the "PPP") under the Coronavirus Aid, Relief and Economic Security ("CARES") Act.

The PPP funds were received in the form of a promissory note, dated April 24, 2020 (the "Promissory Note"), between the Company and KeyBank as the lender. Under the terms of the CARES Act, the Promissory Note was forgiven during the year ended December 31, 2021 and the corresponding forgiveness of the liability was recorded as "other income" on the consolidated statements of operations.

Derivative Financial Instruments

The Company does not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. The Company evaluates all of its financial instruments, including stock purchase warrants and convertible notes, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the consolidated statements of operations. The assumptions used in these fair value estimates are based on the three-level valuation hierarchy for fair value measurement and represent Level 3 inputs. Level 3 inputs are unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Debt Issuance Costs

The Company may incur debt issuance costs in connection with raising funds through debt. These costs may be paid in the form of cash, or equity (such as warrants and convertible notes). These costs are amortized to interest expense over the life of the debt. If a conversion of the underlying debt occurs, a proportionate share of the unamortized amounts is immediately expensed. Debt issuance costs are presented as a direct deduction from the carrying value of the associated debt liability in the consolidated balance sheets.

Operating Partnership Purchase of Stock

The Operating Partnership purchased 71,343 shares of the Series D Preferred on September 22, 2020 from an unaffiliated investor at $15.50 per share. The Company considers the purchase of the REIT's equity securities to be retired in the consolidated financial statements. See Note 8 for additional details.

Revenue Recognition

Lease Contract Revenue

The Company has two classes of underlying assets relating to rental revenue activity, retail and office space. The Company retains substantially all of the risks and benefits of ownership of these underlying assets and accounts for these leases as operating leases. The Company combines lease and nonlease components in lease contracts, which includes combining base rent and tenant reimbursement revenue.

2. Summary of Significant Accounting Policies (continued)

The Company accrues minimum rents on a straight-line basis over the terms of the respective leases which results in an unbilled rent asset or deferred rent liability being recorded on the balance sheet. At December 31, 2021 and 2020, there were $5.77 million and $4.48 million, respectively, in unbilled rent which is included in "rents and other tenant receivables, net." Additionally, certain lease agreements contain provisions that grant additional rents based on tenants' sales volumes (contingent or percentage rent). Percentage rents are recognized when the tenants achieve the specified targets as defined in their lease agreements as variable lease income.

The Company's leases generally require the tenant to reimburse the Company for a substantial portion of its expenses incurred in operating, maintaining, repairing, insuring and managing the shopping center and common areas (collectively defined as Common Area Maintenance or "CAM" expenses). This significantly reduces the Company's exposure to increases in costs and operating expenses resulting from inflation or other outside factors. These reimbursements are considered nonlease components which the Company combines with the lease component. The Company calculates the tenant's share of operating costs by multiplying the total amount of the operating costs by the tenant's pro-rata percentage of square footage to total square footage of the property. The Company also receives monthly payments for these reimbursements from substantially all its tenants throughout the year. The Company recognizes tenant reimbursements as variable lease income.

Additionally, the Company has tenants who pay real estate taxes directly to the taxing authority. The Company excludes these Company costs paid directly by the tenant to third parties on the Company's behalf from both variable revenue payments recognized and the associated property operating expenses. The Company does not evaluate whether certain sales taxes and other similar taxes are the Company's costs or tenants' costs. Instead, the Company accounts for these costs as tenant costs.

The Company recognizes lease termination fees, which are included in "other revenues" on the consolidated statements of operations, in the year that the lease is terminated and collection of the fee is reasonably assured. Upon early lease termination, the Company records losses related to unrecovered intangibles and other assets.

Beginning in April 2020, the Company received certain rent relief requests, most often in the form of rent deferral requests, as a result of COVID-19. The Company evaluated each tenant rent relief request on an individual basis, considering a number of factors. Not all tenant requests ultimately result in concessions or modification of agreements, nor is the Company forgoing its contractual rights under its lease agreements. The Financial Accounting Standards Board (the "FASB") issued a question-and-answer document (the "Lease Modification Q&A") focused on the application of lease accounting guidance to lease concessions provided as a result of COVID-19. The Lease Modification Q&A clarifies that entities may elect to treat qualifying lease concessions as if they were based on enforceable rights and obligations, and may choose to apply or not to apply modification accounting to those qualifying concessions. Qualifying concessions must be in response to COVID-19 and not have a substantial increase in the lessee's obligation or the lessor's rights under the contract. The Company has elected not to apply ASC 842 modification guidance for concessions that did not increase the lease term, generally these concessions do not impact the overall economics of the lease. Concessions that extend the lease term are accounted for under ASC 842, lease modification guidance.

The below table disaggregates the Company's revenue by type of service for the years ended December 31, 2021 and 2020 (in thousands):

2. Summary of Significant Accounting Policies (continued)

	Years Ended December 31,	
	2021	2020
Minimum rent	$ 45,896	$ 46,349
Tenant reimbursements - variable lease revenue	13,120	13,273
Straight-line rents	1,060	1,155
Percentage rent - variable lease revenue	531	393
Lease termination fees	139	178
Other	803	786
Total	61,549	62,134
Credit losses on operating lease receivables	(239)	(1,131)
Total	$ 61,310	$ 61,003

Income Taxes

The Company has elected to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code and applicable Treasury regulations relating to REIT qualification. In order to maintain this REIT status, the regulations require the Company to distribute at least 90% of its taxable income to stockholders and meet certain other asset and income tests, as well as other requirements. If the Company fails to qualify as a REIT, it will be subject to tax at regular corporate rates for the years in which it fails to qualify. If the Company loses its REIT status it could not elect to be taxed as a REIT for five years unless the Company's failure to qualify was due to reasonable cause and certain other conditions were satisfied.

Management has evaluated the effect of the guidance provided by GAAP on *Accounting for Uncertainty of Income Taxes* and has determined that the Company had no uncertain income tax positions.

Financial Instruments

The carrying amount of financial instruments included in assets and liabilities approximates fair market value due to their immediate or short-term maturity.

Use of Estimates

The Company has made estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reported periods. The Company's actual results could differ from these estimates.

Corporate General and Administrative Expense

Corporate general & administrative expenses consist of the following (in thousands):

	Years Ended December 31,	
	2021	2020
Professional fees	$ 3,116	$ 2,466
Corporate administration (1)	1,771	1,240
Compensation and benefits	1,465	1,589
Capital and debt financing costs	438	291
Advertising costs for leasing activities	119	117
Other	231	128
Total	$ 7,140	$ 5,831

(1) Includes $169 thousand in annual rental payments for the year ended December 31, 2021 for the Company's office space headquarters that had a sale leaseback in December 2020.

2. Summary of Significant Accounting Policies (continued)

Other Expense

Other expense represents costs which are non-operating in nature. Other expenses were $185 thousand for the year ended December 31, 2021, and consist of legal settlement costs. Other expenses were $1.04 million for the year ended December 31, 2020, and include legal settlement costs and reimbursement of 2019 proxy costs, see Note 11 for additional details.

Lease Commitments

The Company determines if an arrangement is a lease at inception. Operating leases, in which the Company is the lessee, are included in operating lease right-of-use ("ROU") assets and operating lease liabilities on our consolidated balance sheets.

ROU assets represent the right to use an underlying asset for the lease term and the lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU assets include any lease payments made and excludes lease incentives. The Company's lease terms may include options to extend the lease when it is reasonably certain that the company will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Company elects the practical expedient to combine lease and associated nonlease components. The lease components are the majority of its leasing arrangements and the Company accounts for the combined component as an operating lease. In the event the Company modifies existing ground leases or enters into new ground leases, such leases may be classified as finance leases.

Noncontrolling Interests

Noncontrolling interests is the portion of equity in the Operating Partnership not attributable to the Trust. The ownership interests not held by the parent are considered noncontrolling interests. Accordingly, noncontrolling interests have been reported in equity on the consolidated balance sheets but separate from the Company's equity. On the consolidated statements of operations, the subsidiaries are reported at the consolidated amount, including both the amount attributable to the Company and noncontrolling interests. Consolidated statements of equity include beginning balances, activity for the period and ending balances for stockholders' equity, noncontrolling interests and total equity.

The noncontrolling interest of the Operating Partnership common unit holders is calculated by multiplying the noncontrolling interest ownership percentage at the balance sheet date by the Operating Partnership's net assets (total assets less total liabilities). The noncontrolling interest percentage is calculated at any point in time by dividing the number of units not owned by the Company by the total number of units outstanding. The noncontrolling interest ownership percentage will change as additional units are issued or as units are exchanged for the Company's $0.01 par value per share common stock ("Common Stock"). In accordance with GAAP, any changes in the value from period to period are charged to additional paid-in capital.

Recently Adopted Accounting Standards

In August 2020, the FASB issued ASU 2020-06, "Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entities Own Equity (Subtopic 815-40)." This ASU simplifies accounting for convertible instruments by eliminating two of the three models in ASC 470-20 that require separating embedded conversion features from convertible instruments. In addition, ASU 2020-06 requires the application of the if-converted method for calculating diluted earnings per share and the treasury stock method will be no longer available. The guidance is effective for fiscal years beginning after December 15, 2021. We adopted this guidance effective January 1, 2021 under the modified retrospective adoption approach. There was no effect to the opening balance of retained earnings at the date of adoption. The comparative information has not been restated and continues to be presented according to accounting standards in effect for those periods.

2. Summary of Significant Accounting Policies (continued)

In August 2018, the FASB issued ASU 2018-13, "Fair Value Measurement (Topic 820)". This update modifies the disclosure requirements on fair value measurements in Topic 820 with several removals, modifications and additions for disclosures, which includes both prospective and retrospective disclosures. The guidance adds prospective disclosures related to the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements including measurement uncertainty disclosures to communicate the uncertainty in the measurement as of the reporting date. The Company adopted this ASU as of January 1, 2020. The adoption did not have material impact on its consolidated financial statements upon adoption of the guidance and there were no retrospective disclosures necessary.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments." This update enhances the methodology of measuring expected credit losses to include the use of forward-looking information to better calculate credit loss estimates. The guidance will apply to most financial assets measured at amortized cost and certain other instruments, such as accounts receivable and loans. The guidance will require that the Company estimate the lifetime expected credit loss with respect to these receivables and record allowances that, when deducted from the balance of the receivables, represent the net amounts expected to be collected. The Company will also be required to disclose information about how it developed the allowances, including changes in the factors that influenced the Company's estimate of expected credit losses and the reasons for those changes. The guidance would be effective for interim and annual reporting periods beginning after December 15, 2022, per FASB's issuance of ASU 2019-10, "Financial Instruments-Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates." The Company is currently in the process of evaluating the impact the adoption of the guidance will have on its consolidated financial statements.

Other accounting standards that have been 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 consolidated financial statements in order to be consistent with the current period presentation. The consolidated statements of operations reported within prior year's Form 10-K, fiscal year ended December 31, 2020, presented net loss attributable to Wheeler REIT Common Stockholders and basic and diluted loss per share amounts of $13.56 million and $1.40 per share, respectively. On November 3, 2021, common stockholders of the Company voted to amend the Company's Charter to remove the cumulative dividend rights of the Series A Preferred and Series B Preferred. As a result, the net loss attributable to Wheeler REIT Common Stockholders and basic and diluted loss per share amounts have been restated to conform with this amendment, resulting in net loss attributable to Wheeler REIT Common Stockholders and basic and diluted loss per share amounts of $9.29 million and $0.96 per share, respectively, for the year ended December 31, 2020.

No other reclassifications had an effect on net income, total assets, total liabilities or equity. The revenue from interest income was reclassified from interest expense on the consolidated statements of operations for consistency with current period presentation.

3. Real Estate

Investment properties consist of the following (in thousands):

	December 31,	
	2021	**2020**
Land and land improvements	$ 96,752	$ 97,117
Buildings and improvements	357,606	354,738
Investment properties at cost	454,358	451,855
Less accumulated depreciation	(67,628)	(59,191)
Investment properties, net	$ 386,730	$ 392,664

3. Real Estate (continued)

The Company's depreciation expense on investment properties was $11.07 million and $11.32 million for the years ended December 31, 2021 and 2020, respectively.

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

Assets Held for Sale and Dispositions

At December 31, 2021, assets held for sale included Walnut Hill Plaza, as the Company has committed to a plan to sell the property. At December 31, 2020, assets held for sale included Columbia Fire Station, Berkley Shopping Center, a 0.75 acre land parcel at Berkley (the "Berkley Land Parcel") andtwo outparcels at Rivergate Shopping Center.

Impairment expenses on assets held for sale are a result 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. Impairment expenses for the years ended December 31, 2021 and 2020 are as follows (in thousands):

	Years Ended December 31,	
	2021	2020
Walnut Hill Plaza	$ 100	$ —
Columbia Fire Station	2,200	600
Total	$ 2,300	$ 600

As of December 31, 2021 and 2020, assets held for sale and associated liabilities consist of the following (in thousands):

	December 31,	
	2021	2020
Investment properties, net	$ 1,824	$ 12,593
Rents and other tenant receivables, net	18	132
Above market leases, net	—	153
Deferred costs and other assets, net	205	194
Total assets held for sale	$ 2,047	$ 13,072

	December 31,	
	2021	2020
Loans payable	$ 3,145	$ 12,838
Below market leases, net	—	25
Accounts payable, accrued expenses and other liabilities	236	261
Total liabilities associated with assets held for sale	$ 3,381	$ 13,124

The following properties were sold during the years ended December 31, 2021 and 2020 (in thousands):

3. Real Estate (continued)

Disposal	Property	Contract Price	Gain (Loss)	Net Proceeds
November 17, 2021	Columbia Fire Station	$ 4,250	$ (88)	$ 3,903
August 31, 2021	Rivergate Shopping Center Out Parcel	3,700	1,915	3,451
July 9, 2021	Tulls Creek Land Parcel (1.28 acres)	250	52	222
March 25, 2021	Berkley Shopping Center and Berkley Land Parcel (0.75 acres)	4,150	176	3,937
December 31, 2020	Riversedge North	3,000	49	2,843
January 21, 2020	St. Matthews	1,775	(26)	1,665

4. Deferred Costs

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

	December 31,	
	2021	2020
Leases in place, net	$ 7,519	$ 10,233
Ground lease sandwich interest, net	1,667	1,941
Lease origination costs, net	1,474	1,334
Tenant relationships, net	853	1,308
Legal and marketing costs, net	14	22
Other	446	592
Total deferred costs and other assets, net	$ 11,973	$ 15,430

As of December 31, 2021 and 2020, the Company's intangible accumulated amortization totaled $62.94 million and $60.33 million, respectively. During the years ended December 31, 2021 and 2020, the Company's intangible amortization expense totaled $3.73 million and $5.97 million, respectively. Future amortization of leases in place, ground lease sandwich interest, lease origination costs, tenant relationships, and legal and marketing costs is as follows (in thousands):

For the Years Ended December 31,	Leases in place, net	Ground lease sandwich interest, net	Lease origination costs, net	Tenant relationships, net	Legal & marketing costs, net	Total
2022	$ 2,092	$ 274	$ 230	$ 349	$ 6	$ 2,951
2023	1,612	274	213	222	5	2,326
2024	1,111	274	194	126	3	1,708
2025	794	274	160	62	—	1,290
2026	422	274	136	11	—	843
Thereafter	1,488	297	541	83	—	2,409
	$ 7,519	$ 1,667	$ 1,474	$ 853	$ 14	$ 11,527

5. Loans Payable

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

Property/Description	Monthly Payment	Interest Rate	Maturity	December 31, 2021	December 31, 2020
Litchfield Market Village	$ 46,057	5.50 %	November 2022	$ 7,312	$ 7,418
Twin City Commons	$ 17,827	4.86 %	January 2023	2,843	2,915
Walnut Hill Plaza	$ 26,850	5.50 %	March 2023	3,145	3,287
New Market	$ 48,747	5.65 %	June 2023	6,291	6,508
Benefit Street Note (3)	$ 53,185	5.71 %	June 2023	6,914	7,145
Deutsche Bank Note (2)	$ 33,340	5.71 %	July 2023	5,488	5,567
JANAF	$ 333,159	4.49 %	July 2023	47,065	48,875
First National Bank (6) (7)	$ 24,656	LIBOR + 350 basis points	August 2023	789	1,045
Lumber River (7)	$ 10,723	LIBOR + 350 basis points	September 2023	1,296	1,367
Tampa Festival	$ 50,797	5.56 %	September 2023	7,753	7,920
Forrest Gallery	$ 50,973	5.40 %	September 2023	8,060	8,226
South Carolina Food Lions Note (5)	$ 68,320	5.25 %	January 2024	11,259	11,473
JANAF Bravo	$ 35,076	5.00 %	May 2024	5,936	6,263
Cypress Shopping Center	$ 34,360	4.70 %	July 2024	6,031	6,163
Port Crossing	$ 34,788	4.84 %	August 2024	5,778	5,909
Freeway Junction	$ 41,798	4.60 %	September 2024	7,431	7,582
Harrodsburg Marketplace	$ 19,112	4.55 %	September 2024	3,267	3,343
Bryan Station	$ 23,489	4.52 %	November 2024	4,226	4,312
Crockett Square	Interest only	4.47 %	December 2024	6,338	6,338
Pierpont Centre	$ 39,435	4.15 %	February 2025	7,861	8,001
Shoppes at Myrtle Park	$ 33,180	4.45 %	February 2025	5,757	5,892
Folly Road	$ 41,482	4.65 %	March 2025	7,063	7,223
Alex City Marketplace	Interest only	3.95 %	April 2025	5,750	5,750
Butler Square	Interest only	3.90 %	May 2025	5,640	5,640
Brook Run Shopping Center	Interest only	4.08 %	June 2025	10,950	10,950
Beaver Ruin Village I and II	Interest only	4.73 %	July 2025	9,400	9,400
Sunshine Shopping Plaza	Interest only	4.57 %	August 2025	5,900	5,900
Barnett Portfolio (4)	Interest only	4.30 %	September 2025	8,770	8,770
Fort Howard Shopping Center	Interest only	4.57 %	October 2025	7,100	7,100
Conyers Crossing	Interest only	4.67 %	October 2025	5,960	5,960
Grove Park Shopping Center	Interest only	4.52 %	October 2025	3,800	3,800
Parkway Plaza	Interest only	4.57 %	October 2025	3,500	3,500
Winslow Plaza	$ 24,295	4.82 %	December 2025	4,483	4,553
JANAF BJ's	$ 29,964	4.95 %	January 2026	4,725	4,844
Tuckernuck	$ 32,202	5.00 %	March 2026	5,052	5,193
Chesapeake Square	$ 23,857	4.70 %	August 2026	4,192	4,279
Berkley/Sangaree/Tri-County	Interest only	4.78 %	December 2026	6,176	9,400
Riverbridge	Interest only	4.48 %	December 2026	4,000	4,000
Franklin Village	$ 45,336	4.93 %	January 2027	8,277	8,404
Village of Martinsville	$ 89,664	4.28 %	July 2029	15,589	15,979
Laburnum Square	Interest only	4.28 %	September 2029	7,665	7,665
Rivergate	$ 100,222	4.25 %	September 2031	18,430	21,164
Convertible Notes	Interest only	7.00 %	December 2031	33,000	—
Columbia Fire Station	Interest only	14.00 %	July 2021	—	3,893
Powerscourt Financing Agreement	Interest only	13.50 %	March 2023	—	25,000
Total Principal Balance (1)				346,262	353,916
Unamortized debt issuance cost (1)				(9,834)	(6,812)
Total Loans Payable, including assets held for sale				336,428	347,104
Less loans payable on assets held for sale, net loan amortization costs				3,145	12,838
Total Loans Payable, net				$ 333,283	$ 334,266

(1) Includes loans payable on assets held for sale, see Note 3.
(2) Collateralized by LaGrange Marketplace, Ridgeland and Georgetown.
(3) Collateralized by Ladson Crossing, Lake Greenwood Crossing and South Park.
(4) Collateralized by Cardinal Plaza, Franklinton Square, and Nashville Commons.
(5) Collateralized by Clover Plaza, South Square, St. George, Waterway Plaza and Westland Square.
(6) Collateralized by Surrey Plaza and Amscot Building.
(7) Certain loans bear interest at a variable interest rate equal to LIBOR or another index rate, subject to a floor, in each case plus or minus a specified margin.

5. Loans Payable (continued)

Rights Offering and Convertible Notes

On July 22, 2021, the Company commenced the rights offering (the "Rights Offering") for the purchase of up to $30.00 million in aggregate principal amount of the Company's 7.00% senior subordinated convertible notes due 2031 (the "Convertible Notes"). On August 13, 2021, the Rights Offering expired. Pursuant to the Rights Offering, the Company distributed to holders of its Common Stock, as of 5:00 p.m. New York City time on June 1, 2021 (the "Record Date"), non-transferable subscription rights to purchase Convertible Notes. Each holder of the Company's Common Stock as of the Record Date received one right for each eight shares of the Company's Common Stock owned, and each right entitled a holder to purchase $25.00 principal amount of Convertible Notes. The Rights Offering was made pursuant to an effective registration statement filed with the U.S. Securities and Exchange Commission. The aggregate principal amount of Convertible Notes issued in the Rights Offering was $30.00 million. The Rights Offering was backstopped by Magnetar Structured Credit Fund, LP, Magnetar Longhorn Fund LP, Magnetar Lake Credit Fund LLC, Purpose Alternative Credit Fund – F LLC, Purpose Alternative Credit Fund – T LLC, and AY2 Capital LLC (each individually, a "Backstop Party" and, collectively, the "Backstop Parties") in the amount of $2.19 million in aggregate principal. On October 12, 2021, the Backstop Parties and their assignee elected to exercise their "accordion right" in full and purchased from the Company an additional $3.00 million in aggregate principal amount of the Company's Convertible Notes. The Convertible Notes contain debt issuance costs aggregating $7.10 million which is being amortized over the life of the Convertible Notes.

On August 13, 2021, the Company, as Issuer, and Wilmington Savings Fund Society, FSB., as Trustee, entered into an Indenture governing the terms of the Convertible Notes (the "Indenture").

The Convertible Notes bear interest at a rate of 7.00% per annum. Interest on the Convertible Notes is payable semi-annually in arrears on June 30 and December 31 of each year, commencing on December 31, 2021.

The Convertible Notes are subordinate and junior in right of payment to the Company's obligations to the holders of senior indebtedness, and that in the case of any insolvency, receivership, conservatorship, reorganization, readjustment of debt, marshalling of assets and liabilities or similar proceedings or any liquidation or winding-up of or relating to the Company as a whole, whether voluntary or involuntary, all obligations to holders of senior indebtedness shall be entitled to be paid in full before any payment shall be made on account of the principal or interest on the Convertible Notes.

Interest on the Convertible Notes is payable, at the Company's election: (a) in cash; (b) in shares of Series B Preferred; (c) in shares of Series D Preferred; or (d) in any combination of (a), (b), and/or (c). For purposes of determining the value of Series B Preferred and Series D Preferred paid as interest on the Convertible Notes, each share of Series B Preferred and Series D Preferred shall be deemed to have a value equal to the product of (x) the average of the VWAPs (as defined in the Indenture) for the Series B Preferred or the Series D Preferred, as the case may be, for the 15 consecutive trading days ending on the third business day immediately preceding the relevant interest payment date, and (y) 0.55. During the year ended December 31, 2021, interest related to the Convertible Notes was $886 thousand and paid with 113,709 shares of Series D Preferred, which when adjusted for the VWAP discount represents interest expense of $1.61 million.

The Convertible Notes are convertible, in whole or in part, at any time, at the option of the holders of the Convertible Notes, into shares of the Company's Common Stock at a conversion price of $6.25 per share of the Company's Common Stock (the "Conversion Price"); provided, however, that if at any time after September 21, 2023, holders of the Series D Preferred have required the Company to redeem (payable in cash or stock) in the aggregate at least 100,000 shares of Series D Preferred, then the Conversion Price will be adjusted to the lower of (i) 55% of the Conversion Price or (ii) a 45% discount to the lowest price at which any Series D Preferred was converted into the Common Stock. Upon a change of control, each Convertible Note will mandatorily convert into shares of the Company's Common Stock equal to: (i) the principal amount of each Convertible Note divided by (ii) the product of (x) the average of the per share volume-weighted average prices for the Common Stock for the 15 consecutive trading days ending on the third business day immediately preceding the date of such change of control, and (y) 0.55. After January 1, 2024, the Company may redeem the Convertible Notes at any time (in whole or in part) at the Company's option at a redemption price equal to 100% of the principal amount thereof plus accrued and unpaid interest as of the redemption date (the "Redemption Price"). The Redemption Price may be paid: (a) in cash; (b) in shares of Common Stock; or (c) in any combination of (a) and (b).

Powerscourt Financing Agreement

5. Loans Payable (continued)

On December 22, 2020, the Company entered into a financing agreement (the "Powerscourt Financing Agreement") with Powerscourt Investments XXII, LP, as administrative agent and collateral agent. The Powerscourt Financing Agreement provides for a term loan in the aggregate principal of $25.00 million. The proceeds of the Powerscourt Financing Agreement are intended for the following: (i) to paydown the Company’s indebtedness on the KeyBank Credit Agreement, (ii) to redeem certain shares of the Company’s Series D Preferred, and (iii) to pay fees and expenses in connection with the transactions contemplated by the Powerscourt Financing Agreement. The Powerscourt Financing Agreement is at a rate of 13.50% and matures on March 31, 2023 with quarterly interest only payments beginning on January 15, 2021.

In conjunction with the Powerscourt Financing Agreement, the Company issued to Powerscourt XXII, LP a warrant (the "Powerscourt Warrant") to purchase 496,415 shares of Common Stock for $3.12 per share (the "Powerscourt Warrant Agreement"). The Powerscourt Warrant is exercisable at the option of its holder in whole or in part into shares of Common Stock from time to time on or after December 22, 2020 (the "Effective Date") and before the date that is the 36-month anniversary of the Effective Date.

Additionally, the Company entered into a registration rights agreement with the holders from time to time of the Powerscourt Warrant, dated as of December 22, 2020 (the “Powerscourt Registration Rights Agreement”), accordingly, the Company registered the resale of the common stock underlying the Powerscourt Warrant on a Form S-11 Registration Statement which became effective on May 25, 2021.

On March 12, 2021, the Company paid in full the $25.00 million Powerscourt Financing Agreement. The Powerscourt Warrant Agreement and the Powerscourt Registration Rights Agreement remain as of December 31, 2021.

Wilmington Financing Agreement

On March 12, 2021, the Company entered into a financing agreement (the "Wilmington Financing Agreement") as borrower, certain subsidiaries of the Company from time to time party thereto, as guarantors (together with the Company, the "Loan Parties"), the lenders from time to time party thereto, and Wilmington Savings Fund Society, FSB, as administrative agent and collateral agent. The Wilmington Financing Agreement provided for a term loan in the aggregate principal amount of $35.00 million. The proceeds of the Wilmington Financing Agreement were intended for the following: (i) to payoff the Company's indebtedness on the Powerscourt Financing Agreement, (ii) to fund the redemption of certain shares of the Company's 8.75% Series D Preferred and (iii) to pay fees and expenses in connection with the transactions contemplated by the Wilmington Financing Agreement. The Wilmington Financing Agreement is at a rate of 8.00% and matures in March 2026 with quarterly interest only payments beginning on April 15, 2021. Any payment or repayment of principal will be made with a premium equal to 5% of the amount repaid or prepaid, a total of $1.75 million.

The obligations of the Company under the Wilmington Financing Agreement were secured by liens on certain assets of the Company and certain of the Company's subsidiaries, including mortgages on the properties within the Company's portfolio. The Wilmington Financing Agreement also contains covenants that restrict, among other things the ability of the Company and its subsidiaries to create liens, incur indebtedness, make certain investments, merge or consolidate, dispose of assets, pay certain dividends and make certain other restricted payments or certain equity issuances, change the nature of their businesses, enter into certain transactions with affiliates and change their governing documents.

Pursuant to the Wilmington Financing Agreement, the Company issued to the holders from time to time party thereto a warrant (the "Wilmington Warrant") to purchase in the aggregate, 1,061,719 shares of Common Stock in three tranches: warrants to purchase an aggregate of 510,204 shares at an exercise price of $3.430 per share ("Tranche A"); warrants to purchase an aggregate of 424,242 shares at an exercise price of $4.125 per share ("Tranche B"); and warrants to purchase an aggregate of 127,273 shares at an exercise price of $6.875 per share ("Tranche C") (the "Wilmington Warrant Agreement"). The Wilmington Warrant is exercisable at the option of its holder in whole or in part into shares of Common Stock from time to time on or after March 12, 2021 (the "Effective Date") and before the maturity date of the Wilmington Financing Agreement.

In connection with the Wilmington Financing Agreement, the Company entered into a registration rights agreement with the holders from time to time of the Wilmington Warrants, dated as of March 12, 2021 (the "Wilmington Registration Rights Agreement"), accordingly, the Company registered the resale of the common stock underlying the Wilmington Warrant on a Form S-11 Registration Statement which became effective on May 25, 2021.

5. Loans Payable (continued)

On December 21, 2021, the principal balance on the Wilmington Financing Agreement was paid in full. The Wilmington Warrant Agreement and the Wilmington Registration Rights Agreement remain as of December 31, 2021.

KeyBank Credit Agreement

The KeyBank Credit Agreement was paid in full as of December 22, 2020. The KeyBank Credit Agreement had the following activity during the year ended December 31, 2020:

- Entered into the Second Amendment to the KeyBank Credit Agreement (the "Second Amendment") on January 24, 2020, effective December 21, 2019, and the Company began making monthly principal payments of $350 thousand on November 1, 2019. The Second Amendment, among other provisions, requires a pledge of additional collateral of $15.00 million in residual equity interests and staggered maturity dates with an ultimate maturity of June 30, 2020;
- Entered into a Third Amendment to the KeyBank Credit Agreement (the "Third Amendment") on July 21, 2020. The Third Amendment, among other provisions, reduces the pledge of additional collateral by two properties and extends the maturity to December 31, 2020;
- The KeyBank Credit Agreement had principal paydowns as noted below:
  - $1.78 million paydown from St. Matthews sale proceeds on January 21, 2020;
  - $5.75 million paydown from Shoppes at Myrtle Park refinancing proceeds on January 23, 2020; and
  - $2.50 million paydown from cash released to the Company from restricted cash accounts on May 20, 2020;
  - $1.00 million paydown on November 12, 2020;
  - $3.00 million final paydown from Powerscourt Financing Agreement proceeds on December 22, 2020.

Shoppes at Myrtle Park Refinance

On January 23, 2020, the Company refinanced the Shoppes at Myrtle Park collateralized portion of the KeyBank Credit Agreement for $6.00 million at a fixed interest rate of 4.45%. The loan matures in February 2025 with monthly principal and interest payments of $33 thousand.

Folly Road Refinance

On March 23, 2020, the Company executed a promissory note for $7.35 million for the refinancing of Folly Road at a rate of 4.65%. The loan matures in March 2025 with monthly principal and interest payments of $41 thousand.

First National Bank Amendment

On October 14, 2020, the Company entered into the Second Amendment to extend the $1.13 million First National Bank Loan to March 15, 2021 with monthly principal and interest payments of $25 thousand. The First National Bank Loan will bear interest at LIBOR plus 350 basis points with a minimum interest rate set at 4.25%.

On September 22, 2021, the Company entered into the Fourth Amendment to extend the $875 thousand First National Bank Loan to August 15, 2023 with monthly principal and interest payments of $25 thousand. The First National Bank Loan will bear interest at LIBOR plus 350 basis points with a minimum interest rate set at 4.25%.

Lumber River Extensions

On October 14, 2020, the Company entered into the Third Amendment to extend the $1.39 million Lumber River Loan to April 10, 2021 with monthly principal and interest payments of $11 thousand. The Lumber River Loan will bear interest at LIBOR plus 350 basis points with a minimum interest rate set at 4.25%.

On September 22, 2021, the Company entered into the Fifth Amendment to extend the $1.31 million Lumber River Loan to September 10, 2023 with monthly principal and interest payments of $11 thousand. The Lumber River Loan will bear interest at LIBOR plus 350 basis points with a minimum interest rate set at 4.25%.

5. Loans Payable (continued)

Walnut Hill Plaza Amendment

On July 15, 2020, the Company entered into the Third Amendment to reduce the Walnut Hill Plaza loan by $443 thousand to $3.30 million using proceeds from restricted cash reserves and received three months of forbearance on principal payments.

On October 16, 2020, the Company entered into the Fourth Amendment to receive forbearance on principal payments through December 29, 2020 and extend the maturity date to March 2023.

Tuckernuck Extension and Refinance

On November 1, 2020, the Company entered into a Second Amended Forbearance Agreement to extend the Tuckernuck Loan to February 1, 2021 with monthly principal and interest payments of $34 thousand.

On February 2, 2021, the Company refinanced the Tuckernuck Loan for $5.15 million at a rate of 5.00%. The loan matures on March 1, 2026 with monthly principal and interest payments of $32 thousand.

Rivergate Extensions and Refinance

On November 19, 2020, the Company entered into an agreement to extend the maturity date from October 20, 2020 to April 20, 2021 with monthly principal payments of $48 thousand plus accrued and unpaid interest.

On May 28, 2021, the Company entered into an agreement with Synovus Bank to extend the maturity date from April 21, 2021 to October 20, 2021 with monthly principal payments of $60 thousand plus accrued and unpaid interest. The Rivergate Loan will bear interest at the Synovus Bank's prime rate less 0.25% with a floor of 3.00%. On August 31, 2021 a $3.54 million principal payment was made in conjunction with the outparcel sale.

On September 30, 2021, the Company refinanced the Rivergate Loan for $18.50 million at a rate of 4.25%. The loan matures on September 30, 2031 with monthly principal and interest payments of $100 thousand through September 2026 at which time monthly principal and interest payments begin based on a 20-year amortization and an interest rate change to 5 year U.S. Treasury Rate plus 2.70% with a floor of 4.25%.

Riversedge North Payoff

On December 31, 2020, the principal balance on the Riversedge North loan was paid in full with the sale of the property, as detailed in Note 3.

Columbia Fire Station Extension and Payoff

Effective September 3, 2020, the Company extended the Columbia Fire Station promissory note ("Columbia Fire Station Loan") to December 3, 2020, with the monthly principal payment increasing $20 thousand for a total monthly principal and interest payment of $46 thousand beginning on October 3, 2020.

On December 7, 2020, the Company received a letter demanding payment in full from Pinnacle Bank for all amounts due under Columbia Fire Station Loan and the interest rate increased to 14%, the default rate. On December 29, 2020, Pinnacle Bank filed a suit against the Company, guarantor.

On January 21, 2021, the Company entered into a Forbearance Agreement (the "Forbearance Agreement") with Pinnacle Bank at an interest rate of 14% and made a $500 thousand principal payment. The Forbearance Agreement, among other provisions, extends the maturity date of the Columbia Fire Station Loan to July 21, 2021 and waives all defaults and late fees existing prior to the Forbearance Agreement.

On July 21, 2021, the principal balance on the Columbia Fire Station Loan was paid in full.

Berkley/Sangaree/Tri-County Paydown

5. Loans Payable (continued)

On March 25, 2021, the Company made a $3.22 million principal payment on the Berkley/Sangaree/Tri-County loan with the sale of the Berkley Shopping Center, as detailed in Note 3, and paid $687 thousand in defeasance.

JANAF Bravo Refinance

On May 5, 2021, the Company refinanced the JANAF Bravo Loan for $6.00 million at a rate of 5.00%. The loan matures on May 5, 2024 with monthly principal and interest payments of $35 thousand.

Debt Maturities

The Company's scheduled principal repayments on indebtedness as of December 31, 2021, including assets held for sale, are as follows (in thousands):

For the years ended December 31,	
2022	$ 13,567
2023	89,288
2024	50,490
2025	92,016
2026	23,531
Thereafter	77,370
Total principal repayments and debt maturities	$ 346,262

6. Derivative Liabilities

Fair Value of Warrants

The Company utilized the Monte Carlo simulation model to calculate the fair value of the Powerscourt Warrant and Wilmington Warrant (collectively, the "Warrant Agreements"). 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 Monte 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. In determining the initial fair value of the Powerscourt Warrant, the Company used the following inputs in its Monte Carlo model; exercise price of $3.12 per share , Common Stock price $2.75, contractual term to maturity 3.0 years, expected Common Stock volatility 72.00% and risk-free interest rate 0.17%. In determining the initial fair value of the Wilmington Warrant, the Company used the following inputs in its Monte Carlo model; exercise price of each of the three tranches within the Wilmington Warrant Agreement as described in Note 5, Common Stock price $3.75, contractual term to maturity 5.0 years, expected Common Stock volatility 54.72% and risk-free interest rate 0.91%.

In measuring the warrant liability at December 31, 2021 and 2020, the Company used the following inputs in its Monte Carlo Model:

	For the Years Ended December 31,	
	2021	2020
Range of exercise prices	$3.120 - $6.875	$3.12
Common Stock price	$1.94	$2.75
Weighted average contractual term to maturity	3.5 years	3.0 years
Range of expected market volatility %	70.12% - 81.00%	72.00%
Range of risk-free interest rate	0.72% - 1.16%	0.17%

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 multinomial 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 and term. The multinomial lattice model is a Level 3 valuation technique because it requires the development of significant internal assumptions in addition to observable market indicators. In determining the initial fair value of the embedded derivatives, the Company used the following inputs in its multinomial lattice model; initial conversion price within the Convertible Notes was $6.25, Common Stock price of $2.94, dividend rate of 0%, expected Common Stock volatility 50.00%, risk-free interest rate 1.53% and contractual term to maturity was 10.3 years.

In measuring the embedded derivative liability at December 31, 2021, the Company used the following inputs in its multinomial lattice model:

Conversion price	$6.25
Common Stock price	$1.94
Contractual term to maturity	10.1 years
Expected market volatility %	80.00%
Risk-free interest rate	1.51%

6. Derivative Liabilities (continued)

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 (in thousands):

Balance December 31, 2019	$	—
Issuance of Powerscourt Warrant		594
Balance December 31, 2020		594
Issuance of Wilmington Warrant		2,018
Issuance of embedded derivative		5,932
Changes in fair value		(3,768)
Balance December 31, 2021	$	4,776

7. Rentals under Operating Leases

Future minimum rents to be received under noncancelable tenant operating leases, excluding rents on assets held for sale, for each of the next five years and thereafter, excluding tenant reimbursements and percentage rent based on tenant sales volume, as of December 31, 2021 are as follows (in thousands):

For the years ended December 31,		
2022	$	47,232
2023		43,305
2024		35,993
2025		28,701
2026		20,382
Thereafter		51,921
Total minimum rents	$	227,534

8. Equity and Mezzanine Equity

The Company has authority to issue 215,000,000 shares of stock, consisting of 200,000,000 shares of $0.01 par value Common Stock (“Common Stock”) and 15,000,000 shares of preferred stock of which 5,000,000 shares have been classified as no par value Series B Preferred Stock (“Series B Preferred”), 6,000,000 shares as Series D Cumulative Convertible Preferred Stock ("Series D Preferred") and 4,500 shares of Series A Preferred Stock ("Series A Preferred").

Substantially all of our business is conducted through the Company’s Operating Partnership. The Trust is the sole general partner of the Operating Partnership and owned a 98.59% and 98.53% interest in the Operating Partnership as of December 31, 2021 and 2020, respectively. Limited partners in the Operating Partnership have the right to redeem their common units for cash or, at our option, common shares at a ratio of one common unit for one common share. Distributions to common unit holders are paid at the same rate per unit as dividends per share to the Trust’s common stockholders. As of December 31, 2021 and 2020, there were 15,227,758 of common units outstanding with the Trust owning 15,012,415 and 15,003,329, respectively, of these common units.

Series A Preferred Stock

At December 31, 2021 and 2020, the Company had 562 shares without par value Series A Preferred issued and outstanding and a $1,000 liquidation preference per share, or $562 thousand in aggregate. The Company has the right to redeem the 562 shares of Series A Preferred, on a pro rata basis, at any time at a price equal to 103% of the purchase price for the Series A Preferred.

Series B Preferred Stock

8. Equity and Mezzanine Equity (continued)

At December 31, 2021 and 2020, the Company had 1,872,448 and 1,875,748 shares, issued and outstanding, respectively, without par value Series B Preferred with a $25.00 liquidation preference per share, or $46.81 million and $46.90 million, respectively. Holders of Series B Preferred shares have the right to receive, only when and as authorized by the Board of Directors and declared by the Company, out of funds legally available for the payment of dividends, cash dividends, at a rate of 9% per annum of the $25 liquidation preference per share. The Series B Preferred has no redemption rights. However, the Series B Preferred is subject to a mandatory conversion once the20-trading day volume-weighted average closing price of our Common Stock, exceeds $58 per share; once this weighted average closing price is met, each share of our Series B Preferred will automatically convert into shares of our Common Stock at a conversion price equal to $40.00 per share of Common Stock. In addition, holders of our Series B Preferred also have the option, at any time, to convert shares of our Series B Preferred into shares of our Common Stock at a conversion price of $40.00 per share of Common Stock. Upon any voluntary or involuntary liquidation, dissolution or winding up of our company, the holders of shares of our Series B Preferred shall be entitled to be paid out of our assets a liquidation preference of $25.00 per share. The Series B Preferred has no maturity date and will remain outstanding indefinitely unless subject to a mandatory or voluntary conversion as described above.

Series D Preferred Stock - Redeemable Preferred Stock and Tender Offers

At December 31, 2021 and 2020, the Company had 3,152,392 and 3,529,293 issued and outstanding, respectively, of Series D Preferred, without par value with a $25.00 liquidation preference per share, and a liquidation value of $104.97 million and $109.13 million in aggregate, respectively. Until September 21, 2023, the holders of the Series D Preferred are entitled to receive cumulative cash dividends at a rate of 8.75% per annum of the $25.00 liquidation preference per share (equivalent to the fixed annual amount of $2.1875 per share) (the “Initial Rate”). Commencing September 21, 2023, the holder’s will be entitled to cumulative cash dividends at an annual dividend rate of the Initial Rate increased by 2% of the liquidation preference per annum on each subsequent anniversary thereafter, subject to a maximum annual dividend rate of14%. Dividends are payable quarterly in arrears on or before January 15th, April 15th, July 15th and October 15th of each year. On or after September 21, 2021, the Company may, at its option, redeem the Series D Preferred, for cash 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 redemption date. The holder of the Series D Preferred may convert shares at any time into shares of the Company’s Common Stock at an initial conversion rate of $16.96 per share of Common Stock. On September 21, 2023, the holders of the Series D Preferred may, at their option, elect to cause the Company to redeem any or all of their shares 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 redemption date, payable in cash or in shares of Common Stock, or any combination thereof, at the Company's option.

The Series D Preferred requires the Company maintain asset coverage of at least200%. If we fail to maintain asset coverage of at least200% calculated by determining the percentage value of (i) our total assets plus accumulated depreciation and accumulated amortization minus our total liabilities and indebtedness as reported in our financial statements prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) (exclusive of the book value of any Redeemable and Term Preferred Stock (defined below)) over (ii) the aggregate liquidation preference, plus an amount equal to all accrued and unpaid dividends, of outstanding shares of our Series D Preferred and any outstanding shares of term preferred stock or preferred stock providing for a fixed mandatory redemption date or maturity date (collectively referred to as “Redeemable and Term Preferred Stock”) on the last business day of any calendar quarter (“Asset Coverage Ratio”), and such failure is not cured by the close of business on the date that is 30 calendar days following the filing date of our Annual Report on Form 10-K or Quarterly Report on Form 10-Q, as applicable, for that quarter, or the “Asset Coverage Cure Date,” then we will be required to redeem, within 90 calendar days of the Asset Coverage Cure Date, shares of Redeemable and Term Preferred Stock, which may include Series D Preferred, at least equal to the lesser of (i) the minimum number of shares of Redeemable and Term Preferred Stock that will result in us having a coverage ratio of at least 200% and (ii) the maximum number of shares of Redeemable and Term Preferred Stock that can be redeemed solely out of funds legally available for such redemption. In connection with any redemption for failure to maintain the Asset Coverage Ratio, we may, in our sole option, redeem any shares of Redeemable and Term Preferred Stock we select, including on a non-pro rata basis. We may elect not to redeem any Series D Preferred to cure such failure as long as we cure our failure to meet the Asset Coverage Ratio by or on the Asset Coverage Cure Date. If shares of Series D Preferred are to be redeemed for failure to maintain the Asset Coverage Ratio, such shares will be redeemed solely in cash at a redemption price equal to $25.00 per share plus an amount equal to all accrued but unpaid dividends, if any, on such shares (whether or not declared) to and including the redemption date.

Dividends on the Series D Preferred cumulate from the end of the most recent dividend period for which dividends have been paid. Dividends on the Series D Preferred cumulate whether or not (i) we have earnings, (ii) there are funds legally available for the payment of such dividends and (iii) such dividends are authorized by our Board of Directors or declared by us.

8. Equity and Mezzanine Equity (continued)

Dividends on the Series D Preferred do not bear interest. If the Company, fails to pay any dividend within three (3) business days after the payment date for such dividend, the then-current dividend rate increases following the payment date by an additional 2.0% of the $25.00 stated liquidation preference per share, or $0.50 per annum, until we pay the dividend, subject to our ability to cure the failure. On December 20, 2018, the Company suspended the Series D Preferred dividend. As such, the Series D Preferred shares began accumulating dividends at 10.75% beginning January 1, 2019 and will continue to accumulate dividends at this rate until all accumulated dividends have been paid.

Holders of shares of the Series D Preferred have no voting rights. Pursuant to the Company's Articles Supplementary, if dividends on the Series D Preferred are in arrears for six or more consecutive quarterly periods (a "Preferred Dividend Default"), the number of directors on our Board of Directors will automatically be increased by two, and holders of shares of the Series D Preferred and the holders of Series A Preferred and Series B Preferred (the Series A Preferred and Series B Preferred together, being the "Parity Preferred Stock"), shall be entitled to vote for the election of two additional directors ("Series D Preferred Directors"). A Preferred Dividend Default occurred on April 15, 2020. The election of such directors will take place upon the written request of the holders of record of at least 20% of the Series D Preferred and Parity Preferred Stock. The Board of Directors is not permitted to fill the vacancies on the Board of Directors as a result of the failure of the holders of 20% of the Series D Preferred and Parity Preferred Stock to deliver such written request for the election of the Series D Preferred Directors. The Series D Preferred Directors may serve on our Board of Directors, until all unpaid dividends on such Series D Preferred and Parity Preferred Stock, if any, have been paid or declared a sum sufficient for the payment thereof set apart for payment.

On September 22, 2020, the Operating Partnership purchased 71,343 shares of Series D Preferred at $15.50 per share. These shares are deemed to be retired on the consolidated financial statements. The book value of the shares purchased included both accreted and unaccreted issuance costs and dividends in arrears totaling $1.83 million.

The Company through “modified Dutch auction” tender offers on the Series D Preferred accepted for purchase 387,097 shares at a purchase price of $15.50 per share, for an aggregate cost of $6.00 million on March 12, 2021 and 103,513 shares of Series D Preferred at a purchase price of $18.00 per share, for an aggregate cost of $1.86 million on May 15, 2021, both excluding fees and expenses.

The changes in the carrying value of the Series D Preferred for the years ended December 31, 2021 and 2020 is as follows (in thousands):

	Series D Preferred
Balance December 31, 2019	$ 87,225
Accretion of Preferred Stock discount	590
Undeclared dividends	9,581
Redemption of Preferred Stock	(1,833)
Balance December 31, 2020	95,563
Accretion of Preferred Stock discount	513
Undeclared dividends	8,237
Paid-in-kind interest, issuance of Preferred Stock	1,610
Redemption of Preferred Stock	(13,375)
Balance December 31, 2021	$ 92,548

Earnings per share

Basic earnings per share for the Company’s common stockholder 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.

8. Equity and Mezzanine Equity (continued)

As of December 31, 2021 and 2020, the below shares are able to be converted to Common Stock. The common units, Series B Preferred, Series D Preferred, warrants and Convertible Notes have been excluded from the Company's diluted earnings per share calculation because their inclusion would be antidilutive.

	December 31, 2021		December 31, 2020	
	Outstanding shares	**Potential Dilutive Shares**	**Outstanding shares**	**Potential Dilutive Shares**
Common units	215,343	215,343	224,429	224,429
Series B Preferred Stock	1,872,448	1,170,280	1,875,748	1,172,343
Series D Preferred Stock	3,152,392	6,189,366	3,529,293	5,202,378
Warrants to purchase Common Stock	—	1,558,134	—	496,415
Convertible Notes	—	31,801,297	—	—

Dividends

On November 3, 2021, common stockholders of the Company voted to amend the Company's Charter to remove the cumulative dividend rights of the Series A Preferred and Series B Preferred.

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

	Series D Preferred	
Record Date/Arrears Date	Arrears	Per Share
For the year ended December 31, 2021	$ 8,167	$ 2.59
For the year ended December 31, 2020	$ 9,488	$ 2.69

There were no dividends declared to holders of Common Stock for the years ended December 31, 2021 and 2020.

The total cumulative dividends in arrears for Series D Preferred (per share $8.30) as of December 31, 2021 is $26.16 million.

2015 Long-Term Incentive Plan

On June 4, 2015, the Company's stockholders approved the 2015 Long-Term Incentive Plan (the "2015 Incentive Plan"). The 2015 Incentive Plan allows for issuance of up to 125,000 shares of the Company's Common Stock to employees, directors, officers and consultants for services rendered to the Company. The 2015 Incentive Plan replaced the 2012 Stock Incentive Plan.

As of December 31, 2021, there are 41,104 shares available for issuance under the Company's 2015 Incentive Plan and there were no shares issued in 2021 or 2020.

2016 Long-Term Incentive Plan

On June 15, 2016, the Company's stockholders approved the 2016 Long-Term Incentive Plan (the "2016 Incentive Plan"). The 2016 Incentive Plan allows for issuance of up to 625,000 shares of the Company's Common Stock to employees, directors, officers and consultants for services rendered to the Company.

For the Years Ended December 31,	Shares Issued	Market Value (in thousands)
2021	5,000	$ 14
2020	—	—

8. Equity and Mezzanine Equity (continued)

As of December 31, 2021, there are 127,707 shares available for issuance under the Company's 2016 Incentive Plan.

Cancellation of Stock Appreciation Rights Agreement

Effective July 5, 2021, Daniel Khoshaba resigned as the President and Chief Executive Officer of the Company and as a member of the Board of Directors and as a member of the Executive Committee of our Board of Directors. Upon Mr. Khoshaba's cessation of employment with the Company, all of his rights under that certain Stock Appreciation Rights Agreement, dated August 4, 2020, by and between Mr. Khoshaba and the Company (the "SAR Agreement"), were forfeited for no consideration.

9. Lease Commitments

The Company has ground leases and leases its corporate headquarters; both 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 December 31, 2021 and 2020, the weighted average remaining lease term of our leases is31 and 32 years, respectively. The following properties are subject to leases which require the Company to make the following fixed annual rental payments and variable lease payments and include escalation clauses and renewal options as follows (in thousands):

	For the Years Ended December 31,		
	2021	2020	Expiration Year
Amscot	$ 26	$ 25	2045
Beaver Ruin Village	54	54	2054
Beaver Ruin Village II	22	22	2056
Moncks Corner	121	121	2040
Devine Street (1)	396	396	2051
JANAF (2)	268	282	2069
Riversedge corporate headquarters office space, Virginia Beach, VA	169	—	2030
Total rent expense	$ 1,056	$ 900	

(1) Lease options are exercised through 2035 with options which are reasonably certain to be exercised through 2051.
(2) Includes $118 thousand and $131 thousand in variable percentage rent, during the years ended December 31, 2021 and 2020, respectively.

Supplemental information related to leases is as follows (in thousands):

	For the Years Ended December 31,	
	2021	2020
Cash paid for amounts included in the measurement of operating lease liabilities	$ 902	$ 583
Leased assets obtained in exchange for new operating lease liabilities	$ —	$ 1,285

Undiscounted cash flows of our scheduled obligations for future minimum lease payments due under the operating leases, including applicable automatic extension options and options reasonably certain of being exercised, as of December 31, 2021 and a reconciliation of those cash flows to the operating lease liabilities at December 31, 2021 are as follows (in thousands):

9. Lease Commitments (continued)

For the years ended December 31,		
2022	$	905
2023		907
2024		909
2025		913
2026		943
Thereafter		22,843
Total minimum lease payments (1)		27,420
Discount		(14,380)
Operating lease liabilities	$	13,040

(1) Operating lease payments include $ 7.54 million related to options to extend lease terms that are reasonably certain of being exercised.

On December 31, 2020, the Company sold its corporate headquarters in Virginia Beach to an unrelated party for approximately $1.84 million, net of costs to sell, and simultaneously leased the building for 10 years at an annual base rent of $265 thousand, plus taxes and other operating and maintenance expenses. The transaction qualified for sale leaseback accounting in accordance with ASC 842 and the Company used the incremental borrowing rate associated with the previous loan on the office building of 5.77% for purposes of calculating the lease liability. The lease agreement includes an option for five years and the Company recognized only the initial term of the lease as part of its ROU asset and lease liability. As a result of this transaction, a gain of $49 thousand was recognized, which is included in "gain on disposal of properties" on the consolidated statements of operations with the remaining gain of $725 thousand deferred over the life of the lease.

10. Commitments and Contingencies

Insurance

The Company carries comprehensive liability, fire, extended coverage, business interruption and rental loss insurance covering all of the properties in its portfolio under an insurance policy, in addition to other coverages, such as trademark and pollution coverage that may be appropriate for certain of its properties. Additionally, the Company carries a directors', officers', entity and employment practices liability insurance policy that covers such claims made against the Company and its directors and officers. The Company believes the policy specifications and insured limits are appropriate and adequate for its properties given the relative risk of loss, the cost of the coverage and industry practice; however, its insurance coverage may not be sufficient to fully cover its losses.

Concentration of Credit Risk

The Company is subject to risks incidental to the ownership and operation of commercial real estate. These risks include, among others, the risks normally associated with changes in the general economic climate, trends in the retail industry, creditworthiness of tenants, competition for tenants and customers, changes in tax laws, interest rates, the availability of financing and potential liability under environmental and other laws.

The Company's portfolio of properties is dependent upon regional and local economic conditions and is geographically located in the Southeast, Mid-Atlantic and Northeast, which markets represented approximately 62%, 34% and 4%, respectively, of the total annualized base rent of the properties in its portfolio as of December 31, 2021. 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.

Regulatory and Environmental

As the owner of the buildings on our properties, the Company could face liability for the presence of hazardous materials (e.g., asbestos or lead) or other adverse conditions (e.g., poor indoor air quality) in its buildings. Environmental laws govern the presence, maintenance, and removal of hazardous materials in buildings, and if the Company does not comply with such laws, it could face fines for such noncompliance. Also, the Company could be liable to third parties (e.g., occupants of the

10. Commitments and Contingencies (continued)

buildings) for damages related to exposure to hazardous materials or adverse conditions in its buildings, and the Company could incur material expenses with respect to abatement or remediation of hazardous materials or other adverse conditions in its buildings. In addition, some of the Company's tenants routinely handle and use hazardous or regulated substances and wastes as part of their operations at our properties, which are subject to regulation. Such environmental and health and safety laws and regulations could subject the Company or its tenants to liability resulting from these activities. Environmental liabilities could affect a tenant's ability to make rental payments to the Company, and changes in laws could increase the potential liability for noncompliance. This may result in significant unanticipated expenditures or may otherwise materially and adversely affect the Company's operations. The Company is not aware of any material contingent liabilities, regulatory matters or environmental matters that may exist.

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.

Jon Wheeler v. Wheeler Real Estate Investment Trust, Inc., Circuit Court for the City of Virginia Beach, Virginia. Former CEO, Jon Wheeler, alleged that his employment was improperly terminated and that he was owed severance and bonus payments pursuant to his Employment Agreement. In 2020, The Court found in favor of Jon Wheeler on his claim that his employment was terminated without cause. The Court denied Mr. Wheeler's claims for a bonus and that his termination of employment was wrongful as a violation of public policy. The Court awarded the Company $5 thousand on its counterclaim. At a hearing on September 4, 2020 on Jon Wheeler's motion for the award of attorneys' fees, costs, and pre-judgment interest, the Court awarded Mr. Wheeler the requested costs, but awarded no attorneys' fees and no pre-judgment interest. In total, Mr. Wheeler was awarded $520 thousand. In October 2020, the Company settled with Mr. Wheeler for $500 thousand. Mr. Wheeler preserved his right to appeal the Court's denial of an award of attorneys' fees of $375 thousand and pre-judgment interest of $63 thousand. On June 16, 2021, the Supreme Court granted Mr. Wheeler an appeal on his first assignment of error (i.e., the Circuit Court's refusal to award Mr. Wheeler any attorneys' fees) but denied the appeal as to Mr. Wheeler's claim for prejudgment interest. The parties settled in the amount of $185 thousand on July 28, 2021.

David Kelly v. Wheeler Real Estate Investment Trust, Inc., Circuit Court for the City of Virginia Beach, Virginia. Former CEO David Kelly filed suit on May 28, 2020, alleging breach of his employment contract. Mr. Kelly claims that his employment was improperly terminated, that he is owed severance pay and related benefits pursuant to his employment agreement, and seeks damages of $400 thousand, plus unpaid bonuses and benefits, pre- and post-judgment interest, attorneys' fees, and costs. The Company is defending the action on the grounds that Mr. Kelly's employment was properly terminated for cause and no severance is owed to him. Trial is set for March 2022. At this juncture, the outcome of the matter cannot be predicted.

JCP Investment Partnership LP, et al v. Wheeler Real Estate Investment Trust, Inc., United States District Court for the District of Maryland. On March 22, 2021, JCP Investment Partnership, LP, a Texas limited partnership and stockholder of the Company, JCP Investment Partners, LP, a Texas limited partnership and stockholder of the Company, JCP Investment Holdings, LLC, a Texas limited liability company and stockholder of the Company, and JCP Investment Management, LLC, a Texas limited liability company and stockholder of the Company (collectively, the "JCP Plaintiffs"), filed suit against the Company and certain current and former directors and former officers of the Company (the "Individual Defendants"), in the United States District Court for the District of Maryland. The complaint alleges that the Company amended provisions of its Articles Supplementary in 2018 governing the issuance of the Company's Series D Preferred in violation of Maryland corporate law and without obtaining the consent of preferred stockholders and, therefore, the court should declare the Company's said amendment invalid, enjoin further purportedly unauthorized amendments, and either compel the Company to redeem the JCP Plaintiffs' stock or enter judgment for monetary damages the JCP Plaintiffs purportedly sustained based on the Company's alleged breach of its contractual duties to redeem the JCP Plaintiffs' Series D Preferred. The complaint also alleges certain violations of Section 10(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Rule 10b-5 promulgated thereunder, and alleges that the Individual Defendants violated Section 20(a) of the Exchange Act. The JCP Plaintiffs are each purportedly a holder of the Company's Series D Preferred. The complaint seeks damages, interest, attorneys' fees, other costs and expenses, and such other relief as the court may deem just and equitable. The Company has filed

10. Commitments and Contingencies (continued)

an answer to the complaint denying any liability. The Individual Defendants filed a motion to dismiss the complaint, which was denied. The JCP Plaintiffs have filed a Motion For Partial Summary Judgment, as to which the Company and the Individual Defendants filed oppositions. The Court has not yet ruled on the Motion. At this early juncture, the outcome of the litigation is uncertain.

Steamboat Capital Partners Master Fund, LP and Steamboat Capital Partners II, LP v. Wheeler Real Estate Investment Trust, Inc., Steamboat Capital Partners Master Fund, LP and Steamboat Capital Partners II, LP v. Wheeler Real Estate Investment Trust, Inc., Circuit Court for Baltimore County, Maryland. On October 25, 2021, Steamboat Capital Partners Master Fund, LP, a Cayman Islands exempted limited partnership and stockholder of the Company, and Steamboat Capital Partners II, LP, a Delaware limited partnership and stockholder of the Company, filed suit against the Company in the Circuit Court for Baltimore County, Maryland. The complaint alleges that the Company's rights offering of convertible debt to the Company's common stockholders, and the notes issued pursuant to the rights offering, breached the provisions of the Company's governing documents and violated the rights of the holders of the Series B Preferred and Series D Preferred. Plaintiffs seek relief as follows: require the Company to pay all dividends accrued, as of the date of the rights offering, on the Series B Preferred and Series D Preferred, and prohibit the Company from paying interest on the notes held by the Company's common stockholders (upon exercise of the rights) until all accrued dividends on the Series B Preferred and Series D Preferred are paid. Plaintiffs also seek a declaration that the rights offering by the Company to its common stockholders, which resulted in the issuance of notes, when accrued Series B Preferred dividends and Series D Preferred dividends had not been fully paid, breached the provisions of the Company's governing documents. In addition, the complaint contends that the Company's amendment of its charter to remove the cumulative nature of dividends from the Series B Preferred cannot be applied retroactively. A trial date is set for May 2023. At this juncture, the outcome of the matter cannot be predicted.

Harbor Pointe Tax Increment Financing

On September 1, 2011, the Grove Economic Development Authority issued the Grove Economic Development Authority Tax Increment Revenue Note, Taxable Series 2011 in the amount of $2.42 million, bearing a variable interest rate of 2.29%, not to exceed 14% and payable in 50 semi-annual installments. The proceeds of the bonds were to provide funding for the construction of public infrastructure and other site improvements and to be repaid by incremental additional property taxes generated by development. Harbor Pointe Associates, LLC, then owned by an affiliate of former CEO, Jon Wheeler, entered into an Economic Development Agreement with the Grove Economic Development Authority for this infrastructure development and in the event the ad valorem taxes were insufficient to cover annual debt service, Harbor Pointe Associates, LLC would reimburse the Grove Economic Development Authority (the “Harbor Pointe Agreement”). In 2014, Harbor Pointe Associates, LLC was acquired by the Company.

The total debt service shortfall over the life of the bond is uncertain as it is based on ad valorem taxes, assessed property values, property tax rates, LIBOR and future potential development ranging until 2036. The Company’s future total principal obligation under the Harbor Pointe Agreement will be no more than $2.11 million, the principal amount of the bonds, as of December 31, 2021. In addition, the Company may have an interest obligation on the note based on the principal balance and LIBOR rates in effect at future payment dates. The Company funded approximately $87 thousand and $0 thousand, during the years ended December 31, 2021 and 2020, respectively, in debt service shortfalls. No amounts have been accrued for this as of December 31, 2021 as a reasonable estimate of future debt service shortfalls cannot be determined based on variables noted above.

Tax Protection Agreement

In 2016, in connection with the acquisition of Berkley and Sangaree/Tri-County, the Operating Partnership entered into a tax protection agreement that obligates the Operating Partnership to reimburse Jon Wheeler, the Company's former CEO, for his tax liabilities resulting from the recognition of certain taxable income or gain in the event the Operating Partnership takes certain action prior to November 10, 2023 with respect to Sangaree Plaza, Tri-County Plaza and Berkley. No liability was recorded as of December 31, 2021.

11. Related Party Transactions

The related party amounts below reflect the activity between the Company and its affiliates for the years ended December 31, 2021 and 2020 (in thousands):

	2021	2020
Amounts paid to affiliates	$ 402	$ 106

Reimbursement of Proxy Solicitation Expenses

The Company agreed to reimburse the Stilwell Value Partners VII, L.P., Stilwell Activist Fund, L.P., Stilwell Activist Investments, L.P., Stilwell Value LLC and Joseph Stilwell (collectively, the "Stilwell Group"), for expenses it incurred in connection with the 2019 Stilwell Solicitation. At the 2019 annual meeting, our stockholders elected three nominees designated by the Stilwell Group to the Board of Directors. The Stilwell Group disclosed in the Stilwell Solicitation that it intended to seek reimbursement of the expenses it incurred in connection with such solicitation. This reimbursement was recorded on the consolidated statements of operations as "other expense". During the years ended December 31, 2021 and 2020, the Company reimbursed the Stilwell Group $369 thousand and $70 thousand, respectively, for these costs. As of December 31, 2021, the Company had reimbursed the Stilwell Group in full for these expenses.

12. Subsequent Events

Walnut Hill Plaza

On January 11, 2022, the Company sold Walnut Hill Plaza for a contract price of $1.99 million, resulting in a paydown of $1.79 million on the Walnut Hill Plaza Loan. On February 17, 2022, the Company paid the remaining loan balance of $1.34 million in full.

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries

Schedule II-Valuation and Qualifying Accounts

December 31, 2021

Description	Balance at Beginning of Year	Charged to Costs and Expense	Deductions from Reserves	Balance at End of Year
		(in thousands)		
Allowance for doubtful accounts:				
Year Ended December 31, 2021	$ 994	$ 239	$ (600)	$ 633
Year Ended December 31, 2020	$ 3,293	$ 1,131	$ (3,430)	$ 994

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries

Schedule III-Real Estate and Accumulated Depreciation

December 31, 2021

Property Name	Initial Cost		Costs Capitalized Subsequent to Acquisition		Gross Amount at which Carried at End of Period		
	Land	Building and Improvements	Improvements (net)	Carrying Costs	Land	Building and Improvements	Total
				(in thousands)			
Amscot Building	$ —	$ 462	$ 31	$ —	$ —	$ 493	$ 493
Lumber River Village	800	4,487	158	—	942	4,503	5,445
Surrey Plaza	381	1,857	196	—	381	2,052	2,433
Tuckernuck	2,115	6,719	1,261	—	2,171	7,925	10,096
Twin City Commons	800	3,041	134	—	800	3,175	3,975
Walnut Hill Plaza (1)	634	2,414	1,353	—	634	3,767	4,401
Tampa Festival	4,653	6,691	905	—	4,695	7,554	12,249
Forrest Gallery	3,015	7,455	1,054	—	3,015	8,509	11,524
Winslow Plaza	1,325	3,684	228	—	1,370	3,867	5,237
Clover Plaza	356	1,197	29	—	356	1,226	1,582
St. George Plaza	706	1,264	90	—	752	1,308	2,060
South Square	353	1,911	328	—	479	2,112	2,591
Westland Square	887	1,710	150	—	901	1,846	2,747
Waterway Plaza	1,280	1,248	214	—	1,299	1,443	2,742
Cypress Shopping Center	2,064	4,579	301	—	2,064	4,880	6,944
Harrodsburg Marketplace	1,431	2,485	85	—	1,515	2,486	4,001
Port Crossing Shopping Center	792	6,921	224	—	792	7,145	7,937
LaGrange Marketplace	390	2,648	306	—	430	2,914	3,344
DF I-Courtland (1)	196	—	—	—	196	—	196
DF I-Edenton (1)	746	—	—	—	746	—	746
Freeway Junction	1,521	6,755	89	—	1,521	6,844	8,365
Bryan Station	1,658	2,756	338	—	1,808	2,945	4,753
Crockett Square	1,546	6,834	183	—	1,565	6,998	8,563
Harbor Point (1)	1,538	—	(359)	—	1,179	—	1,179
Pierpont Centre	484	9,221	192	—	686	9,210	9,896
Brook Run Properties	300	—	8	—	300	8	308
Alex City Marketplace	454	7,837	1,820	—	716	9,395	10,111
Butler Square	1,024	6,401	314	—	1,024	6,714	7,738
Brook Run Shopping Center	2,209	12,919	695	—	2,377	13,446	15,823
Beaver Ruin Village	2,604	8,284	117	—	2,619	8,386	11,005
Beaver Ruin Village II	1,153	2,809	5	—	1,153	2,814	3,967
Chesapeake Square	895	4,112	1,045	—	1,269	4,783	6,052
Sunshine Plaza	1,183	6,368	539	—	1,268	6,822	8,090
Barnett Portfolio	3,107	8,912	422	—	3,243	9,198	12,441
Grove Park	722	4,590	121	—	790	4,642	5,432
Parkway Plaza	772	4,230	32	—	778	4,256	5,034
Fort Howard Square	1,890	7,350	314	—	1,952	7,602	9,554
Conyers Crossing	2,034	6,820	239	—	2,034	7,059	9,093
Darien Shopping Center	188	1,054	(17)	—	188	1,037	1,225
Devine Street	365	1,941	(4)	—	365	1,937	2,302
Folly Road	5,992	4,527	24	—	5,992	4,551	10,543
Georgetown	742	1,917	126	—	753	2,031	2,784

Property Name	Initial Cost: Land	Initial Cost: Building and Improvements	Costs Capitalized Subsequent to Acquisition: Improvements (net)	Costs Capitalized Subsequent to Acquisition: Carrying Costs	Gross Amount at which Carried at End of Period: Land	Gross Amount at which Carried at End of Period: Building and Improvements	Gross Amount at which Carried at End of Period: Total
Ladson Crossing	$ 2,981	$ 3,920	$ 83	—	$ 3,052	$ 3,933	$ 6,985
Lake Greenwood Crossing	550	2,499	41	—	550	2,540	3,090
Lake Murray	447	1,537	36	—	447	1,573	2,020
Litchfield I	568	929	76	—	572	1,001	1,573
Litchfield II	568	936	31	—	572	963	1,535
Litchfield Market Village	2,970	4,716	217	—	3,046	4,857	7,903
Moncks Corner	—	1,109	9	—	—	1,118	1,118
Ridgeland	203	376	—	—	203	376	579
Shoppes at Myrtle Park	3,182	5,360	824	—	3,182	6,184	9,366
South Lake	804	2,025	952	—	804	2,977	3,781
South Park	943	2,967	114	—	1,005	3,019	4,024
Sangaree	2,302	2,922	668	—	2,503	3,389	5,892
Tri-County	411	3,421	376	—	635	3,573	4,208
Riverbridge	774	5,384	—	—	774	5,384	6,158
Laburnum Square	3,735	5,929	232	—	3,826	6,069	9,895
Franklin Village	2,608	9,426	134	—	2,674	9,494	12,168
Village at Martinsville	5,208	12,879	692	—	5,228	13,552	18,780
New Market Crossing	993	5,216	363	—	1,042	5,530	6,572
Rivergate Shopping Center	1,537	29,177	1,168	—	1,688	30,195	31,883
JANAF	8,267	66,549	867	—	8,467	67,216	75,683
Totals	$ 94,356	$ 343,687	$ 20,173	$ —	$ 97,388	$ 360,826	$ 458,214

(1) Net of impairment expenses.

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries

Schedule III-Real Estate and Accumulated Depreciation

Property Name	Encumbrances	Accumulated Depreciation	Date of Construction	Date Acquired	Depreciation Life
		(in thousands)			
Amscot Building [2]		$ 253	5/15/2004		5-40 years
Lumber River Village	$ 1,296	1,276		11/16/2012	5-40 years
Surrey Plaza [2]		586		12/21/2012	5-40 years
Tuckernuck	5,052	2,237		11/16/2012	5-40 years
Twin City Commons	2,843	899		12/18/2012	5-40 years
Walnut Hill Plaza	3,145	2,576		12/14/2007	5-15 years
Tampa Festival	7,753	2,149		8/26/2013	5-40 years
Forrest Gallery	8,060	2,526		8/29/2013	5-40 years
Winslow Plaza	4,483	1,091		12/19/2013	5-40 years
Clover Plaza	1,915	277		12/23/2013	5-40 years
St. George Plaza	2,414	301		12/23/2013	5-40 years
South Square	1,966	413		12/23/2013	5-40 years
Westland Square	2,508	385		12/23/2013	5-40 years
Waterway Plaza	2,456	315		12/23/2013	5-40 years
Cypress Shopping Center	6,031	1,037		7/1/2014	5-40 years
Harrodsburg Marketplace	3,267	560		7/1/2014	5-40 years
Port Crossing Shopping Center	5,778	2,070		7/3/2014	5-40 years
LaGrange Marketplace [6]		673		7/25/2014	5-40 years
DF I-Courtland (undeveloped land)		—		8/15/2014	N/A
Edenton Commons (undeveloped land)		—		8/15/2014	N/A
Freeway Junction	7,431	1,492		9/4/2014	5-40 years
Bryan Station	4,226	669		10/2/2014	5-40 years
Crockett Square	6,338	1,592		11/5/2014	5-40 years
Harbor Point (undeveloped land)		—		11/21/2014	N/A
Pierpont Centre	7,861	1,916		1/14/2015	5-40 years
Brook Run Properties (undeveloped land)		—		3/27/2015	N/A
Alex City Marketplace	5,750	2,015		4/1/2015	5-40 years
Butler Square	5,640	1,226		4/15/2015	5-40 years
Brook Run Shopping Center	10,950	4,116		6/2/2015	5-40 years
Beaver Ruin Village [3]		1,518		7/1/2015	5-40 years
Beaver Ruin Village II [3]		511		7/1/2015	5-40 years
Chesapeake Square	4,192	1,182		7/10/2015	5-40 years
Sunshine Plaza	5,900	1,300		7/21/2015	5-40 years
Barnett Portfolio	8,770	1,818		8/21/2015	5-40 years
Grove Park	3,800	972		9/9/2015	5-40 years
Parkway Plaza	3,500	807		9/15/2015	5-40 years
Fort Howard Square	7,100	1,364		9/30/2015	5-40 years
Conyers Crossing	5,960	1,485		9/30/2015	5-40 years
Darien Shopping Center		153		4/12/2016	5-40 years
Devine Street		300		4/12/2016	5-40 years

Property Name	Encumbrances	Accumulated Depreciation	Date of Construction	Date Acquired	Depreciation Life
		(in thousands)			
Folly Road	$ 7,063	$ 734		4/12/2016	5-40 years
Georgetown [6]		328		4/12/2016	5-40 years
Ladson Crossing [5]		660		4/12/2016	5-40 years
Lake Greenwood Crossing [5]		417		4/12/2016	5-40 years
Lake Murray		275		4/12/2016	5-40 years
Litchfield I [4]		186		4/12/2016	5-40 years
Litchfield II [4]		157		4/12/2016	5-40 years
Litchfield Market Village [4]		820		4/12/2016	5-40 years
Moncks Corner		196		4/12/2016	5-40 years
Ridgeland [6]		78		4/12/2016	5-40 years
Shoppes at Myrtle Park	5,757	1,147		4/12/2016	5-40 years
South Lake		404		4/12/2016	5-40 years
South Park [5]		480		4/12/2016	5-40 years
Sangaree [1]		802		11/10/2016	5-40 years
Tri-County [1]		662		11/10/2016	5-40 years
Riverbridge	4,000	875		11/15/2016	5-40 years
Laburnum Square	7,665	983		12/7/2016	5-40 years
Franklin Village	8,277	1,338		12/12/2016	5-40 years
Village at Martinsville	15,589	2,255		12/16/2016	5-40 years
New Market Crossing	6,291	855		12/20/2016	5-40 years
Rivergate Shopping Center	18,430	4,261		12/21/2016	5-40 years
JANAF Shopping Center	57,726	7,785		1/18/2018	5-40 years
Totals		$ 69,758			

(1) Properties secure a $6.2 million mortgage note.
(2) Properties secure a $789 thousand mortgage note.
(3) Properties secure a $9.4 million mortgage note.
(4) Properties secure a $7.3 million mortgage note.
(5) Properties secure a $6.9 million mortgage note.
(6) Properties secure a $5.5 million mortgage note.

Schedule III-Real Estate and Accumulated Depreciation (Continued)

	2021	2020
	(in thousands)	
Balance at beginning of period	$ 464,814	$ 468,499
Additions during the period:		
Acquisitions	—	—
Improvements	4,997	3,066
Impairments	(2,300)	(600)
Disposals	(9,297)	(6,151)
Balance at end of period	$ 458,214	$ 464,814

Exhibit	
3.1	Articles of Amendment and Restatement of the Registrant (Filed as exhibit to Form 8-K, filed on August 8, 2016).
3.2	Articles of Supplementary of the Registrant dated September 16, 2016 (Filed as exhibit to Form 8-K, filed on September 20, 2016).
3.3	Articles of Supplementary of the Registrant dated December 1, 2016 (Filed as exhibit to Form 8-K, filed on December 5, 2016).
3.4	Articles of Amendment and Restatement, effective March 31, 2017 (Filed as exhibit to Form 8-K, filed on April 3, 2017).
3.5	Articles of Amendment and Restatement, effective March 31, 2017 (Filed as exhibit to Form 8-K, filed on April 3, 2017).
3.6	Articles of Amendment of Wheeler Real Estate Investment Trust, Inc. (Filed as exhibit to Form 8-K, filed on May 29, 2020).
3.7	Amended and Restated Bylaws of Registrant (Filed as exhibit to Form S-11/A (Registration No. 333-177262) previously filed on February 14, 2012 pursuant to the Securities Act of 1933).
3.8	Bylaws of Wheeler Real Estate Investment Trust, Inc., as amended (Filed as exhibit to Form 8-K, filed on May 29, 2020).
3.9	Certificate of Correction of Articles Supplementary (Filed as exhibit to Form 8-K, filed on May 4, 2018).
3.10	Amended and Restated Agreement of Limited Partnership of Wheeler REIT, L.P. (Filed as exhibit to Form S-11 (Registration No. 333-198245) previously filed on August 20, 2014 pursuant to the Securities Act of 1933).
3.11	Amendment to the Amended and Restated Agreement of Limited Partnership of Wheeler REIT, L.P. Designation of Series A Convertible Preferred Units (Filed as exhibit to Form 8-K, filed on April 15, 2015).
3.12	Amendment to the Amended and Restated Agreement of Limited Partnership of Wheeler REIT, L.P. Amended Designation of Series B Convertible Preferred Units (Filed as exhibit to Form 8-K, filed on July 15, 2016).
3.13	Amendment to the Amended and Restated Agreement of Limited Partnership of Wheeler REIT, L.P. Designation of Series D Cumulative Convertible Preferred Units (Filed as exhibit to Form 8-K, filed on September 20, 2016).
3.14	Amendment to the Amended and Restated Agreement of Limited Partnership of Wheeler REIT, L.P. Amended Designation of Additional Series D Cumulative Convertible Preferred Units (Filed as exhibit to Form 8-K, filed on December 5, 2016).
3.15	Amendment to the Amended and Restated Agreement of Limited Partnership of Wheeler REIT, L.P. (Filed as exhibit to Form 8-K, filed on September 5, 2019).
3.16	Amendment to the Amended and Restated Agreement of Limited Partnership of Wheeler REIT, L.P., dated December 22, 2020 (Filed as an exhibit to Form 8-K, filed on December 23, 2020).
3.17	Amendment to the Amended and Restated Agreement of Limited Partnership of Wheeler REIT, L.P, dated March 12, 2021 (Filed as an exhibit to Form 8-K, filed on March 12, 2021).
3.18	Articles of Supplementary of the Registrant dated July 6, 2021 (Filed as an exhibit to Form 8-K, filed on July 8, 2021).
3.19	Articles of Amendment of Wheeler Real Estate Investment Trust, Inc. (Filed as an exhibit to Form 8-K, filed on November 5, 2021).
3.20	Articles of Amendment of Wheeler Real Estate Investment Trust, Inc. (Filed as an exhibit to Form 8-K, filed on November29, 2021).
4.1	Form of Certificate of Common Stock of Registrant (Filed as exhibit to Form 8-K, filed on April 3, 2017).
4.2	Form of Certificate of Series B Preferred Stock of Registrant (Filed as exhibit to Form S-11/A (Registration No. 333-194831) previously filed on April 23, 2014 pursuant to the Securities Act of 1933).

4.3	Form of Certificate of Series D Preferred Stock of the Registrant (Filed as exhibit to Form 8-K, filed on September 20, 2016).
4.4	Description of Securities (Filed herewith).
4.5	Common Stock Purchase Warrant, dated December 22, 2020 (Filed as an exhibit to Form 8-K, filed on December 23, 2020).
4.6	Form of Common Stock Purchase Warrant, dated March 12, 2021 (Filed as an exhibit to Form 8-K, filed on March 12, 2021).
4.7	Indenture, dated as of August 13, 2021 between Wheeler Real Estate Investment Trust Inc. and Wilmington Savings Fund Society, FSB., as trustee (including form of Note). (Filed as an exhibit to Form 8-K, filed on August 16, 2021).
10.1	Wheeler Real Estate Investment Trust, Inc. 2015 Long-Term Incentive Plan (Filed as exhibit to Form 8-K, filed on June 8, 2015).
10.2	Wheeler Real Estate Investment Trust, Inc. 2016 Long-Term Incentive Plan (Filed as exhibit to Form 8-K, filed on June 16, 2016).
10.3	Employment Agreement with M. Andrew Franklin (Filed as exhibit to Form 8-K, filed on February 20, 2018).
10.4	Employment Agreement with Crystal Plum (Filed as exhibit to Form 8-K, filed on February 20, 2020).
10.5	Shareholders Rights Agreement, dated March 19, 2015, by and between Wheeler Real Estate Investment Trust, Inc. and Westport Capital Partners LLC as agent on behalf of certain investor (Filed as exhibit to Form 8-K, filed on March 19, 2015).
10.6	Tax Protection Agreement dated February 8, 2017 (Filed as exhibit to Form 8-K, filed on February 10, 2017).
10.7	Registration Rights Agreement, dated December 22, 2020 (Filed as an exhibit to Form 8-K, filed on December 23, 2020).
10.8	Registration Rights Agreement dated March 12, 2021, (Filed as an exhibit to Form 8-K, filed on March 12, 2021).
10.9	Amended and Restated Employment Agreement, by and between Wheeler Real Estate Investment Trust, Inc. and Crystal Plum, dated as of August 13, 2021 (Filed as an exhibit to Form 8-K on August 17, 2021).
21.1	Subsidiaries of Registrant (Filed herewith).
23.1	Consent of Cherry Bekaert LLP (Filed herewith).
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	Instance Document (Filed herewith).
101.SCH	XBRL Taxonomy Extension Schema Document (Filed herewith).
101.CAL	XBRL Taxonomy Extension Calculation Linkbase (Filed herewith).
101.DEF	XBRL Taxonomy Extension Definition Linkbase (Filed herewith).
101.LAB	XBRL Taxonomy Extension Labels Linkbase (Filed herewith).
101.PRE	XBRL Taxonomy Extension Presentation Linkbase (Filed herewith).

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended 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/ M. Andrew Franklin

M. Andrew Franklin
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Crystal Plum

Crystal Plum
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Date: February 28, 2022

POWER OF ATTORNEY

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons on behalf of the Registrant and in the capacity and on the dates indicated. Each person whose signature appears below hereby constitutes and appoints each of M. Andrew Franklin and Crystal Plum as his or her attorney-in-fact and agent, with full power of substitution and resubstitution for him or her in any and all capacities, to sign any or all amendments to this Report and to file same, with exhibits thereto and other documents in connection therewith, granting unto such attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary in connection with such matters and hereby ratifying and confirming all that such attorney-in-fact and agent or his or her substitutes may do or cause to be done by virtue hereof.

Signature	Title	Date
/S/ M. ANDREW FRANKLIN M. Andrew Franklin	CEO and President (Principal Executive Officer)	February 28, 2022
/S/ CRYSTAL PLUM Crystal Plum	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	February 28, 2022
/S/ STEFANI D. CARTER Stefani D. Carter	Chair of Board	February 28, 2022
/S/ SAVERIO M FLEMMA Saverio M Flemma	Director	February 28, 2022
/S/ MICHELLE D. BERGMAN Michelle D. Bergman	Director	February 28, 2022
/S/ JOSEPH D. STILWELL Joseph D. Stilwell	Director	February 28, 2022
/S/ PAULA J. POSKON Paula J. Poskon	Director	February 28, 2022

/S/ KERRY G. CAMPBELL Kerry G. Campbell	Director	February 28, 2022
/S/ E.J. BORRACK E.J. Borrack	Director	February 28, 2022

Exhibit 4.4

Description of Securities

Registered Pursuant to Section 12 of the Securities Exchange Act of 1934

As of December 31, 2021, Wheeler Real Estate Investment Trust, Inc. ("WHLR", the "Company" or "our") had five classes of securities: our common stock, par value $0.01 per share ("Common Stock"), Series A Preferred Stock, no par value per share ("Series A Preferred"); Series B Convertible Preferred Stock, no par value per share ("Series B Preferred"); Series D Cumulative Convertible Preferred Stock, no par value per share ("Series D Preferred") and 7.00% Senior Subordinated Convertible Notes due 2031 (the "Notes"). Series A Preferred, Series B Preferred and Series D Preferred are collectively referred to "Preferred Stock" hereinafter. As of December 31, 2021, the Company had authority to issue 215,000,000 shares of stock consisting of the following:

- 200,000,000 Common Stock authorized, 9,720,532 of which were issued and outstanding;
- 4,500 Series A Preferred authorized, 562 of which were issued and outstanding;
- 5,000,000 Series B Preferred authorized, 1,872,448 of which were issued and outstanding; and
- 6,000,000 Series D Preferred authorized, 3,152,392 of which were issued and outstanding.

Our Common Stock, Series B Preferred, Series D Preferred, and the Notes are registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Act") on the Nasdaq Capital Market exchange. The following is a summary of each class of our securities registered under the Act and is subject to, and qualified in its entirety by reference to the provisions of our Amended and Restated Articles of Incorporation (the "Charter"), Supplementary Articles, as amended and restated and our by-laws, as amended and restated (the "By-Laws"), copies of which are incorporated by reference within the Exhibits to our Annual Report on Form 10-K for the year ended December 31, 2021 of which this Exhibit 4.4 is a part. Our Series A Preferred stock is not registered on an exchange for trading and is not included in the following description.

Common Stock

Pursuant to Article V of our Charter, each share of Common Stock shall entitle the holder thereof to one vote. The Board of Directors of the Company (the "Board") may reclassify any unissued shares of Common Stock from time to time in one or more classes or series of stock.

With respect to dividend payments and distribution of the Company's assets upon redemption and upon the voluntary or involuntary liquidation, dissolution or winding up of the Company, the holders of shares of our Common Stock are subject to the prior rights of the holders of any shares of our Preferred Stock.

When and if declared by the Board, the holders of shares of Common Stock are subject to prior rights of the holders of any shares of our Preferred Stock for any dividends declared, paid upon or set aside for the Common Stock in any such year, dividends in cash, stock or otherwise. Any dividends on our Series D Preferred declared, but not paid shall be cumulative. No deposit, payment, dividend or distribution of any kind shall be made with respect to the Common Stock unless all dividends payable on the Preferred Stock have been paid.

Preferred Stock

In the event of (i) any voluntary or involuntary liquidation, winding up or dissolution of the Company or (ii) any sale or transfer by the Company of all or substantially all of its assets, the holders of Preferred Stock shall be entitled to receive, prior to and in preference of any distribution or payment upon the Common Stock, an amount per share of Preferred Stock equal to the sum of the Preferred Stock purchase price plus any accrued but unpaid dividends thereon. To the extent the assets and funds available for distribution after payment of all required obligations of the Company are insufficient to make such payment, then the entire assets and funds available for distribution shall be distributed ratably among the holders of the Preferred Stock. Any amounts remaining after payment in full of the holders of the Preferred Stock shall be distributed ratably among the holders of the Common Stock.

Series B Preferred

Holders of Series B Preferred shares have the right to receive, only when and as authorized by the Board of Directors and declared by the Corporation, out of funds legally available for the payment of dividends, cash dividends, at a rate of 9% per annum of the $25 liquidation preference per share. The Series B Preferred has no redemption rights. However, the Series B Preferred is subject to a mandatory conversion once the 20-trading day volume-weighted average closing price of our Common Stock, $0.01 par value per share, exceeds $58 per share; once this weighted average closing price is met, each share of our Series B Preferred will automatically convert into shares of our Common Stock at a conversion price equal to $40.00 per share. In addition, holders of our Series B Preferred also have the option, at any time, to convert shares of our Series B Preferred into shares of our Common Stock at a conversion price of $40.00 per share of Common Stock. Upon any voluntary or involuntary liquidation, dissolution or winding up of our company, the holders of shares of our Series B Preferred shall be entitled to be paid out of our assets a liquidation preference of $25.00 per share. The Series Preferred B has no maturity date and will remain outstanding indefinitely unless subject to a mandatory or voluntary conversion as described above. Holders of Series B Preferred Stock have no voting rights except as provided by law.

Series D Preferred

The Series D Preferred has a $25.00 liquidation preference per share. Until September 21, 2023, the holders of the Series D Preferred are entitled to receive cumulative cash dividends at a rate of 8.75% per annum of the $25.00 liquidation preference per share (equivalent to the fixed annual amount of $2.1875 per share) (the “Initial Rate”). Commencing September 21, 2023, the holder’s will be entitled to cumulative cash dividends at an annual dividend rate of the Initial Rate increased by 2% of the liquidation preference per annum on each subsequent anniversary thereafter, subject to a maximum annual dividend rate of 14%. Dividends are payable quarterly in arrears on or before January 15th, April 15th, July 15th and October 15th of each year. On or after September 21, 2021, the Company, may at its option, redeem the Series D Preferred, for cash 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 redemption date. The holder of the Series D Preferred may convert shares at any time into shares of the Company’s Common Stock at an initial conversion rate of $16.96 per share of Common Stock. On September 21, 2023, the holders of the Series D Preferred may, at their option, elect to cause the Company to redeem any or all of their shares 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 redemption date, payable in cash or in shares of Common Stock, or any combination thereof, at the holder’s option.

The Series D Preferred requires the Company maintain asset coverage of at least 200%. If we fail to maintain asset coverage of at least 200% calculated by determining the percentage value of (i) our total assets plus accumulated depreciation and accumulated amortization minus our total liabilities and indebtedness as reported in our financial statements prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) (exclusive of the book value of any Redeemable and Term Preferred Stock (defined below)) over (ii) the aggregate liquidation preference, plus an amount equal to all accrued and unpaid dividends, of outstanding shares of our Series D Preferred Stock and any outstanding shares of term preferred stock or preferred stock providing for a fixed mandatory redemption date or maturity date (collectively referred to as “Redeemable and Term Preferred Stock”) on the last business day of any calendar quarter (“Asset Coverage Ratio”), and such failure is not cured by the close of business on the date that is 30 calendar days following the filing date of our Annual Report on Form 10-K or Quarterly Report on Form 10-Q, as applicable, for that quarter, or the “Asset Coverage Cure Date,” then we will be required to redeem, within 90 calendar days of the Asset Coverage Cure Date, shares of Redeemable and Term Preferred Stock, which may include Series D Preferred Stock, at least equal to the lesser of (i) the minimum number of shares of Redeemable and Term Preferred Stock that will result in us having a coverage ratio of at least 200% and (ii) the maximum number of shares of Redeemable and Term Preferred Stock that can be redeemed solely out of funds legally available for such redemption. In connection with any redemption for failure to maintain the Asset Coverage Ratio, we may, in our sole option, redeem any shares of Redeemable and Term Preferred Stock we select, including on a non-pro rata basis. We may elect not to redeem any Series D Preferred Stock to cure such failure as long as we cure our failure to meet the Asset Coverage Ratio by or on the Asset Coverage Cure Date. If shares of Series D Preferred Stock are to be redeemed for failure to maintain the Asset Coverage Ratio, such shares will be redeemed solely in cash at a redemption price equal to $25.00 per share plus an amount equal to all accrued but unpaid dividends, if any, on such shares (whether or not declared) to and including the redemption date.

Dividends on the Series D Preferred cumulate from the end of the most recent dividend period for which dividends have been paid. Dividends on the Series D Preferred cumulate whether or not (i) we have earnings, (ii) there are funds legally available for the payment of such dividends and (iii) such dividends are authorized by the Board or declared by us. Dividends on the Series D Preferred Stock do not bear interest. If the Company, fails to pay any dividend within three (3) business days after the payment date for such dividend, the then-current dividend rate increases following the payment date by an additional 2.0% of the $25.00 stated liquidation preference per share, or $0.50 per annum, until we pay the dividend, subject to our ability to cure the failure. On December 20, 2018, the Company suspended the Series D Preferred dividend. As such, the Series D Preferred shares began accumulating dividends at 10.75% beginning January 1, 2019 and will continue to accumulate dividends at this rate until all accumulated dividends have been paid.

Holders of shares of the Series D Preferred have no voting rights. However, if dividends on the Series D Preferred are in arrears for six or more consecutive quarterly periods, the number of directors on the Board will automatically be increased by two, and holders of shares of the Series D Preferred and the holders of shares of Parity Preferred Stock upon which like voting rights have been conferred and are exercisable (voting together as a single class) will be entitled to vote, at a special meeting called upon the written request of the holders of at least 20% of such stock or at our next annual meeting and at each subsequent annual meeting of stockholders, for the election of two additional directors to serve on the Board, until all unpaid dividends on such Series D Preferred and Parity Preferred Stock, if any, have been paid or declared and a sum sufficient for the payment thereof set apart for payment. The Series D Preferred Directors will be elected by a plurality of the votes cast in the election. The Board of Directors is not permitted to fill the vacancies on the Board of Directors as a result of the failure of the holders of 20% of the Series D Preferred and Parity Preferred Stock to deliver such written request for the election of the Series D Preferred Directors. In addition, holders of shares of the Series D Preferred shall have the right to vote to approve any amendment to the terms of the Series D Preferred Stock. Any such amendment of the terms of the Series D Preferred Stock requires the affirmative vote of two-thirds of the shares of Series D Preferred Stock issued and outstanding.

7.00% Senior Subordinated Convertible Notes due 2031

This section includes a description of the material terms of the Notes and the indenture, dated as of August 13, 2021, among the Company, as Issuer, and Wilmington Savings Fund Society, FSB, as Trustee (the “Indenture”). Because this section is a summary, however, it does not describe every aspect of the Notes and the Indenture. The Indenture, and not this Exhibit, defines a holder’s rights as a holder of the Notes. The Indenture has been incorporated by reference as an exhibit to our Annual Report on Form 10-K for the year ended December 31, 2021 of which this Exhibit 4.4 is a part. All capitalized terms used herein shall have the meaning set forth in the Indenture.

General

On August 13, 2021, we issued $30,000,000 in aggregate principal amount of Notes under the Indenture and as of December 31, 2021, we had $30,000,000 in aggregate principal amount of the Notes registered under Section 12 of the Act outstanding, as well as a further $3,000,000 in aggregate principal amount of the Notes issued pursuant to an exemption under Section 4(a)(2) of the Securities Act of 1933, as amended. We have listed the Notes on Nasdaq Capital Market under the trading symbol “WHLRL”. The Notes were issued under the Indenture.

The stated maturity of the Notes is December 31, 2031. Interest on the Notes is payable semi-annually on June 30 and December 31 of each year starting on December 31, 2021 to holders of record at the close of business on the preceding June 1 and December 1, respectively. Interest will accrue on the Notes at a rate of 7.0% per annum. Interest will accrue on the Notes from and including the issuance date or from, and including, the last date in respect of which interest has been paid or provided for, as the case may be, to, but excluding, the next interest payment date or the maturity date, as the case may be. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months, until the principal thereof is paid or duly provided for. Interest on any overdue principal, interest (to the extent lawful) or premium, if any, shall be payable on demand in the form as provided in Article Fourteen the Indenture. We issued the Notes in denominations of $25. The holders of the Notes will not have the option to have the Notes repaid prior to the stated maturity date.

Covenants

The Indenture contains standard covenants relating to, among other things, payment of principal and interest, maintaining an office where payments may be made or securities can be surrendered for payment and related matters, holding money for note payments in trust, maintenance of existence, maintenance of properties, payment of taxes, compliance with laws, notices to the trustee regarding certain matters and delivery of certain reports to the holders.

Trustee

The Trustee for the Notes is Wilmington Savings Fund Society, FSB, and we have initially appointed the Trustee as the paying agent, conversion agent and registrar with regard to the Notes. Except during the continuance of an event of default, the Trustee will perform only such duties as are specifically set forth in the Indenture.

The Trustee is not obligated to exercise any of its rights or powers at the request or demand of the holders of the Notes, unless the holders of the Notes have offered to the Trustee security or indemnity that is satisfactory to the Trustee against the costs, expenses and liabilities that the Trustee may incur to comply with the request or demand. Subject to applicable law and the Trustee's rights to indemnification, the holders of a majority in aggregate principal amount of the outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee.

Optional Redemption

After January 1, 2024, the Company may redeem the Notes, in whole or from time to time in part, at the Company's option at a redemption price equal to 100% of the principal amount thereof plus accrued and unpaid interest as of the redemption date (the "Redemption Price"). The Redemption Price may be paid: (a) in cash; (b) in shares of Common Stock; or (c) in any combination of (a) and (b). For purposes of determining the value of Common Stock paid as all or part of the Redemption Price, each share of Common Stock shall be deemed to have a value equal to the product of (x) the average of the per share volume-weighted average prices for the Common Stock for the 15 consecutive trading days ending on the third business day immediately preceding the relevant redemption date and (y) 0.55.

Conversion and Exchange

Upon a change of control, each Note will mandatorily convert into shares of the Common Stock equal to: (i) the principal amount of each Note divided by (ii) the product of (x) the average of the per share volume-weighted average prices for Common Stock for the 15 consecutive trading days ending on the third business day immediately preceding the date of such change of control, and (y) 0.55. On the maturity date, in lieu of paying the principal of the Note in cash, the Company may elect to pay such principal: (a) in cash; (b) in shares of Common Stock; or (c) in any combination of (a) or (b). To the extent principal is paid in shares of Common Stock each share of Common Stock shall be deemed to have a value equal to the product of (x) the average of the per share volume-weighted average prices for Common Stock for the 15 consecutive trading days ending on the third business day preceding the maturity date and (y) 0.55.

The Notes are convertible, in whole or in part, at any time, at the option of the holders of the Notes, into shares of Common Stock at a conversion price of $6.25 per share of Common Stock (the "Conversion Price"); provided, however, that if at any time after September 21, 2023, holders of the Series D Preferred Stock have required the Company to redeem (payable in cash or stock) in the aggregate at least 100,000 shares of Series D Preferred Stock, then the Conversion Price will be adjusted to the lower of (i) 55% of the Conversion Price or (ii) a 45% discount to the lowest price at which any Series D Preferred Stock was converted into Common Stock.

Ranking

The Notes are subordinate and junior in right of payment to the Company's obligations to the holders of senior indebtedness, and that in the case of any insolvency, receivership, conservatorship, reorganization, readjustment of debt, marshalling of assets and liabilities or similar proceedings or any liquidation or winding-up of or relating to the Company as a whole, whether voluntary or involuntary, all obligations to holders of senior indebtedness shall be entitled to be paid in full before any payment shall be made on account of the principal or interest on the Notes.

Events of Default

The Indenture provides that an Event of Default means that one or more of the following events has occurred and is continuing with respect to the Notes:

a. failure to pay the principal of or premium, if any, on any Note;
b. failure to pay an installment of interest on any Note when due, if the failure continues for 30 days after the date when due;
c. failure to timely provide notice with respect to any conversion or redemption of the Notes or failure to timely provide shares of Common Stock upon conversion of the Notes
d. failure to comply with any other term, covenant or agreement contained in the Notes or the Indenture, if the failure is not cured within 60 days after notice to the Company by the Trustee or to the Trustee and the Company by holders of at least 25% in aggregate principal amount of the applicable Notes then outstanding, in accordance with the Indenture;
e. voluntary insolvency of the Company or any of its material subsidiaries;
f. involuntary insolvency of the Company or any of its material subsidiaries if unstayed for at least 60 days.

If an Event of Default shall occur and be continuing with respect to the Notes, except for the events of default relating to bankruptcy proceedings, either the Trustee, by notice to the Company, or the holders of at least 25% in aggregate principal amount of the Notes outstanding, by notice to the Company and the Trustee, may declare the principal of, (and premium, if any) accrued and unpaid interest on, all the then outstanding Notes to be immediately due and payable in cash.

Modification and Waiver

With the written consent of the holders of at least a majority in aggregate principal amount of the outstanding Notes delivered to the Company and the Trustee , the Company and the Trustee may amend or supplement the Indenture or the Notes for the purpose of adding any provisions hereto or thereto, changing in any manner or eliminating any of the provisions thereunder or of modifying in any manner the rights of the holders thereunder and any existing Default or Event of Default or compliance with any provision of the Indenture or the Notes may be waived with the consent of the holders of not less than a majority in aggregate principal amount of the outstanding Notes, other than Notes beneficially owned by the Company or its affiliates; provided, however, that no such amendment, supplement or waiver shall, without the consent of the holder of each outstanding Note affected thereby (with respect to any Notes held by a nonconsenting holder):

a. change the stated maturity of the principal of, or the payment date of any installment of interest on, or any additional amounts with respect to, any Note;
b. reduce the principal amount of, or any premium or interest on, any Note;
c. change the manner, consideration or currency of payment of principal of, or any premium or interest on, any Note;
d. impair the right to institute a suit for the enforcement of any payment on, or with respect to, or of the conversion of, any Note;
e. modify, in a manner adverse to the holders, the provisions of the Indenture relating to the Redemption Price or the Company's obligation to pay the Redemption Price when due;

f. modify the ranking provisions of the Indenture, relative to other indebtedness of the Company in a manner adverse to the holders;
g. reduce the percentage in aggregate principal amount of Outstanding Notes whose holders must consent to a modification or amendment of the Indenture or the Notes;
h. reduce the percentage in aggregate principal amount of Outstanding Notes whose holders must consent to a waiver of compliance with any provision of the Indenture or the Notes or a waiver of any Default or Event of Default; or
i. modify the provisions of the Indenture with respect to modification and waiver (including waiver of a Default or Event of Default), except to increase the percentage required for modification or waiver or to provide for the consent of each affected holder.

Exhibit 21.1

SUBSIDIARIES OF THE REGISTRANT

Wheeler Development, LLC
Wheeler Interests, LLC,
Wheeler Real Estate, LLC
WHLR Management, LLC
Brook Run Associates, LLC
Chesapeake Square Associates, LLC
DF I - Courtland, LLC
DF I - Moyock II, LLC
Harbor Point Associates, LLC
LaGrange Associates, LLC
Lumber River Associates, LLC
Northpointe Investors, LLC
PCSC Associates, LLC
Perimeter Associates, LLC
Riversedge Office Associates, LLC
Tuckernuck Associates, LLC
Walnut Hill Plaza Associates, LLC
WD III Associates, LLC
WHLR - Alex City Marketplace, LLC
WHLR - Beaver Ruin Village II, LLC
WHLR - Beaver Ruin Village, LLC
WHLR - Brook Run Property, LLC
WHLR - Bryan Station LLC
WHLR - Butler Square, LLC
WHLR - Cardinal Plaza, LLC
WHLR - Carolina Place, LLC
WHLR - Clover LLC
WHLR - Columbia Fire House, LLC
WHLR - Conyers Crossing, LLC
WHLR - Crockett Square, LLC
WHLR - Cypress LLC
WHLR - Darien, LLC
WHLR - Devine Street, LLC
WHLR - Folly Road Crossing, LLC
WHLR - Ft. Howard Square, LLC
WHLR - Franklinton Square, LLC
WHLR - Freeway Junction LLC
WHLR - Georgetown, LLC
WHLR - Grove Park, LLC
WHLR - Harrodsburg Marketplace LLC
WHLR - Ladson Crossing, LLC
WHLR - Lake Greenwood Crossing, LLC
WHLR - Lake Murray, LLC
WHLR - Litchfield Market Village, LLC
WHLR - Moncks Corner, LLC
WHLR - Mullins South Park, LLC
WHLR - Nashville Commons, LLC
WHLR - Parkway Plaza, LLC
WHLR - Pierpont Center, LLC
WHLR - Ridgeland, LLC
WHLR - Shoppes at Myrtle Park, LLC
WHLR - South Lake Pointe, LLC
WHLR - South Square LLC
WHLR - St. George LLC
WHLR - St. Matthews, LLC
WHLR - Sunshine Shopping Plaza, LLC
WHLR - Waterway LLC

WHLR - Westland LLC
WHLR - Winslow LLC
WHLR - Berkley, LLC
WHLR - Forrest Gallery, LLC
Jenks Plaza Associates, LLC
Surrey Plaza Associates, LLC
WHLR - Tampa Festival, LLC
WHLR - Twin City Associates, LLC
WHLR - Graystone Crossing LLC
South Main Street Associates, LLC
WHLR - Sangaree Associates, LLC
WHLR - TriCounty Associates, LLC
WHLR - LaGrange, LLC
WHLR - Riverbridge Shopping Center, LLC
WHLR - Rivergate, LLC
WHLR - Franklin Village, LLC
WHLR - Laburnum Square, LLC
WHLR - Village of Martinsville, LLC
WHLR - New Market Crossing, LLC
WHLR - JANAF, LLC
WHLR - JANAF BRAVO, LLC
WHLR - JANAF BJ’s, LLC
WHLR - JANAF OFFICE, LLC
WHLR – Pierpont Center, LLC

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries
Virginia Beach, Virginia

We hereby consent to the incorporation by reference in the Registration Statements of Wheeler Real Estate Investment Trust, Inc. (the “Company”), on Form S-11 (Nos. 333-189363, 333-256015, 333-177262, 333-194831, 333-198245, and 333-256699), Form S-3 (Nos. 333-194252, 333-189887, 333-203563, 333-207241, 333-212426, 333-206014, 333-213294, 333-211506, 333-193563, 333-221877, and 333-222971), Form S-4 (No. 333-204957), and Form S-8 (Nos. 333-205845 and 333-213102) of our report dated February 28, 2022, relating to the consolidated financial statements and consolidated financial statement schedules as of December 31, 2021 and 2020 and for each of the years in the two-year period ended December 31, 2021, which appears in the Company’s annual report on Form 10-K.

/s/ Cherry Bekaert LLP

Virginia Beach, Virginia
February 28, 2022

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, M. Andrew Franklin, certify that:

1. I have reviewed this annual report on Form 10-K 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: February 28, 2022

/s/ M. Andrew Franklin

M. Andrew Franklin
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Crystal Plum, certify that:

1. I have reviewed this annual report on Form 10-K 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: February 28, 2022

/s/ Crystal Plum

Crystal Plum

Chief Financial Officer

Exhibit 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

The undersigned, M. Andrew Franklin, Chief Executive Officer of Wheeler Real Estate Investment Trust, Inc. (the "Company"), certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Annual Report on Form 10-K of the Company for the year ended December 31, 2021 ("the Report") fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ M. Andrew Franklin

M. Andrew Franklin
Chief Executive Officer

Date: February 28, 2022

Exhibit 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**

The undersigned, Crystal Plum, Chief Financial Officer of Wheeler Real Estate Investment Trust, Inc. (the “Company”), certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Annual Report on Form 10-K of the Company for the year ended December 31, 2021 (“the Report”) fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Crystal Plum

Crystal Plum
Chief Financial Officer

Date: February 28, 2022