**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, 2023**

**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: 001-40896**

**INVENTRUST PROPERTIES CORP.**

(Exact name of registrant as specified in its charter)

| | |
|---|---|
| **Maryland** | **34-2019608** |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| **3025 Highland Parkway, Suite 350**<br>**Downers Grove, Illinois 60515** | **(855) 377-0510** |
| (Address of principal executive offices) (Zipcode) | (Registrant's telephone number, including area code) |

InvenTrust Properties

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

| Title of each class | Trading Symbol | Name of each exchange on which registered |
|---|---|---|
| Common stock, $0.001 par value | IVT | New York Stock Exchange |

**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 the 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 (Section 232.405 of this chapter) 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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | | | |
|---|---|---|---|---|---|
| Large accelerated filer | ☒ | Accelerated filer | ☐ | Emerging growth company | ☐ |
| Non-accelerated filer | ☐ | Smaller reporting 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. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to Section 240.10D-1(b). ☐

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, 2023, the aggregate market value of the voting and non-voting common stock held by non-affiliates of InvenTrust Properties Corp. was approximately $1.6 billion, based upon the closing price on the New York Stock Exchange for such equity on June 30, 2023.

As of February 1, 2024, there were 67,807,831 shares of the registrant's common stock outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

Part III incorporates by reference certain information that will be contained in InvenTrust Properties Corp.'s Proxy Statement relating to its 2023 Annual Meeting of Stockholders, which InvenTrust Properties Corp. intends to file no later than 120 days after the end of its fiscal year ended December 31, 2023, and thus these items have been omitted in accordance with General Instruction G(3) to Form 10-K.

**INVENTRUST PROPERTIES CORP.**

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## FORWARD-LOOKING STATEMENTS

Certain statements in this Annual Report on Form 10-K ("Annual Report"), other than purely historical information, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended ("Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"). These statements include statements about InvenTrust Properties Corp.'s (the "Company") plans, objectives, strategies, financial performance and outlook, trends, the amount and timing of future cash distributions, prospects or future events; and they involve known and unknown risks that are difficult to predict.

As a result, our actual financial results, performance, achievements, or prospects may differ materially from those expressed or implied by these forward-looking statements. In some cases, forward-looking statements can be identified by the use of words such as "may," "could," "expect," "intend," "plan," "seek," "anticipate," "believe," "estimate," "guidance," "predict," "potential," "continue," "likely," "will," "would," "illustrative," and "should" and variations of these terms and similar expressions, or the negatives of these terms or similar expressions. Such forward-looking statements are necessarily based upon estimates and assumptions that, while we consider reasonable based on our knowledge and understanding of the business and industry, are inherently uncertain. These statements are expressed in good faith and are not guarantees of future performance or results. Our actual results could differ materially from those expressed in the forward-looking statements and stockholders should not rely on forward-looking statements in making investment decisions.

Our operations are subject to a number of risks and uncertainties including, but not limited to:

- our ability to collect rent from tenants or to rent space on favorable terms or at all;
- declaration of bankruptcy by our retail tenants;
- the economic success and viability of our anchor retail tenants;
- our ability to identify, execute and complete acquisition opportunities and to integrate and successfully operate any retail properties acquired in the future and manage the risks associated with such retail properties;
- our ability to manage the risks of expanding, developing or redeveloping our retail properties;
- loss of members of our senior management team or other key personnel;
- changes in the competitive environment in the leasing market and any other market in which we operate;
- shifts in consumer retail shopping from brick and mortar stores to e-commerce;
- the impact of leasing and capital expenditures to improve our retail properties to retain and attract tenants;
- our ability to refinance or repay maturing debt or to obtain new financing on attractive terms;
- future increases in interest rates;
- rising inflation;
- natural or man-made disasters, severe weather and climate-related events, such as earthquakes, tsunamis, tornadoes, hurricanes, droughts, blizzards, hailstorms, floods, wildfires, mudslides, oil spills, nuclear incidents, and outbreaks of pandemics or contagious diseases, or fear of such outbreaks;
- our status as a real estate investment trust ("REIT") for federal tax purposes;
- changes in federal, state or local tax law, including legislative, administrative, regulatory or other actions affecting REITs; and
- the risks described under *Part I, Item 1A. - Risk Factors*" and "*Part II, Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations"* ("MD&A"), or identified elsewhere in this report.

All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements set forth above. Forward-looking statements are only as of the date they are made; we do not undertake or assume any obligation to update publicly any of these forward-looking statements to reflect actual results, new information, future events, changes in assumptions or changes in other factors affecting forward-looking statements, except to the extent required by applicable law. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

## PART I

*As used throughout this Annual Report, the terms "Company," "InvenTrust," "we," "us," or "our" mean InvenTrust Properties Corp. and its wholly-owned subsidiaries, and, for periods presented prior to January 1, 2023, its unconsolidated joint venture investment (as further described below). Unless otherwise noted, all dollar amounts and square feet are stated in thousands, except per share and per square foot amounts. Any references to number of properties, square feet, and tenant and occupancy data are unaudited.*

## Item 1. Business

### General

On October 4, 2004, InvenTrust Properties Corp. was incorporated as Inland American Real Estate Trust, Inc., a Maryland corporation, and elected to operate in a manner to be taxed as a REIT for federal tax purposes. The Company changed its name to InvenTrust Properties Corp. in April 2015 and is focused on owning, leasing, redeveloping, acquiring and managing a multi-tenant retail platform. On October 12, 2021, the Company's shares of common stock were listed and began trading on the New York Stock Exchange ("NYSE") under the ticker symbol "IVT."

InvenTrust's wholly-owned and managed retail properties include grocery-anchored community and neighborhood centers and power centers, including those classified as necessity-based. As of December 31, 2023, the Company owned 62 retail properties with a total gross leasable area ("GLA") of approximately 10.3 million square feet.

The following table summarizes our retail portfolio as of December 31, 2023.

| | As of December 31, 2023 |
|---|---|
| No. of properties | 62 |
| GLA (square feet) | 10,324 |
| Economic occupancy (a) | 93.3% |
| Leased occupancy (b) | 96.2% |
| ABR PSF (c) | $19.48 |

(a) Economic occupancy is defined as the percentage of occupied GLA divided by total GLA (excluding Specialty Leases) for which a tenant is obligated to pay rent under the terms of its lease agreement as of the rent commencement date, regardless of the actual use or occupancy by that tenant of the area being leased. Actual use may be less than economic occupancy. Specialty Leases represent leases of less than one year in duration for small shop space and include any term length for common area space.

(b) Leased occupancy is defined as economic occupancy plus the percentage of signed but not yet commenced GLA divided by total GLA.

(c) Annualized Base Rent ("ABR") is computed as base rent for the period multiplied by twelve months. Base rent is inclusive of ground rent and any abatement concessions, but excludes Specialty Lease rent. ABR per square foot ("PSF") is computed as ABR divided by the occupied square footage as of the end of the period.

### Joint Venture Acquisition

As of December 31, 2022, the Company owned a 55% interest in IAGM Retail Fund I, LLC ("IAGM"), an unconsolidated retail joint venture partnership between the Company and PGGM Private Real Estate Fund ("PGGM"). IAGM was formed on April 17, 2013 for the purpose of acquiring, owning, managing, and disposing of retail properties and sharing in the profits and losses from those retail properties and their activities. As of December 31, 2022, IAGM was the Company's sole joint venture and was unconsolidated. On January 18, 2023, the Company acquired the four remaining retail properties from IAGM. Throughout this Annual Report, where indicated as "Pro Rata," the Company has included the results from its ownership share of its joint venture properties at 55% ("at share") when combined with the Company's wholly owned properties, defined as "Pro Rata," except for property and lease count, as of and for the year ended December 31, 2022.

### Business Strategy

InvenTrust Properties Corp. is a premier Sun Belt, multi-tenant essential retail REIT that owns, leases, redevelops, acquires, and manages grocery-anchored neighborhood and community centers, as well as high-quality power centers that often have a grocery component. We pursue our business strategy by:

- Acquiring retail properties in Sun Belt markets;
- Opportunistically disposing of retail properties;

- Maintaining a flexible capital structure; and
- Enhancing our environmental, social and governance practices and standards.

*Acquiring retail properties in Sun Belt markets.* InvenTrust focuses on Sun Belt markets with favorable demographics, including above average growth in population, employment, income and education levels. We believe these conditions create favorable demand characteristics for grocery-anchored and necessity-based essential retail centers, which will position us to capitalize on potential future rent increases while benefiting from sustained occupancy at our centers. Our strategically located regional field offices are within a two-hour drive of over 95% of our properties which affords us the ability to respond to the needs of our tenants and provides us with in-depth local market knowledge. We believe that our Sun Belt portfolio of high quality grocery-anchored assets is a distinct differentiator for us in the marketplace.

*Opportunistically disposing of retail properties.* We continue to opportunistically dispose of properties where we believe they no longer meet our investment criteria. These dispositions will allow the Company to re-deploy the proceeds in more attractive opportunities in Sun Belt markets.

*Maintaining a flexible capital structure.* We believe our current capital structure provides us with the financial flexibility and capacity to fund our current capital needs as well as future growth opportunities. We believe we have the liquidity necessary to continue executing on our strategic and operational objectives while exhibiting focused and disciplined capital allocation. Our flexible capital structure and ample liquidity will allow us to take advantage of future growth opportunities that meet our investment criteria.

*Enhancing our environmental, social and governance practices and standards*. We continue to focus on environmental, social and governance ("ESG") practices and standards across our platform. We believe we can enhance our communities, conserve resources and foster a best-in-class working environment while growing long term stockholder value. We remain committed to transparency in our investment strategy with a focus on operating efficiency, responding to evolving trends, and addressing the needs of our tenants and communities by continuing to integrate environmental sustainability, social responsibility, and strong governance practices throughout our organization. We believe our concentrated portfolio and focused strategy will allow us to adapt to the evolving needs of stakeholders.

**Competition**

We compete with numerous companies and individuals engaged in the ownership, development, acquisition, and operation of shopping centers in Sun Belt markets, resulting in competition for attracting and retaining tenants and acquiring and disposing shopping centers.

Our commitment to Sun Belt markets and our strategically curated portfolio of predominantly necessity based grocery-anchored shopping centers provides a number of competitive advantages, including increased concentrations in high growth Sun Belt locations to capitalize on strong demographic trends, exposure to a strong operational footprint, and distinctive levels of Sun Belt real estate experience and expertise. Our local market presence is supported by seven field offices staffed with operational teams within two hours of over 95% of our shopping centers, which allows us to build deep real estate expertise and a strong reputation with market participants and with our anchor and small shop tenants.

Our ample liquidity, and sector-low leverage, provide an additional competitive advantage of flexibility to transact. Our concerted focus on Sun Belt markets provides us greater opportunity to carefully evaluate potential acquisitions.

**Human Capital Management**

Our employees are our greatest asset and the foundation for our success. Together, we focus on building an inclusive culture where innovative thinking is valued, collaboration is essential, and communicating the "why" is a necessity. We are committed to creating a corporate culture characterized by high levels of employee engagement, growth and development, and health and wellness. We seek to attract and retain diverse and talented professionals who provide a wide range of opinions and experiences to drive our business forward. As of December 31, 2023, we have 104 full-time employees.

We define racial diversity as employees who are African American or Black, Alaskan Native or Native American, Asian, Hispanic or Latinx, and Native Hawaiian or Pacific Islander. We define gender diversity as employees who identify as women. Overall diversity across our workforce is approximately 67%, including gender and racial/ethnic groups. Racial diversity across our workforce is 19%. Women represent approximately 61% of our employees.

Our Human Capital strategy is focused on talent management. The basis for hiring, development, training, compensation and advancement are qualifications, performance, skills and experience. We believe our employees are fairly compensated, without regard to gender, race, and ethnicity. All of our employees are offered a comprehensive benefits package, including, but not limited to, paid time off and parental leave, medical, dental and vision insurance, disability, life insurance, 401(k) matching, tuition reimbursement, flexible Fridays and work from home flexibility.

Employee engagement is critical to our success. We believe in fostering a highly engaged inclusive environment which drives growth and productivity. We believe that our heightened focus on employee development and health and wellness creates a more engaged workforce. In 2023, 87% of our employees were highly engaged and we were named of one Chicago's Top Workplaces by The Chicago Tribune for the second year in a row. We believe that the more engaged our employees are the more likely productivity will increase and drive empowerment throughout the organization for our employees to act like owners. Our hybrid work model provides an opportunity for employees to balance work and life whether they are in the office or at home. We also host monthly events focused on employee education, health and wellness, engagement activities, and giving back to our communities. Our events consist of company-wide executive led meetings to stay connected with our employees, wellness competitions, food trucks, game days, happy hours, and charity events serving our communities. We are proud that 100% of our employees participated in charitable events giving back to our communities in 2023. Our Flexible Fridays program enables our employees to balance work and life focusing on mental health as well as giving back to our communities through charitable endeavors.

We celebrate our employees' success through our Circle of Excellence awards. Our monthly, "On The Spot" award recognizes employees who go above and beyond their job. Our annual awards, the "Rising Star" and "Standing Ovation" recognize new employees and tenured employees who exhibit exceptional promise, ability, and our InvenTrust values. We monitor our performance through employee engagement surveys and utilize the results to continually improve our organization.

**Environment, Social and Governance**

ESG is not new to InvenTrust. Since 2013, we have participated in compiling and reporting on ESG metrics with GRESB (formerly "Global Real Estate Sustainability Benchmark"), an independent organization providing ESG performance data and peer benchmarks for investors and organizations. We believe we can enhance our communities, conserve resources, and foster a best-in-class working environment while growing long-term stockholder value. In 2023, we set energy, water, waste and greenhouse gas reduction targets, continued progress towards our 5-year goals, and increased our GRESB score by five points year over year.

We remain committed to transparency in our investment strategy with a focus on operating efficiency, responding to evolving trends, and addressing the needs of our tenants and communities by continuing to integrate environmental sustainability, social responsibility, and strong governance practices throughout our organization. For the avoidance of doubt, neither our 2022 ESG Report nor any portion thereof is incorporated by reference into this Annual Report.

To date, compliance with federal, state and local environmental laws has not had a material adverse effect on our business, assets, results of operations, financial condition and/or our ability to pay distributions. We do not believe that our existing retail platform will require us to incur material expenditures to comply with these laws and regulations. However, we acknowledge that ESG-related regulation, including environmental-related regulation and legislation, is evolving, and we cannot predict the impact of unforeseen ESG contingencies or new or changed laws or regulations on our properties, operations, and financials.

**Tax Status**

We have elected and operate in a manner to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the "Code"), beginning with the tax year ended December 31, 2005. To qualify as a REIT, we are generally required to distribute at least 90% of our REIT taxable income (subject to certain adjustments) to our stockholders each year. As a REIT, we are entitled to a tax deduction for some or all of the dividends paid to stockholders. Accordingly, we are generally not subject to federal income taxes as long as we currently distribute to stockholders an amount equal to or in excess of our taxable income. If we fail to qualify as a REIT in any taxable year, without the benefit of certain relief provisions, we will be subject to federal and state income tax on our taxable income at regular corporate tax rates. Even if we qualify for taxation as a REIT, we may be subject to certain state and local taxes on our income, property or net worth and federal income and excise taxes on our undistributed income.

## Our Website and Availability of SEC Reports and Other Information

The Company maintains a website at the following address: www.inventrustproperties.com. The information on the Company's website is not incorporated by reference in this Annual Report or in any other report or document we file with the U.S. Securities and Exchange Commission ("SEC"), and any references to our website are intended to be inactive textual references only. In addition, we reference certain sources included on our website, including our ESG Report, in this Annual Report, and none of these are incorporated by reference in, or are otherwise to be regarded as part of, this Annual Report.

We make available on or through our website certain reports and amendments to those reports we file with or furnish to the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act. These include our annual reports on Form 10-K, our quarterly reports on Form 10-Q, and our current reports on Form 8-K. We make this information available on our website free of charge as soon as reasonably practicable after we electronically file the information with, or furnish it to, the SEC. The SEC also maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The address of the site is http://www.sec.gov.

Investors and others should note that InvenTrust routinely announces material information to investors and the marketplace using SEC filings, press releases, public conference calls, webcasts and the InvenTrust investor relations website. We also intend to use certain social media channels as a means of disclosing information about us and our business to our colleagues, customers, investors and the public (e.g., the InvenTrust X account (twitter.com/inventrustprop); and the InvenTrust LinkedIn account (linkedin.com/company/inventrustproperties). The information posted on social media channels is not incorporated by reference in this Annual Report or in any other report or document we file with the SEC. While not all of the information that the Company posts to the InvenTrust investor relations website or to social media accounts is of a material nature, some information could be deemed to be material. Accordingly, the Company encourages investors, the media, and others interested in InvenTrust to review the information that it shares on the Company's investor relations website at inventrustproperties.com/investor-relations, and regularly follow the Company's social media accounts.

## Item 1A. Risk Factors

*You should carefully consider each of the following risks described below and all of the other information in this Annual Report in evaluating us. Our business, financial condition, cash flows, results of operations and/or ability to pay distributions to our stockholders could be materially adversely affected by any of these risks. This Annual Report also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in this Annual Report.*

### Risk Factors Related to Our Business and Strategy

***Economic, political and market conditions could negatively impact our business, results of operations and financial condition***

Our business is affected by economic, political and market challenges experienced by the U.S. or global economies or the real estate industry as a whole; by the regional or local economic conditions in the markets in which our assets are located, including any dislocations in the credit markets; or by competitive business market conditions experienced by us. These conditions may materially affect our value and the performance of our assets and our ability to sell assets, as well as our ability to make principal and interest payments on, or refinance, outstanding debt when due.

***An economic downturn could result in defaults by retail tenants, which could have an adverse impact on our business, financial condition, result of operations, and ability to make distributions to our stockholders.***

An economic downturn could have an adverse impact on the retail industry generally. Rising inflation could also adversely impact consumer behavior and increase our and our tenant's operating costs. As a result, the retail industry could face further reductions in sales revenues and increased bankruptcies. Adverse economic conditions may result in an increase in distressed or bankrupt retail companies, which in turn would result in an increase in defaults by tenants at our commercial properties. Such conditions may also affect shadow anchor retailers in some of our centers, which we cannot control. Although we do not generate revenue from shadow anchor retailers, their presence drives traffic to some of our centers. Additionally, continued slow or negative economic growth could hinder new entrants into the retail market, which may make it difficult for us to fully lease our real properties. Tenant defaults and decreased demand for retail space would have an adverse impact on the value of our retail properties and our results of operations.

***A consumer shift in retail shopping from brick and mortar stores to e-commerce may have an adverse impact on our revenues and cash flow.***

The majority of national retailers operating brick and mortar stores have made e-commerce sales an important part of their business model. The shift to e-commerce sales may adversely impact their sales for brick and mortar stores, causing those retailers to adjust the size or number of retail locations in the future. This shift could adversely impact our occupancy and rental rates, which would, in turn, adversely impact our revenues and cash flows.

***Our retail portfolio is subject to geographic concentration, which exposes us to changing economic and retail market conditions that may reduce our revenues and cash flows.***

As of December 31, 2023, approximately 41.7% of the total annualized base rental income in our retail portfolio was generated by properties located in Texas, with 17.5%, 11.2%, 9.8%, and 3.2% of our total annualized base rental income generated by properties in Austin, Houston, Dallas-Fort Worth-Arlington, and San Antonio metropolitan areas, respectively. An oversupply of retail properties without corresponding increases in demand in any of these markets could have a material adverse effect on our financial condition, our results of operations and our ability to pay distributions.

***Our success depends on the success and continued presence of our anchor tenants.***

Our properties are largely dependent on the operational success of their anchor tenants (those occupying 10,000 square feet or more). Anchor tenants occupy significant amounts of square footage, pay a significant portion of the total rents at a property and contribute to the success of other tenants by drawing consumers to a property. Our net income could be adversely affected by the loss of revenues in the event a significant tenant becomes bankrupt or insolvent, experiences a downturn in its business, materially defaults on its leases, does not renew its leases as they expire, or renews at a lower rental rate. Any of these events could result in a reduction or cessation in rental payments to us, which would adversely affect our financial condition and results of operations. In addition, if a significant tenant vacates a property or terminates a lease, co-tenancy clauses may allow other tenants to modify or abate their minimum rent, reduce their share or the amount of payments for common area operating expenses and property taxes, or terminate their rent or lease obligations. Co-tenancy clauses have several variants and may allow a tenant to pay reduced levels of rent until a certain number of tenants open their stores within the same property.

***If our small shop tenants (tenants occupying less than 10,000 square feet) are not successful and, consequently, terminate their leases, our cash flow, financial condition and results of operations could be adversely affected.***

As of December 31, 2023, approximately 58.0% of our total annualized base rental income is generated by our small shop tenants. Our small shop tenants may be more vulnerable to negative economic conditions as they generally have more limited resources than our anchor tenants. If a significant number of our small shop tenants experience financial difficulties or are unable to remain open, our cash flow, financial condition and result of operations could be adversely affected.

***Our financial condition may be impacted by our ability to timely re-lease our space.***

Our business and financial condition depend on the financial stability of our tenants and our ability to lease our space. Certain economic conditions, or center specific conditions may adversely affect one or more of our tenants. Among the factors that could impact our financial conditions are the following:

- inability to renew, lease vacant space or re-let space as leases expire;
- restrictions related to re-leasing space;
- co-tenancy constraints which limit our ability to lease to certain operators or reduce our revenues at our properties if co-tenancy clauses are exercised and;
- competition for tenancy of our leases

As of December 31, 2023, economic occupancy and leased occupancy of our retail portfolio was 93.3% and 96.2%, respectively. As of December 31, 2023, leases representing approximately 5.0% and 12.1% of our retail portfolio GLA were scheduled to expire in 2024 and 2025, respectively. We cannot assure our stockholders that leases will be renewed or that our properties will be re-leased on terms equal to or better than the current terms, or at all. We also may not be able to lease space which is currently not occupied on acceptable terms and conditions, if at all. In addition, some of our tenants have leases that include early termination provisions that permit the lessee to terminate all or a portion of its lease with us after a specified date or upon the occurrence of certain events with little or no liability to us. We may be required to offer substantial rent abatements, tenant improvements, early termination rights or below-market renewal options to retain these tenants or attract new ones. Portions of our assets may remain vacant for extended periods of time. If the rental rates for our assets decrease, our existing tenants do not renew their leases or we do not re-lease a significant portion of our available space and space for which leases will expire, our financial condition, cash flows and results of operations could be adversely affected.

***Many of our costs and expenses associated with operating our properties may remain constant or increase, even if our lease income decreases.***

Certain costs and expenses associated with our operating our properties, such as real estate taxes, insurance, utilities and common area expenses, generally do not decrease in the event of reduced occupancy or rental rates, non-payment of rents by tenants, general economic downturns, pandemics or other similar circumstances. In fact, in some cases, such as real estate taxes and insurance, they may actually increase despite such events. As such, we may not be able to lower the operating expenses of our properties sufficiently to fully offset such circumstances and may not be able to fully recoup these costs from our tenants. In such cases, our cash flows, operating results and financial performance may be adversely impacted.

***Pandemics, epidemics or other health crises may have a negative effect on our and our tenants' businesses, financial condition, results of operations, cash flows, and liquidity.***

Our business, and the businesses of our tenants, could be materially and adversely affected by the risks, or the public perception of the risks, related to a pandemic, epidemic, or other health crisis, especially if there is a negative impact to customers' willingness or ability to frequent our tenants' businesses.

Such crises could cause significant disruptions to the United States and global economy and contribute to significant volatility and negative pressure in financial markets. Government responses, including quarantines, restrictions on travel, mandatory closures of businesses, or other restrictions, as well as changes in consumer behavior, could negatively impact our tenants and their ability to operate their businesses, which could impact our ability to collect on current or past due rent payments or fully recover amounts due under the terms of a lease agreement in the event of a default by a tenant.

The unpredictable nature of pandemics, epidemics, and other health crises precludes any prediction as to one’s ultimate adverse impact. A worsening of the economic, political and social environment as a result presents material risks and uncertainties with respect to our and our tenants’ business, financial condition, results of operations, cash flows, liquidity, and ability to satisfy debt service obligations.

**Risk Factors Related to Real Estate Investments**

***There are inherent risks with investments in retail real estate***

Investments in real estate are subject to varying degrees of risk. Among the factors that could have a negative impact on our assets and the value of an investment in us are the following:

- relative illiquidity of real estate;
- competition amongst other owners of commercial real estate for investments in similar markets;
- expansion into new markets that we are not as familiar with;
- changing market demographics;
- risks associated with the possibility that cost increases will outpace revenue increases and that in the event of an economic slowdown, the high proportion of fixed costs will make it difficult to reduce costs to the extent required to offset declining revenues;
- changes in tax laws and property taxes, or an increase in the assessed valuation of an asset for real estate tax purposes;
- adverse changes in the federal, state or local laws and regulations applicable to us, including those affecting zoning, fuel and energy consumption, water and environmental restrictions, and the related costs of compliance;
- an inability to finance real estate assets on favorable terms, if at all;
- significant capital expenditures may be required to improve our properties to attract tenants;
- the ongoing need for owner-funded capital for improvements and expenditures to maintain or upgrade assets, make tenant improvements and pay leasing commissions;
- fluctuations in real estate values or potential impairments in the value of our assets;
- natural disasters, such as earthquakes, droughts, hurricanes, floods, extreme storms and weather or other under-insured or uninsured losses, which may result from or be exacerbated by climate change, and man-made events, such as terrorist attacks or events of sabotage; and
- changes in interest rates and availability, and cost and terms of financing.

***We face risks with the expansion, development, and re-development of properties.***

We seek to expand, develop and re-develop some of our existing properties and such activity is subject to various risks. We may not be successful in identifying and pursuing expansion, development and re-development opportunities. In addition, like newly-acquired properties, expanded, developed and re-developed properties may not perform as well as expected. Risks include the following:

- we may be unable to lease developments to full occupancy on a timely basis;
- the occupancy rates and rents of a completed project may not be sufficient to make the project profitable;
- actual costs of a project may exceed original estimates, possibly making the project unprofitable;
- delays in the development or construction process may increase our costs;
- we may not be able to obtain, or may experience delays in obtaining necessary zoning, land use, building, occupancy and other required governmental permits and authorizations;
- we may abandon a development project and lose our investment;
- the size of our development pipeline may strain our labor or capital capacity to complete developments within targeted timelines and may reduce our investment returns;
- a reduction in the demand for new retail space may reduce our future development activities, which in turn may reduce our net operating income; and
- changes in the level of future development activity may adversely impact our results from operations by reducing the amount of certain internal overhead costs that may be capitalized.

Inflationary pressures, rising interest rates, supply chain disruptions, and labor shortages may exacerbate certain of these risks. If we fail to reinvest in our properties or maintain their attractiveness to retailers and consumers, if our capital improvements are not successful, or if retailers or consumers perceive that shopping at other venues (including e-commerce) is more convenient, cost-effective, or otherwise more compelling, our financial condition, cash flows, and results of operations could be adversely affected.

***Our ongoing strategy depends, in part, upon completing future acquisitions and dispositions, and we may not be successful in identifying attractive acquisition opportunities and consummating these transactions.***

As part of our strategy, we intend to tailor and grow our retail platform. We cannot assure our stockholders that we will be able to identify opportunities or complete transactions on commercially reasonable terms or at all, or that we will actually realize any anticipated benefits from such acquisitions or investments. There may be high barriers to entry in many key markets and scarcity of available acquisition and investment opportunities in desirable locations. We face significant competition for attractive investment opportunities from an indeterminate number of other real estate investors, including investors with significant capital resources such as domestic and foreign corporations and financial institutions, sovereign wealth funds, public and private REITs, private institutional investment funds, domestic and foreign high-net-worth individuals, life insurance companies and pension funds. As a result of competition, we may be unable to acquire additional properties as we desire or the purchase price may be significantly elevated. Similarly, we cannot assure our stockholders that we will be able to obtain financing for acquisitions or investments on attractive terms or at all, or that the ability to obtain financing will not be restricted by the terms of our credit facility or other indebtedness we may incur.

Additionally, we regularly review our business to identify properties or other assets that we believe may not benefit us as much as properties in other markets or with different characteristics. One of our strategies is to selectively dispose of retail properties and use sale proceeds to fund our growth in markets and with properties that will enhance our retail platform. We cannot assure our stockholders that we will be able to consummate any such sales on commercially reasonable terms or at all, or that we will actually realize any anticipated benefits from such sales. Additionally, we may be unable to successfully identify attractive and suitable replacement assets even if we are successful in completing such dispositions. We may face delays in reinvesting net sales proceeds in new assets, which would impact the return we earn on our assets. Dispositions of real estate assets can be particularly difficult in a challenging economic environment when uncertainties exist about the impact of e-commerce on retailers and when financing alternatives are limited for potential buyers. Our inability to sell assets, or to sell such assets at attractive prices, could have an adverse impact on our ability to realize proceeds for reinvestment. In addition, even if we are successful in consummating sales of selected retail properties, such dispositions may result in losses.

Any such acquisitions, investments or dispositions could also demand significant attention from management that would otherwise be available for our regular business operations, which could harm our business.

***We may obtain only limited warranties when we purchase a property and would have only limited recourse if our due diligence did not identify issues that could decrease the value of our property after the purchase.***

The seller of a property often sells the property to us in its "as is" condition on a "where is" basis and "with all faults," without any warranties of merchantability or fitness for a particular use or purpose. In addition, purchase agreements may contain only limited warranties, representations and indemnifications that will only survive for a limited period after the closing. The purchase of properties with limited warranties increases the risk that we may lose some or all of our invested capital in the property, as well as the loss of rental income from that property, and may also require additional investment to make the property suitable and competitive.

***Our assets may be subject to impairment charges that may materially and adversely affect our financial results.***

Economic and other conditions may adversely impact the valuation of our assets, resulting in impairment charges that could have a material adverse effect on our results of operations. On a regular basis, we evaluate our assets for impairments based on various factors, including changes in the holding periods, projected cash flows of such assets and market conditions.

If we determine that an impairment has occurred, we would be required to make an adjustment to the net carrying value of the asset, which could have a material adverse effect on our results of operations in the accounting period in which the adjustment is made. Furthermore, changes in estimated future cash flows due to a change in our plans, policies, or views of market and economic conditions could result in the recognition of additional impairment losses for already impaired assets, which, under the applicable accounting guidance, could be substantial and could materially adversely affect our results of operations. We have incurred and we may incur future impairment charges, which could be material.

**Risks Factors Related to the Environment Affecting Our Properties**

***Geographic concentration makes our business more vulnerable to natural disasters, severe weather, and climate change.***

Natural disasters and severe weather such as earthquakes, wildfires, mudslides, droughts, tornadoes, hurricanes, blizzards, hailstorms or floods may result in significant damage to our properties, decrease demand for certain properties, disrupt operations at our properties, increase the costs associated with maintaining or insuring our properties, and adversely affect both the value of our properties and the ability of our tenants and operators to make their scheduled rent payments to us. The extent of our casualty losses and loss in operating income in connection with such events is a function of the severity of the event and the total amount of exposure in the affected area. These losses may not be insured or insurable at commercially reasonable rates. When we have a geographic concentration, a single catastrophe or destructive weather event affecting a region may have a significant negative effect on our financial condition, results of operations, and cash flows. As a result, our operating and financial results may vary significantly from one period to the next. We also are exposed to the risk of an increased need for the maintenance and repair of our buildings due to inclement or extreme weather.

Moreover, climate change may adversely impact our properties directly and may lead to additional compliance obligations and costs, including insurance premiums, taxes and fees. Changes in federal, state and local legislation and regulation on climate change could result in increased operating costs (for example, increased utility costs) and/or increased capital expenditures to improve the energy efficiency of our existing properties (for example, increased costs associated with meeting electric vehicle charging mandates) and could also require us to spend more on our new properties without a corresponding increase in revenue and could increase our exposure to new physical risks and liabilities.

**Risk Factors Related to Funding Strategies and Capital Structure**

***Our debt financing may adversely affect our business and financial condition.***

Our existing and future debt may subject us to many risks, including the risks that:

- our cash flow from operations will be insufficient to make required payments of principal and interest;
- our debt may increase our vulnerability to adverse economic and industry conditions;
- we may be required to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing cash available for distribution to our stockholders, funds available for operations and capital expenditures, future business opportunities or other purposes;
- the terms of any refinancing may not be as favorable as the terms of the debt being refinanced; and
- the terms of our debt may limit our ability to make distributions to our stockholders and therefore adversely affect the market price of our stock.

If we do not have sufficient funds to repay our debt at maturity, it may be necessary to refinance this debt through additional debt financing, or private or public offerings of debt or equity securities. Adverse economic conditions could cause the terms on which we borrow or refinance to be unfavorable. If we are unable to refinance our debt on acceptable terms, we may be forced to dispose of assets on disadvantageous terms or at times which may not permit us to receive an attractive return on our investments, potentially resulting in losses adversely affecting cash flow from operating activities.

***Covenants in our debt agreements may restrict our operating activities and adversely affect our financial condition.***

Our debt agreements contain various financial and operating covenants, including, among other things, certain coverage ratios and limitations on our ability to incur secured and unsecured debt. The breach of any of these covenants, if not cured within any applicable cure period, could result in a default and acceleration of certain of our indebtedness. If any of our indebtedness is accelerated prior to maturity, we may not be able to repay or refinance such indebtedness on favorable terms, or at all, which could adversely affect our financial condition, operating results and cash flows.

***Increases in interest rates would cause our borrowing costs to rise and negatively impact our results of operations.***

As fixed-rate debt matures, we may not be able to borrow at rates equal to or lower than the rates on the expiring debt. In addition, if rising interest rates cause us to need additional capital to repay indebtedness, we may be forced to sell one or more of our properties or investments in real estate at times that may not permit us to realize the return on the investments we would have otherwise realized.

Increases in interest rates would increase our interest expense on any variable rate debt, as well as any debt that must be refinanced at higher interest rates at the time of maturity. Our future earnings and cash flows could be adversely affected due to the increased requirement to service our debt and could reduce the amount we are able to distribute to our stockholders.

***Hedging activity may expose us to risks, including the risks that a counterparty will not perform and that the hedge will not yield the economic benefits we anticipate, which may adversely affect us.***

We manage our exposure to interest rate volatility by using interest rate hedging arrangements. These arrangements involve risk, such as the risk that counterparties may fail to honor their obligations under these arrangements, and that these arrangements may not be effective in reducing our exposure to interest rate changes. There can be no assurance that our hedging arrangements will qualify for hedge accounting or that our hedging activities will have the desired beneficial impact on our results of operations. Should we desire to terminate a hedging arrangement, there may be significant costs and cash requirements involved to fulfill our obligations under the hedging arrangement. In addition, failure to effectively hedge against interest rate changes may adversely affect our results of operations.

***We may issue additional equity or debt securities in the future in order to raise capital. Additional issuances of equity securities could dilute the investment of our current stockholders.***

Issuing additional equity securities to finance future developments and acquisitions instead of incurring additional debt could dilute the interests of our existing stockholders. Our ability to execute our business and growth plan depends on our access to an appropriate blend of capital, which could include a line of credit and other forms of secured and unsecured debt, equity financing, or joint ventures.

Stockholders do not have preemptive rights with respect to any shares issued by us in the future. Our charter authorizes our Board, without stockholder approval, to amend the charter from time to time to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that the Company has authority to issue. Stockholders are not entitled to vote on whether or not we issue additional shares.

**Risk Factors Related to the Market Price for Our Securities**

***Changes in economic and market conditions may adversely affect the market price of our securities.***

The market price of our equity securities may fluctuate significantly in response to many factors, many of which are out of our control, including:

- actual or anticipated variations in our operating results, liquidity or financial condition;
- changes in our earnings estimates or failure to meet earnings estimates;
- changes in our funds from operations;
- increases in market interest rates that drive purchasers of our stock to demand a higher dividend yield;

- changes in market valuations of similar companies;
- adverse market reaction to any additional debt we incur in the future;
- additions or departures of key management personnel;
- the general reputations of REITs and the attractiveness of equity securities in comparison to other equity securities including securities issued by other real estate based companies;
- our underlying asset value;
- strategic actions by the Company or our competitors, such as acquisitions, dispositions or restructurings;
- fluctuations in the stock price and operating results of the Company's competitors;
- the passage of legislations or other regulatory developments that may adversely affect the Company or the REIT industry, including but not limited to Section 1031 of the Code;
- investor confidence in the stock and bond markets generally;
- changes in tax laws or accounting principles;
- publication of research reports about us or the real estate industry in general and recommendations by financial analysts or actions taken by rating agencies with respect to our securities or those of other REITs;
- future equity issuances or the perception that such equity issuances may occur;
- failure to maintain our status as a REIT;
- actions by institutional stockholders or by corporate governance rating companies;
- increased investor focus on sustainability-related risks, including climate change;
- changes in our dividend payments; and
- general market and economic conditions, including factors unrelated to the Company's operating performance.

These factors may cause the market price of our securities to decline, regardless of our financial condition, results of operations, business or prospects. It is impossible to ensure that the market price of our securities, including our common stock, will not fall in the future. A decrease in the market price of our common stock may reduce our ability to raise additional equity in the public markets. Selling common stock at a decreased market price would have a dilutive impact on existing stockholders.

***There is no assurance that we will continue to pay dividends.***

Our ability to continue to pay dividends will depend on a number of factors, including, among others, the following:

- our financial condition and results of future operations;
- the terms of our loan covenants; and
- our ability to acquire, finance, develop or redevelop and lease additional properties at attractive rates.

If we do not maintain the dividend on our common stock, it may have an adverse effect on the market price of our common stock and other securities.

***Funding distributions from sources other than cash flow from operating activities may negatively impact our ability to sustain or pay future distributions.***

If our cash flow from operating activities is not sufficient to fully fund the payment of distributions, the level of our distributions may not be sustainable.

We may pay distributions from sources other than cash flow from operations or funds from operations, including funding such distributions from external financing sources, which may not be available at commercially attractive terms. Furthermore, in the event that we are unable to fund future distributions from our cash flows from operating activities, the value of our stockholders' shares may be materially adversely affected.

For the year ended December 31, 2023, distributions were paid from cash flow from operations and proceeds from the sales of properties.

## Risks Factors Related to Our Organization and Corporate Structure

***Our charter permits our Board to issue preferred stock on terms that may subordinate the rights of the holders of our current common stock or discourage a third party from acquiring us.***

Our Board may classify or reclassify any unissued shares of common or preferred stock into other classes or series of stock and establish the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, and terms or conditions of redemption of the stock and may amend our charter from time to time to increase or decrease the aggregate number of shares or the number of shares of any class or series that we have authority to issue without stockholder approval. Thus, our Board could authorize us to issue shares of preferred stock with terms and conditions that could subordinate the rights of the holders of our common stock or shares of preferred stock or common stock that could have the effect of delaying, deferring or preventing a change in control of us, including an extraordinary transaction such as a merger, tender offer or sale of all or substantially all of our assets, that might provide a premium price for holders of our common stock.

***Our Board or a committee of our Board may change our investment policies without stockholder approval, which could alter the nature of our stockholders' investment.***

Our investment policies may change over time. The methods of implementing our investment policies may also vary, as new investment techniques are developed. Our investment policies, the methods for implementing them, and our other objectives, policies and procedures may be altered by our Board or a committee of our Board without the approval of our stockholders. As a result, the nature of our stockholders' investment could change without their consent. A change in our investment strategy may, among other things, increase our exposure to interest rate risk, default risk and real property market fluctuations, all of which could materially and adversely affect our ability to achieve our investment objectives.

## Risks Factors Related to Corporate Matters

***We are subject to litigation that could negatively impact our cash flow, financial condition and results of operations.***

We are a defendant from time to time in lawsuits and regulatory proceedings relating to our business. Due to the inherent uncertainties of litigation and regulatory proceedings, we may not be able to accurately predict the ultimate outcome of any such litigation or proceedings. A significant unfavorable outcome could negatively impact our cash flow, financial condition and results of operations.

***Uninsured losses or premiums for insurance coverage may adversely affect a stockholder's returns.***

We maintain insurance coverage with third-party carriers who provide a portion of the coverage of potential losses, including wind, flood, named windstorm, earthquake, fire, and other property-related perils. We currently self-insure a portion of our commercial insurance deductible risk through our captive insurance company. To the extent that our captive insurance company is unable to bear that risk, we may be required to fund additional capital to our captive insurance company or we may be required to bear that loss. As a result, our operating results may be adversely affected.

Catastrophic losses, including but not limited to, windstorms, earthquakes, floods, and foreign terrorist activities may not be insurable or may not be economically insurable. Even when insurable, these policies may have high deductibles and/or high premiums. Lenders may require such insurance. Our failure to obtain such insurance could constitute a default under loan agreements, and/or our lenders may force us to obtain such insurance at unfavorable rates, which could materially and adversely affect our profitability.

In the event of a substantial loss, our insurance coverage may not be sufficient to cover the full current market value or replacement cost of our lost investment. Should an uninsured loss or a loss in excess of insured limits occur, we could lose all or a portion of the capital we have invested in an asset, as well as the anticipated future revenue from the asset. In that event, we might nevertheless remain obligated for any mortgage debt or other financial obligations related to the asset. Inflation, changes in building codes and ordinances, environmental considerations and other factors might require us to come out of pocket to replace or renovate an asset after it has been damaged or destroyed. Under those circumstances, the insurance proceeds we receive might be inadequate to restore our economic position on the damaged or destroyed property, which could materially and adversely affect our profitability.

In addition, insurance risks associated with potential terrorist acts could sharply increase the premiums we pay for coverage against property and casualty claims.

***We could incur material costs related to government regulation and litigation with respect to environmental matters, which could materially and adversely affect our revenues and profitability.***

Under various federal, state, and local laws, an owner or manager of real property may be liable for the costs to assess and remediate the presence of hazardous substances on the property, which in our case generally arise from former dry cleaners, gas stations, asbestos usage, storage tanks, air emissions from emergency generators, storm water and wastewater discharges, lead-based pain, mold and mildew, waste management, and historic land use practices. These laws often impose liability without regard to whether the owner knew of, or was responsible for, the presence of hazardous substances. The presence of, or the failure to properly address the presence of, hazardous substances may adversely affect our ability to sell or lease the property or borrow using the property as collateral. We can provide no assurance that we are aware of all potential environmental liabilities or their ultimate cost to address; that our properties will not be affected by tenants or nearby properties or other unrelated third parties; and that future uses or conditions, or changes in environmental laws and regulations, or their interpretation, will not result in additional material environmental liabilities to us.

The discovery of material environmental liabilities at our assets could subject us to unanticipated significant costs, which could significantly reduce or eliminate our profitability and the cash available for distribution to our stockholders.

Moreover, compliance with ESG-related laws, regulations, expectations or reporting requirements may result in increased compliance costs, as well as additional scrutiny that could heighten all of the risks associated with environmental, social and sustainability matters. For example, the SEC continues to make moves towards issuing rules relating to climate risk disclosures, human capital management and other ESG matters and other regulatory bodies, including state governments and stock exchanges, have issued new laws or regulations relating to board structure, and increased ESG regulations and reporting requirements are likely to continue. If we fail to comply with new laws, regulations, expectations or reporting requirements, or if we are perceived as failing, our reputation and business could be adversely impacted. The occurrence of any of the foregoing could have an adverse effect on the price of the Company's stock and the Company's business, financial condition and results of operations, including increased development costs, capital expenditures and operating expenses.

***If we lose or are unable to obtain and retain key personnel, our ability to implement our business strategies could be delayed or hindered.***

We believe that our future success depends, in large part, on our ability to retain and hire highly-skilled managerial and operating personnel. Competition for persons with managerial and operational skills is intense, and we cannot assure our stockholders that we will be successful in retaining or attracting skilled personnel. If we lose or are unable to obtain the services of our executive officers and other key personnel, or we are unable to establish or maintain the necessary strategic relationships, our ability to implement our business strategy could be delayed or hindered.

***Corporate responsibility related to environmental, social and governance factors, may impose additional costs and expose us to new risks.***

We, as well as our investors, are focused on corporate responsibility, specifically related to environmental, social and governance factors. Third-party providers of corporate responsibility ratings and reports on companies have increased to meet growing investor demand for measurement of corporate responsibility and performance. Although the Company makes ESG disclosures and undertakes sustainability and diversity initiatives, there is no assurance as to how we will rate according to the metrics. Additionally, the measurement parameters may change over time. We may face reputational damage in the event our corporate responsibility procedures or standards do not meet the standards set by various constituencies. In addition, our competitors may receive more favorable ratings. The occurrence of any of the foregoing could have an adverse impact on our business, financial condition and results of operations, including increased capital expenditures and operating expenses.

***We are increasingly dependent on information technology ("IT"), and potential cyber-attacks, security problems, or other disruptions present risks.***

A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of our information resources. More specifically, a cyber incident is an intentional attack or an unintentional event that can include an intruder gaining unauthorized access to systems to disrupt operations, corrupt data or steal confidential information. As our reliance on technology has increased, so have the risks posed to our systems, both internal and those we have outsourced.

Although we make efforts to maintain the security and integrity of our IT networks and related systems, and we have implemented various measures to manage the risk of a security breach or disruption, there can be no assurance that our security efforts and measures will be effective or that attempted security breaches would not be successful or damaging. While we maintain some of our own critical IT systems, we also depend on third parties to provide important IT services relating to several key business functions. Furthermore, the security measures employed by third-party service providers may prove to be ineffective at preventing breaches of their systems. Moreover, cyber incidents perpetrated against our tenants, including unauthorized access to customers' credit card data and other confidential information, could diminish consumer confidence and consumer spending and negatively impact our business and reputation.

Cyberattacks are expected to accelerate on a global basis in frequency and magnitude as threat actors are becoming increasingly sophisticated in using techniques and tools – including generative and other artificial intelligence – that circumvent security controls, evade detection and remove forensic evidence. As a result, we, or our tenants, may be unable to detect, investigate, remediate or recover from future attacks or incidents, or to avoid a material adverse impact to our or their IT networks and related systems, confidential information or business. Our and our tenants' primary risks that could directly result from the occurrence of a cyber incident include operational interruption, damage to our relationships with our tenants or damage to our tenants' relationships with their customers, as applicable, and private data exposure. Our and our tenants' financial results and reputation may be negatively impacted by such an incident.

There can be no assurance that our cybersecurity risk management program and processes, including our policies, controls or procedures, will be fully implemented, complied with or effective in protecting our systems and information. Further, we cannot guarantee that any costs and liabilities incurred in relation to an attack or incident will be covered by our existing insurance policies or that applicable insurance will be available to us in the future on economically reasonable terms or at all.

*A failure of our IT infrastructure could adversely impact our business and operations.*

We rely upon the capacity, reliability and security of our IT infrastructure and our ability to expand and continually update this infrastructure in response to changing needs of our business. We continue to face the challenge of integrating new systems and hardware into our operations. If there are technological impediments, unforeseen complications, errors or breakdowns in the IT infrastructure, the disruptions could have an adverse effect on our business and financial condition.

**Risk Factors Relating to Our Qualification as a REIT**

***Our failure to qualify as a REIT would have serious adverse consequences to our stockholders.***

We plan to continue to meet the requirements for taxation as a REIT. Many of these requirements, for which there is limited judicial and administrative interpretation, however, are highly technical and complex. Therefore, we cannot guarantee that we have qualified or will qualify as a REIT in the future. The determination that we are a REIT requires an analysis of various factual matters that may not be totally within our control. To qualify as a REIT, our assets must be substantially comprised of real estate assets as defined in the Code, and related guidance and our gross income must generally come from rental and other real estate or passive related sources that are itemized in the REIT tax laws. We are also required to distribute to security holders at least 90% of our REIT taxable income excluding net capital gains.

If we fail to qualify as a REIT, we would be subject to U.S. federal income tax at regular corporate rates and would have to pay significant income taxes unless the Internal Revenue Service (“IRS”) granted us relief under certain statutory provisions. In addition, we would remain disqualified from taxation as a REIT for four years following the year in which we failed to qualify as a REIT. We would therefore have less money available for investments or for distributions to security holders and would no longer be required to make distributions to security holders. This would likely have a significant negative impact on the value of our securities.

***We have a share ownership limit for REIT tax purposes.***

In order to continue to qualify as a REIT, five or fewer individuals, as defined in the Code, may not own, beneficially or constructively, more than 50% in value of our issued and outstanding stock at any time during the last half of a taxable year. To facilitate maintenance of our REIT qualification, our Charter, prohibits ownership by any single stockholder of more than 9.8% percent of the lesser of the number or value of any outstanding class of common. Our Board may not grant an exemption from these restrictions to any proposed stockholder whose ownership in excess of the 9.8% stock ownership limit that would result in our failing to qualify as a REIT. This ownership limit may delay or prevent a transaction or change in control that could affect our stockholder’s ability to realize a premium over the then prevailing market price for their shares, it could also restrict our stockholders' ability to acquire or transfer certain amounts of our common stock.

**Item 1B. Unresolved Staff Comments**

None.

**Item 1C. Cybersecurity**

Cybersecurity Risk Management and Strategy

We have developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity, and availability of our critical systems and information. Our cybersecurity risk management program includes a cybersecurity incident response plan.

We design and assess our program based on the National Institute of Standards and Technology Cybersecurity Framework ("NIST CSF"). This does not imply that we meet any particular technical standards, specifications, or requirements, only that we use the NIST CSF as a guide to help us identify, assess, and manage cybersecurity risks relevant to our business.

Our cybersecurity risk management program is integrated into our overall enterprise risk management program, and shares common methodologies, reporting channels and governance processes that apply across the enterprise risk management program to other legal, compliance, strategic, operational, and financial risk areas.

Our cybersecurity risk management program includes:

- risk assessments designed to help identify material cybersecurity risks to our critical systems, information, products, services, and our broader enterprise IT environment;
- a team responsible for managing (1) our cybersecurity risk assessment processes, (2) our security controls, and (3) our response to cybersecurity incidents;
- the use of external service providers, where appropriate, to assess, test or otherwise assist with aspects of our security controls;
- cybersecurity awareness training of our employees, incident response personnel, and senior management;
- a cybersecurity incident response plan that includes procedures for responding to cybersecurity incidents; and
- a risk management process for essential third-party service providers, suppliers, and vendors, as identified by management.

We have not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected us, including our operations, business strategy, results of operations, or financial condition. We face risks from cybersecurity threats that, if realized, are reasonably likely to materially affect us, including our operations, business strategy, results of operations, and/or financial condition.

Cybersecurity Governance

Our Board considers cybersecurity risk as part of its risk oversight function and has delegated to the Audit Committee (the "Committee") oversight of cybersecurity and other information technology risks. The Committee oversees management's implementation of our cybersecurity risk management program.

The Committee receives periodic reports from management on our cybersecurity risks. In addition, management updates the Committee, as necessary, regarding any material cybersecurity incidents, as well as any incidents with lesser impact potential.

The Committee reports to the full Board regarding its activities, including those related to cybersecurity. The full Board also receives briefings from management on our cybersecurity risk management program. Board members receive presentations on cybersecurity topics from our Vice President of Information Technology ("VP IT") or external experts as part of the Board's continuing education on topics that impact public companies.

Our management team, including the VP IT, is responsible for assessing and managing our material risks from cybersecurity threats. The team has primary responsibility for our overall cybersecurity risk management program and supervises our retained external cybersecurity consultants. Our management team has experience with implementing IT organizational policies and procedures, working in multiple platform environments, and overseeing corporate networking and hardware framework.

Our management team supervises efforts to prevent, detect, mitigate, and remediate cybersecurity risks and incidents through various means, which may include briefings from our internal team; threat intelligence and other information obtained from governmental, public or private sources, including external consultants engaged by us; and alerts and reports produced by security tools deployed in our IT environment.

## Item 2. Properties

As of December 31, 2023 and 2022, InvenTrust's wholly-owned and managed retail properties include grocery-anchored community and neighborhood centers and power centers, including those classified as necessity-based. For the year ended December 31, 2022, we have included results from the properties previously owned by our 55% ownership interest in IAGM at share when combined with our wholly-owned properties, defined as "Pro Rata Combined Retail Portfolio."

The following table summarizes our retail portfolio, on a wholly-owned, IAGM, and pro-rata combined basis, as of December 31, 2023 and 2022.

| | Wholly-Owned Retail Properties | | IAGM Retail Properties | | Pro Rata Combined Retail Portfolio | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| No. of properties | 62 | 58 | — | 4 | 62 | 62 |
| GLA (square feet) | 10,324 | 9,171 | — | 1,125 | 10,324 | 9,790 |
| Economic occupancy | 93.3% | 94.2% | —% | 90.2% | 93.3% | 93.9% |
| Leased occupancy | 96.2% | 96.2% | —% | 93.6% | 96.2% | 96.1% |
| ABR PSF | $19.48 | $19.26 | $— | $16.22 | $19.48 | $19.08 |

The following table represents the geographical diversity of our retail portfolio by ABR as of December 31, 2023.

| Market | No. of Properties | ABR | ABR PSF | ABR as % of Total | GLA | GLA as % of Total |
|---|---|---|---|---|---|---|
| Austin-Round Rock, TX | 8 | $ 32,625 | $16.74 | 17.5 % | 2,056 | 19.9 % |
| Houston-Sugar Land-Baytown, TX | 6 | 20,908 | 16.39 | 11.2 % | 1,409 | 13.6 % |
| Miami-Fort Lauderdale-Miami Beach, FL | 3 | 18,895 | 23.06 | 10.1 % | 859 | 8.3 % |
| Dallas-Fort Worth-Arlington, TX | 7 | 18,325 | 20.02 | 9.8 % | 939 | 9.1 % |
| Atlanta Metro Area, GA | 9 | 18,023 | 20.73 | 9.7 % | 995 | 9.6 % |
| Raleigh-Cary-Durham, NC | 5 | 13,318 | 20.09 | 7.2 % | 688 | 6.7 % |
| So. California - Los Angeles, CA | 3 | 11,247 | 20.94 | 6.0 % | 579 | 5.6 % |
| Charlotte-Gastonia-Concord, NC | 4 | 9,492 | 20.00 | 5.1 % | 515 | 5.0 % |
| Orlando-Kissimmee, FL | 4 | 9,026 | 24.24 | 4.8 % | 378 | 3.7 % |
| Tampa-St. Petersburg, FL | 3 | 8,614 | 13.26 | 4.6 % | 753 | 7.3 % |
| Washington D.C/Richmond Metro Area | 3 | 8,494 | 26.78 | 4.6 % | 358 | 3.5 % |
| San Antonio, TX | 2 | 5,993 | 25.62 | 3.2 % | 261 | 2.5 % |
| So. California - San Diego, CA | 2 | 5,752 | 26.04 | 3.1 % | 225 | 2.2 % |
| So. California - Inland Empire, CA | 2 | 5,116 | 24.21 | 2.8 % | 246 | 2.4 % |
| Cape Coral-Fort Myers, FL | 1 | 574 | 9.68 | 0.3 % | 63 | 0.6 % |
| Total | 62 | $ 186,402 | $19.48 | 100 % | 10,324 | 100 % |

The following table presents information regarding the top 10 tenants of our retail portfolio by ABR as of December 31, 2023.

| Parent Name | Tenant Name/Count | No. of Leases | ABR | % of Total ABR | GLA | % of Total Occ.GLA |
|---|---|---|---|---|---|---|
| Kroger | Kroger 7 / Kroger Gas 1 / Harris Teeter 4 / Ralphs 3 | 15 | $ 9,676 | 5.2 % | 864 | 8.4 % |
| Publix Super Markets, Inc. | Publix 11 / Publix Liquor 3 | 14 | 6,204 | 3.3 % | 541 | 5.2 % |
| TJX Companies | Marshalls 7 / HomeGoods 5 / TJ Maxx 2 | 14 | 4,872 | 2.6 % | 397 | 3.8 % |
| Albertson's | Safeway 1 / Tom Thumb 2 / Market Street 2 / Albertsons 1 | 6 | 4,303 | 2.3 % | 365 | 3.5 % |
| H.E.B. | H.E.B. 4 / H.E.B. Staff Office 1 | 5 | 4,220 | 2.3 % | 447 | 4.3 % |
| Amazon, Inc. | Whole Foods Market 5 | 5 | 2,701 | 1.4 % | 194 | 1.9 % |
| BC Partners | Petsmart 7 | 7 | 2,436 | 1.3 % | 151 | 1.5 % |
| Best Buy | | 4 | 2,270 | 1.2 % | 138 | 1.3 % |
| Apollo Global Management, Inc. | Michael's 7 | 7 | 2,052 | 1.1 % | 161 | 1.6 % |
| Ulta Beauty Inc. | | 8 | 2,028 | 1.1 % | 83 | 0.8 % |
| | | 85 | $ 40,762 | 21.8 % | 3,341 | 32.3 % |

The following table presents the lease expirations of our retail portfolio as of December 31, 2023. This table does not include expirations of signed but not yet commenced leases, nor does it assume that unexercised contractual lease renewal or extension options contained in our leases will, in fact, be exercised.

| Lease Expiration Year | No. of Expiring Leases | GLA of Expiring Leases | Percent of Total GLA of Expiring Leases | ABR of Expiring Leases | Percent of Total ABR | Expiring ABR PSF (a) |
|---|---|---|---|---|---|---|
| 2024 | 108 | 479 | 5.0 % | $ 10,811 | 5.4 % | $22.57 |
| 2025 | 170 | 1,170 | 12.1 % | 20,178 | 10.1 % | 17.25 |
| 2026 | 216 | 958 | 9.9 % | 22,433 | 11.2 % | 23.42 |
| 2027 | 266 | 1,887 | 19.6 % | 38,897 | 19.5 % | 20.61 |
| 2028 | 227 | 1,054 | 10.9 % | 25,602 | 12.8 % | 24.29 |
| 2029 | 153 | 1,127 | 11.7 % | 22,457 | 11.2 % | 19.93 |
| 2030 | 80 | 383 | 4.0 % | 9,980 | 5.0 % | 26.06 |
| 2031 | 75 | 504 | 5.2 % | 10,563 | 5.3 % | 20.96 |
| 2032 | 90 | 549 | 5.7 % | 12,673 | 6.3 % | 23.08 |
| 2033 | 61 | 386 | 4.0 % | 9,959 | 5.0 % | 25.80 |
| Thereafter | 42 | 1,100 | 11.5 % | 15,048 | 7.7 % | 13.68 |
| Other (b) | 10 | 34 | 0.4 % | 1,052 | 0.5 % | 30.94 |
| Totals | 1,498 | 9,631 | 100 % | $ 199,653 | 100 % | $20.73 |

(a) Expiring ABR PSF reflects ABR PSF at the time of lease expiration.

(b) Other lease expirations include the GLA, ABR and ABR PSF of month-to-month leases.

Our retail business is neither highly dependent on specific retailers nor subject to lease roll-over concentration. We believe this minimizes our risk of significant revenue variances over time.

Certain of our properties are encumbered by mortgages, totaling $168.5 million as of December 31, 2023. Additional detail about our retail properties can be found on Schedule III – Real Estate and Accumulated Depreciation.

**Item 3. Legal Proceedings**

We are subject, from time to time, to various legal proceedings and claims that arise in the ordinary course of business. While the resolution of these matters cannot be predicted with certainty, we believe, based on currently available information, that the final outcome of such matters will not have a material adverse effect on our financial condition, results of operations, or liquidity.

**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 trades on the NYSE under the ticker symbol "IVT". As of February 1, 2024, there were 21,964 holders of record of shares of our outstanding common stock.

In order to comply with certain requirements related to our qualification as a REIT, our charter, subject to certain exceptions, contains restrictions on the number of shares of our common stock that a person may own. Our charter provides that no person may beneficially or constructively own more than 9.8% in value or in number of shares, whichever is more restrictive, of the outstanding shares of any class or series of our capital stock.

**Issuer Purchases of Equity Securities**

***Share Repurchase Program***

On February 23, 2022, we established a share repurchase program (the "SRP") of up to $150.0 million of our outstanding shares of common stock. The SRP may be suspended or discontinued at any time, and does not obligate us to repurchase any dollar amount or particular amount of shares. As of December 31, 2023, no common stock has been repurchased under the SRP.

***Stock-Based Compensation Plans***

During the year ended December 31, 2023, certain of the Company's employees surrendered shares of common stock to satisfy tax withholding obligations associated with the vesting of shares of common stock issued under the InvenTrust Properties Corp. 2015 Incentive Award Plan ("Incentive Award Plan") and the purchase of shares of common stock at a discount under the Employee Stock Purchase Plan (the "ESPP").

The following table summarizes all share repurchases during the fourth quarter of 2023:

| Period | Total No. of Shares Purchased (a) | Average Price Paid per Share | Total No. of Shares Purchased as Part of Publicly Announced Plans or Programs | Approx. Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs |
|---|---|---|---|---|
| October 1 - October 31, 2023 | — | $ — | — | $ 150,000 |
| November 1 - November 30, 2023 | — | $ — | — | $ 150,000 |
| December 1 - December 31, 2023 | 39,901 | $ 25.73 | — | $ 150,000 |

(a) Consists of shares of common stock surrendered to the Company to satisfy tax withholding obligations.

**Distributions**

We have been paying cash distributions since October 2005. Our quarterly distributions are paid one quarter in arrears. Any future determination to pay distributions will be at the discretion of our Board and will depend on our financial condition, capital requirements, restrictions contained in current or future financing instruments, and such other factors as our Board deems relevant. We currently have capacity and intend to continue to pay a quarterly distribution, subject to Board approval.

During the year ended December 31, 2023 and 2022, we declared and paid cash distributions of $57.5 million and $55.3 million respectively. For the distribution of $0.2155 declared on December 28, 2023 and paid on January 15, 2024, $0.1030 of the distribution is reported for the tax year 2023 and included in the tax characterization percentages in the table below.

The tax characterization of our distributions declared for the years ended December 31, 2023 and 2022 was as follows:

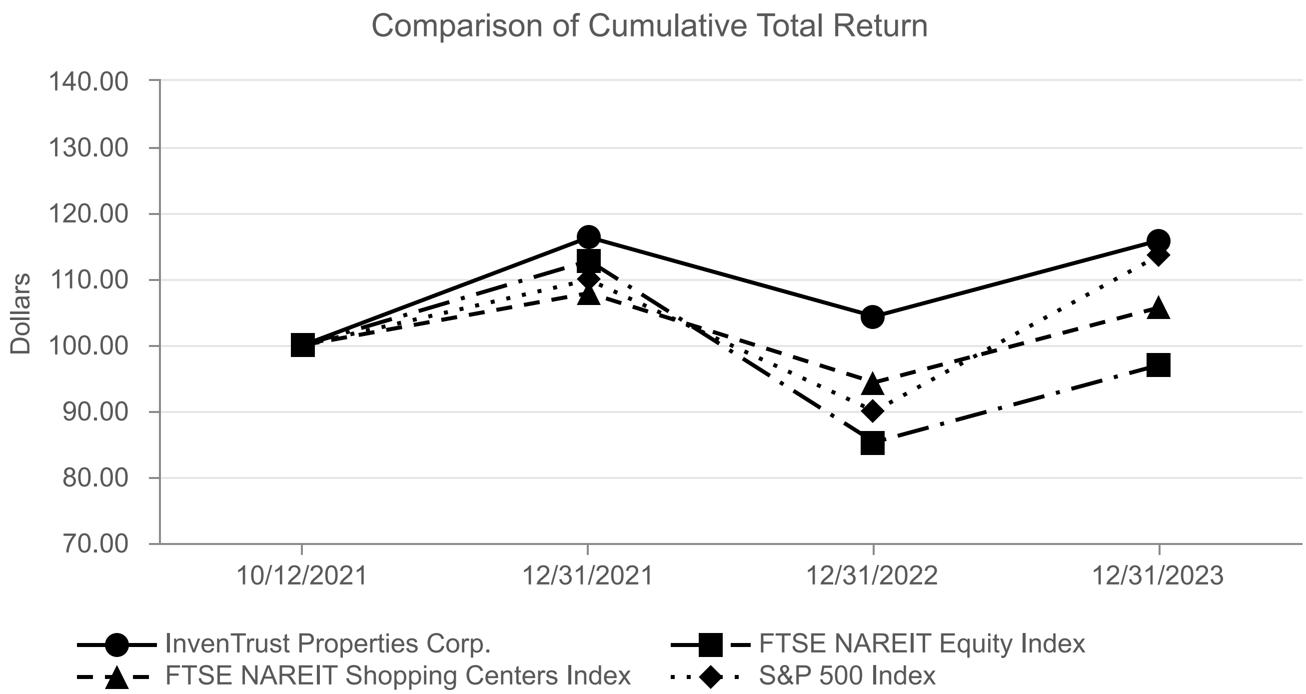
| Common Stock: | 2023 | 2022 |
|---|---|---|
| Ordinary distribution | 78.50% | 93.20% |
| Other forms of distributions | —% | 6.80% |
| Capital gain distributions (a) | 21.50% | —% |
| Total distributions per share of common stock | 100.00% | 100.00% |

(a) Of the Total Capital Gain Distribution, 0% is excluded under Reg. 1.1061-4(b)(7). The remaining 100% is a Three Year Amount under Reg. 1.1061-6(c).

**Stock Performance Graph**

*The following performance graph and related information shall not be deemed "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing, or otherwise subject to the liabilities under the Securities Act or Exchange Act, except to the extent that we specifically incorporate it by reference into such filing.*

The following graph depicts the total cumulative stockholder return of the Company's common stock from October 12, 2021, the first day of trading of our common stock on the NYSE, through December 31, 2023, relative to the performance of the FTSE National Association of Real Estate Investment Trusts Equity REITs Index (the "FTSE NAREIT Equity Index"), the FTSE National Association of Real Estate Investment Trusts Equity Shopping Centers Index (the "FTSE NAREIT Shopping Centers Index"), and the Standard and Poor's 500 Stock Index (S&P 500 Index). The graph assumes an initial investment of $100.00 at the first NYSE trade price of $23.61 on October 12, 2021 and that all dividends paid by companies included in these indices have been reinvested. The performance shown in the graph below is not intended to forecast or be indicative of future stock price performance.




| Ticker / Index | 10/12/2021 | 12/31/2021 | 12/31/2022 | 12/31/2023 |
|---|---|---|---|---|
| IVT | $100.00 | $116.32 | $104.34 | $115.87 |
| FTSE NAREIT Equity Index | 100.00 | 112.75 | 85.28 | 96.99 |
| FTSE NAREIT Shopping Centers Index | 100.00 | 107.87 | 94.34 | 105.70 |
| S&P 500 Index | 100.00 | 109.88 | 89.98 | 113.63 |

**Recent Sales of Unregistered Securities**

None.

**Item 6. Reserved**

## Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis relates to the operations of the Company for the years ended December 31, 2023 and 2022 and its financial position as of December 31, 2023 and 2022. Discussion of 2021 items and year-to-year comparisons between 2022 and 2021 that are not included in this Annual Report can be found in "*Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations*" of our Annual Report on Form 10-K for the year ended December 31, 2022. The following discussion and analysis should be read in conjunction with our consolidated financial statements and the related notes included in this Annual Report. This discussion contains forward-looking statements about our business. These statements are based on current expectations and assumptions that are subject to risks and uncertainties. Actual results could differ materially because of factors discussed in *"Forward-Looking Statements"* and *"Part I, Item 1A. Risk Factors"* contained in this Annual Report and in our other reports that we file from time to time with the SEC.

### Executive Summary

InvenTrust Properties Corp. is a premier Sun Belt, multi-tenant essential retail REIT that owns, leases, redevelops, acquires, and manages grocery-anchored neighborhood and community centers, as well as high-quality power centers that often have a grocery component. We pursue our business strategy by acquiring retail properties in Sun Belt markets, opportunistically disposing of retail properties, maintaining a flexible capital structure, and enhancing our environmental, social and governance practices and standards.

*Current Strategy and Outlook*

InvenTrust focuses on Sun Belt markets with favorable demographics, including above average growth in population, employment, income and education levels. We believe these conditions create favorable demand characteristics for grocery-anchored and necessity-based essential retail centers, which will position us to capitalize on potential future rent increases while benefiting from sustained occupancy at our centers. Our strategically located regional field offices are within a two-hour drive of over 95% of our properties which affords us the ability to respond to the needs of our tenants and provides us with in-depth local market knowledge. We believe that our Sun Belt portfolio of high quality grocery-anchored assets is a distinct differentiator for us in the marketplace.

*Evaluation of Financial Condition and Operating Results*

In addition to measures of operating performance determined in accordance with U.S generally accepted accounting principles ("GAAP"), management evaluates our financial condition and operating performance by focusing on the following financial and non-financial indicators, discussed in further detail herein:

- Net Operating Income ("NOI") and Same Property NOI, supplemental non-GAAP measures;
- NAREIT Funds From Operations ("NAREIT FFO") Applicable to Common Shares and Dilutive Securities, a supplemental non-GAAP measure;
- Core FFO Applicable to Common Shares and Dilutive Securities, a supplemental non-GAAP measure;
- Economic and leased occupancy and rental rates;
- Leasing activity and lease rollover;
- Operating expense levels and trends;
- General and administrative expense levels and trends;
- Debt maturities and leverage ratios; and
- Liquidity levels.

**Recent Developments**

Joint Venture Acquisition and IAGM Dispositions

On January 18, 2023, we acquired the four remaining retail properties from IAGM for an aggregate purchase price of $222.3 million by acquiring 100% of the membership interests in each of IAGM's wholly owned subsidiaries. Subsequent to the transaction, IAGM proportionately distributed substantially all net proceeds from the sale, of which the Company's share was approximately $71.4 million. On December 15, 2023, IAGM was fully liquidated.

During the year ended December 31, 2023, IAGM disposed of the following properties:

| Date | Property | Metropolitan Area | Square Feet | Gross Disposition Price (a) | Gain on Sale |
|---|---|---|---|---|---|
| January 18, 2023 | Bay Colony | Houston, TX | 416 | $ 79,100 | $ 22,327 |
| January 18, 2023 | Blackhawk Town Center | Houston, TX | 127 | 26,300 | 12,632 |
| January 18, 2023 | Cyfair Town Center | Houston, TX | 433 | 79,200 | 4,713 |
| January 18, 2023 | Stables Town Center | Houston, TX | 148 | 37,000 | 5,536 |
| Total | | | 1,124 | $ 221,600 | $ 45,208 |

(a) Disposition price and square feet for the joint venture disposition activity are reflected at 100%.

Acquisitions and Mortgage Assumptions

During the year ended December 31, 2023, we acquired the following properties:

| Date | Property | Grocer Anchor | Metropolitan Area | Square Feet | Gross Acquisition Price | Assumption of Mortgage Debt |
|---|---|---|---|---|---|---|
| January 18, 2023 | Bay Colony (a) | HEB | Houston, TX | 416 | $ 79,100 | $ 41,969 |
| January 18, 2023 | Blackhawk Town Center (a) | HEB | Houston, TX | 127 | 26,300 | 13,008 |
| January 18, 2023 | Cyfair Town Center (a) | Kroger | Houston, TX | 433 | 79,200 | 30,880 |
| January 18, 2023 | Stables Town Center (a) | Kroger | Houston, TX | 148 | 37,000 | 6,611 |
| June 2, 2023 | The Shoppes at Davis Lake | Harris Teeter | Charlotte, NC | 91 | 22,400 | — |
| Total | | | | 1,215 | $ 244,000 | $ 92,468 |

(a) We acquired these properties from our joint venture, IAGM.

Dispositions

During the year ended December 31, 2023, we disposed of the following properties:

| Date | Property | Metropolitan Area | Square Feet | Gross Disposition Price | Gain on Sale |
|---|---|---|---|---|---|
| June 20, 2023 | Shops at the Galleria (a) | Austin, TX | N/A | $ 1,692 | $ 984 |
| August 25, 2023 | Trowbridge Crossing | Atlanta, GA | 63 | 11,450 | 1,707 |
| Total | | | 63 | $ 13,142 | $ 2,691 |

(a) This disposition was related to the completion of a partial condemnation at one retail property.

Debt

On February 6, 2023, the Company extinguished the $13.7 million mortgage payable secured by Renaissance Center with its available liquidity.

On October 17, 2023, the Company extended the maturity of its $92.5 million cross-collateralized mortgage debt maturing in 2023 by exercising one of its two 12-month extension options. The maturity date of the mortgage debt is now November 2, 2024. On December 22, 2023, the Company partially paid down the mortgage debt by $20.0 million, resulting in the release of Blackhawk Town Center from collateralization and an outstanding balance of $72.5 million as of December 31, 2023.

ATM Program

During the quarter ended December 31, 2023, the Company raised $5.4 million of net proceeds, after $0.1 million in commissions, under its at-the-market equity offering program (the "ATM Program"), through the issuance of 208,040 shares of common stock at a weighted average price of $26.13 per share. As of December 31, 2023, $244.6 million of common stock remains available for issuance under the ATM Program.

**Our Retail Portfolio**

As of December 31, 2023 and 2022, our wholly-owned and managed retail properties include grocery-anchored community and neighborhood centers and power centers, including those classified as necessity-based. For the year ended December 31, 2022, we have included results from IAGM properties at share when combined with our wholly-owned properties.

The following table summarizes our retail portfolio, on a wholly-owned, IAGM, and pro rata combined basis, as of December 31, 2023 and 2022.

| | Wholly-Owned Retail Properties | | IAGM Retail Properties | | Pro Rata Combined Retail Portfolio | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| No. of properties | 62 | 58 | — | 4 | 62 | 62 |
| GLA (square feet) | 10,324 | 9,171 | — | 1,125 | 10,324 | 9,790 |
| Economic occupancy | 93.3% | 94.2% | —% | 90.2% | 93.3% | 93.9% |
| Leased occupancy | 96.2% | 96.2% | —% | 93.6% | 96.2% | 96.1% |
| ABR PSF | $19.48 | $19.26 | $— | $16.22 | $19.48 | $19.08 |

*Summary by Center Type*

Our retail properties consist of community and neighborhood centers and power centers.

- Community and neighborhood centers are generally open-air and designed for tenants that offer a wide array of merchandise and services, including groceries, soft goods and convenience-oriented offerings. Our community centers contain large anchor stores and a significant presence of national retail tenants. Our neighborhood centers are generally smaller open-air centers with a grocery store anchor and/or drugstore and other small service-type retailers.

- Power centers are generally larger and consist of several anchors, such as discount department stores, off-price stores, specialty grocers and warehouse clubs. Typically, the number of specialty tenants is limited and most are national or regional in scope.

The following tables summarize our retail portfolio, by center type, as of December 31, 2023 and 2022.

*Community and neighborhood centers*

| | Wholly-Owned Retail Properties | | IAGM Retail Properties | | Pro Rata Combined Retail Portfolio | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| No. of properties | 50 | 46 | — | 4 | 50 | 50 |
| GLA (square feet) | 6,800 | 5,647 | — | 1,125 | 6,800 | 6,266 |
| Economic occupancy | 94.8% | 95.0% | —% | 90.2% | 94.8% | 94.5% |
| Leased occupancy | 97.1% | 96.9% | —% | 93.6% | 97.1% | 96.6% |
| ABR PSF | $20.22 | $20.36 | $— | $16.22 | $20.22 | $19.98 |

*Power centers*

| | Wholly-Owned Retail Properties | | IAGM Retail Properties | | Pro Rata Combined Retail Portfolio | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| No. of properties | 12 | 12 | — | — | 12 | 12 |
| GLA (square feet) | 3,524 | 3,524 | — | — | 3,524 | 3,524 |
| Economic occupancy | 90.2% | 92.9% | —% | —% | 90.2% | 92.9% |
| Leased occupancy | 94.2% | 95.1% | —% | —% | 94.2% | 95.1% |
| ABR PSF | $18.00 | $17.45 | $— | $— | $18.00 | $17.45 |

*Same Property Summary*

Properties classified as same property were owned for the entirety of both periods presented ("Same Properties"). The following table summarizes the Same Properties of our retail portfolio for the years ended December 31, 2023 and 2022.

| | Year ended December 31 | |
|---|---|---|
| | 2023 | 2022 |
| No. of properties | 51 | 51 |
| GLA (square feet) | 8,029 | 8,029 |
| Economic occupancy | 93.4% | 94.1% |
| Leased occupancy | 96.3% | 96.3% |
| ABR PSF | $20.15 | $19.54 |

*Leasing Activity*

The following tables summarize the activity for leases that were executed during the year ended December 31, 2023, compared with expiring or expired leases for the same or previous tenant for renewals, and the same unit for new leases at the 62 properties in our retail portfolio. The Company's retail portfolio had GLA totaling 893 thousand square feet expiring during the year ended December 31, 2023, of which 802 thousand square feet was re-leased. This achieved a retention rate of approximately 90.0%.

| | No. of Leases Executed | GLA SF (in thousands) | New Contractual Rent ($PSF)(b) | Prior Contractual Rent ($PSF)(b) | % Change over Prior Lease Rent (b) | Weighted Average Lease Term (Years) | Tenant Improvement Allowance ($PSF) | Lease Commissions ($PSF) |
|---|---|---|---|---|---|---|---|---|
| All tenants | | | | | | | | |
| Comparable Renewal Leases (a) | 190 | 827 | $22.94 | $21.39 | 7.2% | 5.2 | $0.49 | $0.03 |
| Comparable New Leases (a) | 32 | 147 | $24.80 | $19.80 | 25.3% | 10.3 | $27.82 | $11.92 |
| Non-Comparable Renewal and New Leases | 77 | 444 | $21.64 | N/A | N/A | 6.7 | $14.03 | $6.83 |
| Total | 299 | 1,418 | $23.23 | $21.15 | 9.8% | 6.2 | $7.56 | $3.39 |
| Anchor tenants (leases ten thousand square feet and over) | | | | | | | | |
| Comparable Renewal Leases (a) | 13 | 409 | $12.47 | $11.62 | 7.3% | 5.0 | $— | $— |
| Comparable New Leases (a) | 3 | 85 | $17.50 | $12.94 | 35.2% | 10.6 | $27.00 | $9.97 |
| Non-Comparable Renewal and New Leases | 8 | 248 | $13.25 | N/A | N/A | 5.0 | $1.21 | $2.15 |
| Total | 24 | 742 | $13.34 | $11.85 | 12.6% | 5.6 | $3.49 | $1.86 |
| Small shop tenants (leases under ten thousand square feet) | | | | | | | | |
| Comparable Renewal Leases (a) | 177 | 418 | $33.21 | $30.97 | 7.2% | 5.3 | $0.98 | $0.06 |
| Comparable New Leases (a) | 29 | 62 | $34.86 | $29.10 | 19.8% | 9.9 | $28.95 | $14.61 |
| Non-Comparable Renewal and New Leases | 69 | 196 | $32.31 | N/A | N/A | 9.0 | $30.34 | $12.78 |
| Total | 275 | 676 | $33.43 | $30.73 | 8.8% | 6.8 | $12.04 | $5.08 |

(a) Comparable leases are leases that meet all of the following criteria: terms greater than or equal to one year, unit was vacant less than one year prior to executed lease, square footage of unit remains unchanged or within 10% of prior unit square footage, and has a rent structure consistent with the previous tenant.

(b) Non-comparable leases are not included in totals.

## Results of Operations

***Comparison of results for the years ended December 31, 2023 and 2022***

We generate substantially all of our earnings from property operations. Since January 1, 2022, we have acquired eleven retail properties and disposed of four retail properties.

The following table presents the changes in our income for the years ended December 31, 2023 and 2022.

| | Year ended December 31 | | |
|---|---|---|---|
| | 2023 | 2022 | Increase (Decrease) |
| Income | | | |
| Lease income, net | $ 257,146 | $ 232,980 | $ 24,166 |
| Other property income | 1,450 | 1,161 | 289 |
| Other fee income | 80 | 2,566 | (2,486) |
| Total income | $ 258,676 | $ 236,707 | $ 21,969 |

Lease income, net increased $24.2 million as a result of increases from properties acquired of $31.5 million, decreases from properties disposed of $9.1 million, and the following activity related to our Same Properties:

- $5.3 million of increased minimum rent attributable to increased ABR PSF and favorable lease spreads, and
- $0.3 million of increased common area maintenance and real estate tax recoveries, partially offset by:
- $2.4 million of decreased amortization of market lease intangibles and straight-line rent adjustments, and
- $1.4 million of net changes in credit losses and related reversals primarily attributable to lump sum rent collections from our cash basis tenants in 2022 pertaining to prior period rent charges.

Other fee income decreased $2.5 million as a result of the Company acquiring six retail properties from IAGM since January 1, 2022.

The following table presents the changes in our operating expenses for the years ended December 31, 2023 and 2022.

| | Year ended December 31 | | |
|---|---|---|---|
| | 2023 | 2022 | Increase (Decrease) |
| Operating expenses | | | |
| Depreciation and amortization | $ 113,430 | $ 94,952 | $ 18,478 |
| Property operating | 42,832 | 40,239 | 2,593 |
| Real estate taxes | 34,809 | 32,925 | 1,884 |
| General and administrative | 31,797 | 33,342 | (1,545) |
| Total operating expenses | $ 222,868 | $ 201,458 | $ 21,410 |

Depreciation and amortization increased $18.5 million as a result of:

- $23.1 million of increases from properties acquired, partially offset by:
- $2.9 million of decreases from properties disposed, and
- $1.7 million of decreased in-place lease intangible amortization from our Same Properties.

Property operating expenses increased $2.6 million as a result of:

- $5.4 million of increases from properties acquired, partially offset by:
- $1.2 million of decreased pre-leasing costs from our Same Properties, and
- $1.6 million of decreases from properties disposed.

Real estate taxes increased $1.9 million as a result of:

- $4.0 million of increases from properties acquired, partially offset by:
- $0.4 million of decreases from our Same Properties, and
- $1.7 million of decreases from properties disposed.

General and administrative expenses decreased $1.5 million as a result of:

- $2.1 million of decreased non-compensation costs, and
- $1.7 million of decreased other compensation costs, partially offset by:
- $2.3 million of increased stock-based compensation costs.

The following table presents the changes in our other income and expenses for the years ended December 31, 2023 and 2022.

| | Year ended December 31 | | |
|---|---|---|---|
| | 2023 | 2022 | Change, net |
| Other income (expense) | | | |
| Interest expense, net | $ (38,138) | $ (26,777) | $ (11,361) |
| Loss on extinguishment of debt | (15) | (181) | 166 |
| Gain on sale of investment properties | 2,691 | 38,249 | (35,558) |
| Equity in (losses) earnings of unconsolidated entities | (557) | 3,663 | (4,220) |
| Other income and expense, net | 5,480 | 2,030 | 3,450 |
| Total other (expense) income, net | $ (30,539) | $ 16,984 | $ (47,523) |

*Interest expense, net*

Interest expense, net, increased $11.4 million primarily as a result of:

- the private placement of our senior notes in August 2022, generating increased interest expense of $7.8 million,
- increased interest rates on our corporate term loans generating increased interest expense of $2.6 million,
- aggregate assumption of mortgages of $172.8 million since January 1, 2022, generating increased interest expense of $3.0 million, and
- increased amortization of debt issuance costs of $1.3 million, partially offset by:
- decreased balances on our corporate line of credit resulting in decreased interest expense of $1.3 million, and
- aggregate reduction of mortgage payable of $90.3 million since January 1, 2022, generating decreased interest expense of $2.0 million.

*Loss on extinguishment of debt*

During the year ended December 31, 2023, we recognized an insignificant loss on the extinguishment of total mortgages payable of $33.7 million. During the year ended December 31, 2022, we recognized an aggregate loss of $0.2 million on the extinguishment of total mortgages payable of $75.6 million.

*Gain on sale of investment properties*

During the year ended December 31, 2023, we recognized a gain of $1.0 million on the completion of a partial condemnation at one retail property and a gain of $1.7 million on the sale of one retail property. During the year ended December 31, 2022, we recognized a gain of $38.2 million on the sale of three retail properties.

*Equity in (losses) earnings of unconsolidated entities*

Equity in (losses) earnings of unconsolidated entities decreased $4.2 million primarily as a result of the Company acquiring six retail properties from IAGM since January 1, 2022.

*Other income and expense, net*

Other income and expense, net increased $3.5 million primarily as a result of increased interest income earned on cash and cash equivalents and non-recurring income from non-operating activities.

***Net Operating Income***

We evaluate the performance of our retail properties based on NOI, which excludes general and administrative expenses, depreciation and amortization, other income and expense, net, gains (losses) from sales of properties, gains (losses) on extinguishment of debt, interest expense, net, equity in earnings (losses) from unconsolidated entities, lease termination income and expense, and GAAP rent adjustments such as amortization of market lease intangibles, amortization of lease incentives, and straight-line rent adjustments ("GAAP Rent Adjustments"). We bifurcate NOI into Same Property NOI and NOI from other investment properties based on whether the retail properties meet our Same Property criteria. NOI from other investment properties includes adjustments for the Company's captive insurance company.

We believe the supplemental non-GAAP financial measures of NOI, same property NOI, and NOI from other investment properties provide added comparability across periods when evaluating our financial condition and operating performance that is not readily apparent from "Operating income" or "Net income" in accordance with GAAP.

*Comparison of Same Property results for the years ended December 31, 2023 and 2022*

A total of 51 wholly-owned retail properties met our Same Property criteria for the years ended December 31, 2023 and 2022. The following table presents the reconciliation of net income, the most directly comparable GAAP measure, to NOI and Same Property NOI for the years ended December 31, 2023 and 2022:

| | Year ended December 31 | | |
|---|---|---|---|
| | 2023 | 2022 | Change, net |
| Net income | $ 5,269 | $ 52,233 | $ (46,964) |
| Adjustments to reconcile to non-GAAP metrics: | | | |
| Other income and expense, net | (5,480) | (2,030) | (3,450) |
| Equity in losses (earnings) of unconsolidated entities | 557 | (3,663) | 4,220 |
| Interest expense, net | 38,138 | 26,777 | 11,361 |
| Loss on extinguishment of debt | 15 | 181 | (166) |
| Gain on sale of investment properties | (2,691) | (38,249) | 35,558 |
| Depreciation and amortization | 113,430 | 94,952 | 18,478 |
| General and administrative | 31,797 | 33,342 | (1,545) |
| Other fee income | (80) | (2,566) | 2,486 |
| Adjustments to NOI (a) | (7,528) | (9,743) | 2,215 |
| NOI | 173,427 | 151,234 | 22,193 |
| NOI from other investment properties | (31,303) | (15,691) | (15,612) |
| Same Property NOI | $ 142,124 | $ 135,543 | $ 6,581 |

(a) Adjustments to NOI include termination fee income and expense and GAAP Rent Adjustments.

*Comparison of the components of Same Property NOI for the years ended December 31, 2023 and 2022*

| | Year ended December 31 | | | |
|---|---|---|---|---|
| | 2023 | 2022 | Change | Variance |
| Lease income, net | $ 203,231 | $ 198,963 | $ 4,268 | 2.1% |
| Other property income | 1,212 | 1,127 | 85 | 7.5% |
| | 204,443 | 200,090 | 4,353 | 2.2% |
| Property operating expenses | 33,841 | 35,695 | (1,854) | (5.2)% |
| Real estate taxes | 28,478 | 28,852 | (374) | (1.3)% |
| | 62,319 | 64,547 | (2,228) | (3.5)% |
| Same Property NOI | $ 142,124 | $ 135,543 | $ 6,581 | 4.9% |

Same Property NOI increased by $6.6 million, or 4.9%, when comparing the year ended December 31, 2023 to the same period in 2022, and was primarily a result of:

- $5.3 million of increased minimum rent attributable to increased ABR PSF and favorable lease spreads,
- $1.7 million of increased recoveries in excess of recoverable operating expenses, primarily attributable to leases with fixed recovery terms, and
- $1.0 million of decreased non-recoverable pre-leasing costs, partially offset by:
- $1.4 million of net changes in credit losses and related reversals primarily attributable to lump sum rent collections from our cash basis tenants in 2022 pertaining to prior period rent charges.

***Funds From Operations***

The National Association of Real Estate Investment Trusts ("NAREIT"), an industry trade group, has promulgated a widely accepted non-GAAP financial measure of operating performance known as Funds From Operations ("NAREIT FFO"). Our NAREIT FFO is net income (or loss) in accordance with GAAP, excluding gains (or losses) resulting from dispositions of properties, plus depreciation and amortization and impairment charges on depreciable real property. Adjustments for IAGM are calculated to reflect our proportionate share of the joint venture's funds from operations on the same basis.

In calculating NAREIT FFO, impairment charges of depreciable real estate assets are added back even though the impairment charge may represent a permanent decline in value due to the decreased operating performance of the applicable property. Furthermore, because gains and losses from sales of property are excluded from NAREIT FFO, it is consistent and appropriate that impairments, which are often early recognition of losses on prospective sales of property, also be excluded.

We believe NAREIT FFO Applicable to Common Shares and Dilutive Securities, when considered with the financial statements determined in accordance with GAAP, is helpful to investors in understanding our performance because the historical accounting convention used for real estate assets requires straight-line depreciation of buildings and improvements, which implies that the value of real estate assets diminishes predictably over time. Since real estate values historically rise and fall with market conditions, presentations of operating results for a REIT, using historical accounting for depreciation, could be less informative.

Core Funds From Operations ("Core FFO") is an additional supplemental non-GAAP financial measure of our operating performance. In particular, Core FFO provides an additional measure to compare the operating performance of different REITs without having to account for certain remaining amortization assumptions within NAREIT FFO and other unique revenue and expense items which some may consider not pertinent to measuring a particular company's on-going operating performance. In that regard, we use Core FFO as an input to our compensation plan to determine cash bonuses and measure the achievement of certain performance-based equity awards.

Our adjustments to NAREIT FFO to arrive at Core FFO include removing the impact of (i) amortization of debt discounts and financing costs, (ii) amortization of market-lease intangibles and inducements, net, (iii) depreciation and amortization of corporate assets, (iv) straight-line rent adjustments, (v) gains (or losses) resulting from debt extinguishments (vi) other non-operating revenue and expense items which, in our judgement, are not pertinent to measuring on-going operating performance, (vii) adjustments for IAGM to reflect our share of the ventures' Core FFO on the same basis. Our calculation of Core FFO Applicable to Common Shares and Dilutive Securities does not consider any capital expenditures.

Other REITs may use alternative methodologies for calculating similarly titled measures, which may not be comparable to our definition and calculation of NAREIT FFO Applicable to Common Shares and Dilutive Securities or Core FFO Applicable to Common Shares and Dilutive Securities. Furthermore, NAREIT FFO and Core FFO are not necessarily indicative of cash flow available to fund cash needs and should not be considered as alternatives to net income as an indication of our performance. NAREIT FFO and Core FFO should not be considered as alternatives to our cash flows from operating, investing, and financing activities. Nor should NAREIT FFO and Core FFO be considered as measures of liquidity, our ability to make cash distributions, or our ability to service our debt.

NAREIT FFO Applicable to Common Shares and Dilutive Securities and Core FFO Applicable to Common Shares and Dilutive Securities is calculated as follows:

| | Year ended December 31, | |
|---|---|---|
| | 2023 | 2022 |
| Net income | $ 5,269 | $ 52,233 |
| Depreciation and amortization related to investment properties | 112,578 | 94,142 |
| Gain on sale of investment properties | (2,691) | (38,249) |
| Unconsolidated joint venture adjustments (a) | 342 | 3,850 |
| NAREIT FFO Applicable to Common Shares and Dilutive Securities | 115,498 | 111,976 |
| Amortization of market-lease intangibles and inducements, net | (3,343) | (5,589) |
| Straight-line rent adjustments, net | (3,349) | (3,815) |
| Amortization of debt discounts and financing costs | 4,113 | 2,816 |
| Adjusting items, net (b) | (969) | (18) |
| Unconsolidated joint venture adjusting items, net (c) | (92) | 582 |
| Core FFO Applicable to Common Shares and Dilutive Securities | $ 111,858 | $ 105,952 |
| | | |
| Weighted average common shares outstanding - basic | 67,531,898 | 67,406,233 |
| Dilutive effect of unvested restricted shares (d) | 281,282 | 119,702 |
| Weighted average common shares outstanding - diluted | 67,813,180 | 67,525,935 |
| | | |
| Net income per diluted share | $ 0.08 | $ 0.77 |
| Per share adjustments for NAREIT FFO | 1.62 | 0.89 |
| NAREIT FFO per diluted share | $ 1.70 | $ 1.66 |
| Per share adjustments for Core FFO | (0.05) | (0.09) |
| Core FFO per diluted share | $ 1.65 | $ 1.57 |

(a) Represents our share of depreciation, amortization, and gain on sale related to investment properties held in IAGM.

(b) Adjusting items, net, are primarily loss on extinguishment of debt, depreciation and amortization of corporate assets, and non-operating income and expenses, net, which includes items which are not pertinent to measuring on-going operating performance, such as basis difference recognition arising from acquiring the four remaining properties of IAGM, and miscellaneous and settlement income.

(c) Represents our share of amortization of market lease intangibles and inducements, net, straight line rent adjustments, net and adjusting items, net related to IAGM.

(d) For purposes of calculating non-GAAP per share metrics, the same denominator is used as that which would be used in calculating diluted earnings per share in accordance with GAAP.

## Critical Accounting Estimates

### *General*

The accompanying consolidated financial statements have been prepared in accordance with GAAP, which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant estimates, judgments, and assumptions are required in a number of areas, including, but not limited to, evaluating the collectability of accounts receivable, allocating the purchase price of acquired retail properties, and evaluating the impairment of long-lived assets. We base these estimates, judgments and assumptions on historical experience and various other factors that we believe to be reasonable under the circumstances. Actual results may differ from these estimates.

### *Acquisition of Real Estate*

We evaluate the inputs, processes and outputs of each asset acquired to determine if the transaction is a business combination or asset acquisition. If an acquisition qualifies as a business combination, the related transaction costs are expensed. If an acquisition qualifies as an asset acquisition, the related transaction costs are generally capitalized and amortized over the useful life of the acquired assets. Generally, our acquisitions of real estate qualify as asset acquisitions.

We allocate the purchase price of real estate to land, building, other building improvements, tenant improvements, intangible assets and liabilities (such as the value of above- and below-market leases, in-place leases and origination costs associated with in-place leases). The values of above- and below-market leases are recorded as intangible assets and intangible liabilities, respectively, and are amortized as either a decrease (in the case of above-market leases) or an increase (in the case of below-market leases) to lease income, net over the remaining term of the associated tenant lease. The values, if any, associated with in-place leases are recorded in intangible assets and are amortized to depreciation and amortization expense over the remaining lease term.

The difference between the contractual rental rates and our estimate of market rental rates is measured over a period equal to the remaining non-cancelable term of the leases plus the term of any below-market renewal options. For the amortization period, the remaining term of leases with renewal options at terms below market reflect the assumed exercise of such below-market renewal options, if reasonably assured.

If a tenant vacates its space prior to the contractual expiration of the lease and no rental payments are being made on the lease, any unamortized balance of the related intangible asset or liability is written off. Tenant improvements are depreciated and origination costs are amortized over the remaining term of the lease or charged against earnings if the lease is terminated prior to its contractual expiration date.

With the assistance of a third-party valuation specialist, we perform the following procedures for assets acquired:

- Estimate the value of the property "as if vacant" as of the acquisition date;
- Allocate the value of the property among land, building, and other building improvements and determine the associated useful life for each;
- Calculate the value and associated life of above- and below-market leases on a tenant-by-tenant basis. The difference between the contractual rental rates and our estimate of market rental rates is measured over a period equal to the remaining term of the leases (using a discount rate which reflects the risks associated with the leases acquired, including geographical location, size of leased area, tenant profile and credit risk);
- Estimate the fair value of the tenant improvements, legal costs and leasing commissions incurred to obtain the leases and calculate the associated useful life for each;
- Estimate the fair value of assumed debt, if any; and
- Estimate the intangible value of the in-place leases based on lease execution costs of similar leases as well as lost rent payments during an assumed lease-up period and their associated useful lives on a tenant-by-tenant basis.

***Impairment of Long Lived Assets***

We assess the carrying values of our long-lived tangible and intangible assets whenever events or changes in circumstances indicate that they may not be fully recoverable. An example of an event or changed circumstance is a reduction in the expected holding period of a property. When such event or circumstances occur, if it is expected that the carrying value is not recoverable, because the expected undiscounted cash flows do not exceed that carrying value, we recognize an impairment loss to the extent that the carrying value exceeds the estimated fair value. The valuation and possible subsequent impairment of investment properties is a significant estimate that can and does change based on our continuous process of analyzing each property's economic condition over time and reviewing and updating assumptions about uncertain inherent factors, including observable inputs such as contractual revenues and unobservable inputs such as forecasted revenues and expenses, estimated net disposition proceeds, discount and capitalization rates. These unobservable inputs are based on market conditions and the property's expected growth rates. Assumptions and estimates about future cash flows and discount and capitalization rates are complex and subjective. Changes in economic and operating conditions and in our ultimate investment intent that occur subsequent to the impairment analyses could impact these assumptions and result in additional impairment.

Our assessment of expected hold period for investment properties evaluated for impairment is of particular significance because of the material impact it has on the evaluation of the property's recoverability. Changes in our disposition strategy or changes in the marketplace may alter the expected hold period of a property which may result in an impairment loss and such loss could be material to the Company's financial condition or operating performance.

## Liquidity and Capital Resources

*Development, Re-development, Capital Expenditures and Tenant Improvements*

The following table summarizes capital resources used for development and re-development, capital expenditures, and tenant improvements at our retail properties during the year ended December 31, 2023. These costs are classified as cash used in capital expenditures and tenant improvements and investment in development and re-development projects on the consolidated statements of cash flows during the year ended December 31, 2023.

| | Development and Re-development | | Capital Expenditures | Tenant Improvements | | Total |
|---|---|---|---|---|---|---|
| Direct costs | $ 3,788 | (a) | $ 17,284 | $ 8,085 | (c) | $ 29,157 |
| Indirect costs | 770 | (b) | 1,929 | — | | 2,699 |
| Total | $ 4,558 | | $ 19,213 | $ 8,085 | | $ 31,856 |

(a) Direct development and re-development costs relate to construction of buildings at our retail properties.

(b) Indirect development and re-development costs relate to capitalized interest, real estate taxes, insurance, and payroll attributed to improvements at our retail properties.

(c) Direct costs relate to improvements to a tenant space that are either paid directly by us or reimbursed to the tenants.

*Short-Term Liquidity and Capital Resources*

On a short-term basis, our principal uses for funds are to pay our operating and corporate expenses, interest and principal on our indebtedness, property capital expenditures, and to make distributions to our stockholders.

Our ability to maintain adequate liquidity for our operations in the future is dependent upon a number of factors, including our revenue, macroeconomic conditions, our ability to contain costs, including capital expenditures, and to collect rents and other receivables, and various other factors, many of which are beyond our control. We will continue to monitor our liquidity position and may seek to raise funds through debt or equity financing in the future to fund operations, significant investments or acquisitions that are consistent with our strategy. Our ability to raise these funds may also be diminished by other macroeconomic factors.

*Long-Term Liquidity and Capital Resources*

Our objectives are to maximize revenue generated by our retail platform, to further enhance the value of our retail properties to produce attractive current yield and long-term returns for our stockholders, and to generate sustainable and predictable cash flow from our operations to distribute to our stockholders.

Any future determination to pay distributions will be at the discretion of our Board and will depend on our financial condition, capital requirements, restrictions contained in current or future financing instruments, and such other factors as our Board deems relevant. In November 2023, our Board approved an increase to our annual distribution rate effective for the quarterly distribution to be paid in April 2024.

Our primary sources and uses of capital are as follows:

Sources

- Operating cash flows from our real estate investments;
- Proceeds from sales of properties;
- Proceeds from mortgage loan borrowings on properties;
- Proceeds from corporate borrowings and debt financings;
- Proceeds from any ATM Program activities; and
- Proceeds from our Series A and Series B Notes offering.

Uses

- To invest in properties or fund acquisitions;
- To fund development, re-development, maintenance and capital expenditures or leasing incentives;
- To make distributions to our stockholders;
- To service or pay down our debt;
- To pay our operating expenses;
- To repurchase shares of our common stock; and
- To fund other general corporate uses.

We believe our listing on the NYSE will facilitate supplementing these sources by selling equity securities of the Company if and when we believe appropriate to do so. Also, from time to time, we may seek to acquire additional amounts of our outstanding common stock through cash purchases or exchanges for other securities. Such purchases or exchanges, if any, will depend on our liquidity requirements, contractual restrictions, and other factors.

In the first quarter of 2022, we entered into an ATM Program pursuant to which we may sell shares of our common stock up to an aggregate purchase price of $250.0 million. In the fourth quarter of 2023, we raised $5.4 million of net proceeds under the ATM Program, after $0.1 million in commissions, through the issuance of 208,040 shares of common stock at a weighted average price of $26.13 per share. As of December 31, 2023, $244.6 million of common stock remains available for issuance under the ATM Program.

In the third quarter of 2023, Fitch Ratings, Inc. ("Fitch") affirmed our Long-Term Issuer Default Rating (IDR) at 'BBB-'. In addition, Fitch affirmed our senior unsecured debt at 'BBB-'. Our investment grade Rating Outlook is Stable.

On August 11, 2022, the Company issued $250.0 million aggregate principal amount of senior notes in a private placement, of which (i) $150.0 million are designated as 5.07% Senior Notes, Series A, due August 11, 2029 (the "Series A Notes") and (ii) $100.0 million are designated as 5.20% Senior Notes, Series B, due August 11, 2032 (the "Series B Notes" and, together with the Series A Notes, the "Notes") pursuant to the Note Purchase Agreement. The Notes were issued at par in accordance with the Note Purchase Agreement and pay interest semiannually on February 11th and August 11th until their respective maturities.

*Off Balance Sheet Arrangements*

The Company does not have off balance sheet arrangements other than its joint venture, IAGM, as disclosed in "*Part IV. Item 8. Note 6. Investment in Unconsolidated Entities.*"

**Summary of Cash Flows**

| | Year ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | Change |
| Cash provided by operating activities | $ 129,621 | $ 125,795 | $ 3,826 |
| Cash used in investing activities | (79,718) | (144,461) | 64,743 |
| Cash (used in) provided by financing activities | (87,902) | 111,574 | (199,476) |
| Decrease in cash, cash equivalents and restricted cash | (37,999) | 92,908 | (130,907) |
| Cash, cash equivalents and restricted cash at beginning of year | 137,762 | 44,854 | 92,908 |
| Cash, cash equivalents and restricted cash at end of year | $ 99,763 | $ 137,762 | $ (37,999) |

Cash provided by operating activities of $129.6 million and $125.8 million for the years ended December 31, 2023 and 2022, respectively, was generated primarily from income from property operations. Cash provided by operating activities increased $3.8 million when comparing 2023 to 2022, primarily as a result of acquisition activity in excess of disposition activity and general fluctuations in working capital. Since January 1, 2022, we have acquired eleven retail properties and disposed of four retail properties.

Cash used in investing activities of $79.7 million for the year ended December 31, 2023, was primarily the result of:

- $152.0 million for acquisitions of investment properties, and
- $35.8 million for capital investments and leasing costs, which were partially offset by:
- $95.1 million from distributions from unconsolidated entities,
- $12.6 million from the sale of investment properties, and
- $0.4 million from other investing activities.

Cash used in investing activities of $144.5 million for the year ended December 31, 2022, was primarily the result of:

- $235.0 million for acquisitions of investment properties,
- $33.2 million for capital investments and leasing costs, and
- $1.2 million for other investing cash outflows, which were partially offset by:
- $77.5 million from the sale of investment properties, and
- $47.4 million from distributions from unconsolidated entities.

Cash used in financing activities of $87.9 million for the year ended December 31, 2023, was primarily the result of:

- $33.8 million for pay-offs of debt, principal payments of mortgage debt, payment of loan fees and other deposits, and other financing activities,
- $57.5 million to pay distributions, and
- $1.6 million for the payment of tax withholdings for share-based compensation, which were partially offset by:
- $5.0 million from net proceeds from the sale of common stock under the ESPP and ATM.

Cash provided by financing activities of $111.6 million for the year ended December 31, 2022, was primarily the result of:

- $250.0 million from our issuance of senior notes, and
- $112.0 million drawn from our line of credit, which were partially offset by:
- $143.0 million repaid on our line of credit,
- $50.5 million for pay-offs of debt, debt prepayment penalties, principal payments of mortgage debt, payment of loan fees and other deposits, and other financing activities,
- $55.3 million to pay distributions, and
- $1.6 million for the payment of tax withholdings for share-based compensation.

We consider all demand deposits, money market accounts and investments in certificates of deposit and repurchase agreements with a maturity of three months or less, at the date of purchase, to be cash equivalents. We maintain our cash and cash equivalents at major financial institutions. The combined account balances at one or more institutions generally exceed the FDIC insurance coverage. We periodically assess the credit risk associated with these financial institutions. We believe insignificant credit risk exists related to amounts on deposit in excess of FDIC insurance coverage.

**Acquisitions and Dispositions of Real Estate Investments**

In 2023, we acquired five retail properties for an aggregate gross acquisition price of $244.0 million. In 2022, we acquired six retail properties and an outparcel adjacent to an existing retail property for an aggregate gross acquisition price of $319.1 million.

In 2023, we disposed of one retail property and completed a partial condemnation at one retail property for an aggregate gross disposition price of $13.1 million. In 2022, we disposed of three retail properties for an aggregate gross disposition price of $110.5 million.

**Distributions**

During the year ended December 31, 2023, we declared cash distributions to our stockholders totaling $58.2 million and paid cash distributions of $57.5 million.

As we execute on our retail strategy, the Board evaluated and expects to continue to evaluate our distribution rate on a periodic basis. See "*Part I. Item 1. Business - Current Strategy and Outlook*" for more information regarding our retail strategy. The following table presents a historical summary of distributions declared, paid and reinvested.

| | Year ended December 31, | | | | |
|---|---|---|---|---|---|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| Distributions declared | $ 58,248 | $ 55,337 | $ 55,721 | $ 54,604 | $ 53,473 |
| Distributions paid | $ 57,491 | $ 55,302 | $ 55,561 | $ 54,214 | $ 53,250 |
| Distributions reinvested | $ — | $ — | $ — | $ 185 | $ 50 |

**Borrowings**

*Mortgages Payable, Maturities*

The following table summarizes the scheduled maturities of our mortgages payable as of December 31, 2023.

| Scheduled maturities by year: | As of December 31, 2023 |
|---|---|
| 2024 | $ 88,168 |
| 2025 | 22,880 |
| 2026 | — |
| 2027 | 26,000 |
| 2028 | — |
| Thereafter | 31,500 |
| Total mortgages payable | $ 168,548 |

*Credit Agreements, Maturities*

The following table summarizes the outstanding borrowings under our unsecured term loans as of December 31, 2023.

| | Principal Balance | Interest Rate | Maturity Date |
|---|---|---|---|
| $200.0 million 5 year - swapped to fixed rate | $ 100,000 | 2.81% (a) | September 22, 2026 |
| $200.0 million 5 year - swapped to fixed rate | 100,000 | 2.81% (a) | September 22, 2026 |
| $200.0 million 5.5 year - swapped to fixed rate | 50,000 | 2.77% (a) | March 22, 2027 |
| $200.0 million 5.5 year - swapped to fixed rate | 50,000 | 2.76% (a) | March 22, 2027 |
| $200.0 million 5.5 year - swapped to fixed rate | 100,000 | 4.99% (a) | March 22, 2027 |
| Total unsecured term loans | $ 400,000 | | |

(a) Interest rates reflect the fixed rates achieved through the Company's interest rate swaps.

*Senior Notes, Maturities*

The following table summarizes the outstanding borrowings under our Senior Notes as of December 31, 2023.

| | Principal Balance | Fixed Interest Rate | Maturity Date |
|---|---|---|---|
| $150.0 million Series A | $ 150,000 | 5.07% | August 11, 2029 |
| $100.0 million Series B | 100,000 | 5.20% | August 11, 2032 |
| | $ 250,000 | | |

## Contractual Obligations

We have obligations related to our mortgage loans, senior notes, term loans, and revolving credit facility as described in *"Note 8. Debt"* in the consolidated financial statements.

The following table presents our obligations to make future payments under debt and lease agreements as of December 31, 2023, exclusive of debt discounts and issuance costs which are not future cash obligations.

| | Payments due by year ending December 31, | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2024 | 2025 | 2026 | 2027 | 2028 | Thereafter | Total |
| Long term debt: | | | | | | | |
| Fixed rate debt, principal (a) | $ 15,700 | $ 22,880 | $ 200,000 | $ 226,000 | $ — | $ 281,500 | $ 746,080 |
| Variable rate debt, principal | 72,468 | — | — | — | — | — | 72,468 |
| Interest | 33,861 | 29,532 | 27,141 | 16,339 | 14,103 | 24,629 | 145,605 |
| Total long term debt | 122,029 | 52,412 | 227,141 | 242,339 | 14,103 | 306,129 | 964,153 |
| Operating leases (b) | 628 | 511 | 517 | 529 | 522 | 786 | 3,493 |
| Grand total | $ 122,657 | $ 52,923 | $ 227,658 | $ 242,868 | $ 14,625 | $ 306,915 | $ 967,646 |

(a) Includes variable rate debt swapped to fixed rates through the Company's interest rate swaps.

(b) Includes leases on corporate office spaces.

## Inflation

With respect to current economic conditions and governmental fiscal policy, inflation has become a greater risk. Rising inflation may affect our and our tenants' expenses, including, without limitation, by increasing product prices and costs such as wages, benefits, taxes, property and casualty insurance, borrowing costs and utilities. We rely on the performance of our assets to increase revenues in order to keep pace with inflation. We may not be able to offset high rates of inflation through rent increases due to the long-term nature of some of our leases.

A number of our leases contain provisions designed to partially mitigate adverse impacts of inflation. Our leases typically require the tenant to pay its share of operating expenses, including common area maintenance, real estate taxes and insurance, thereby reducing our exposure to increases in these costs resulting from inflation, although some larger tenants have capped the amount of these operating costs they are responsible for. A portion of our leases also include clauses enabling us to receive percentage rents based on a tenant's gross sales above specified levels or rental escalation clauses which are typically based on increases in the Consumer Price Index or similar inflation indices.

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

*Interest Rate Risk*

The Company is subject to market risk associated with changes in interest rates both in terms of variable-rate debt and the price of new fixed-rate debt upon maturity of existing debt. The Company's interest rate risk management objectives are to limit the impact of interest rate changes on earnings and cash flows. As of December 31, 2023, our debt included outstanding variable-rate term loans and mortgages of $472.5 million, of which $400.0 million has been swapped to a fixed rate.

With regard to our variable-rate financing, we assess interest rate cash flow risk by continually identifying and monitoring changes in interest rate exposures that may adversely impact expected future cash flows and by evaluating hedging opportunities. We maintain risk management control systems to monitor interest rate cash flow risk attributable to both outstanding or forecasted debt obligations as well as our potential offsetting hedge positions. The risk management control systems involve the use of analytical techniques, including cash flow sensitivity analysis, to estimate the expected impact of changes in interest rates on our future cash flows. We continue to assess retaining cash flows that may assist us in maintaining a flexible low leverage balance sheet and managing the impact of debt maturities.

We monitor interest rate risk using a variety of techniques, including periodically evaluating fixed interest rate quotes on all variable rate debt and the costs associated with converting the debt to fixed rate debt. In addition, existing fixed and variable rate loans that are scheduled to mature within the next two years are evaluated for possible early refinancing and/or extension due to consideration given to current interest rates. Refer to our Borrowings table in Item 7 of this Annual Report for debt principal amounts and expected maturities by year to evaluate the expected cash flows and sensitivity to interest rate changes.

We may use financial instruments to hedge exposures to changes in interest rates on loans. To the extent we do, we are exposed to credit risk and market risk. Credit risk is the risk of failure of the counterparty to perform under the terms of the derivative contract. When the fair value of a derivative contract is positive, the counterparty owes us, which creates credit risk for us. When the fair value of a derivative contract is negative, we owe the counterparty and, therefore, it does not pose credit risk. We seek to minimize the credit risk in derivative instruments by entering into transactions with what we believe are high-quality counterparties. Market risk is the adverse effect on the value of a financial instrument resulting from a change in interest rates.

On March 16, 2023, the Company entered into one interest rate swap agreement with a notional amount of $100.0 million at 3.69%, achieving a fixed interest rate of 4.99%. As of the effective date of April 3, 2023, the entirety of the Company's variable rate term loans were swapped to fixed rates through the maturity dates of the Amended Term Loan Agreement.

As of December 31, 2023, the Company's interest rate risk was limited to $72.5 million of variable rate cross-collateralized mortgage debt. If market rates of interest on all variable-rate debt as of December 31, 2023 permanently increased or decreased by 1%, the annual increase or decrease in interest expense on the variable-rate debt and future earnings and cash flows would be approximately $0.7 million.

The Company is party to five effective interest rate swap agreements and two interest rate forward swap agreements, which address the periods between the maturity dates of the effective swaps and the maturity dates of the Amended Term Loan Agreement. In tandem, the interest rate swaps achieve fixed interest rates for a constant notional amount through the maturity dates of the Amended Term Loan Agreement.

The following table summarizes the Company's five effective and two forward interest rate swaps as of December 31, 2023:

| Interest Rate Swap | Effective Date | Termination Date | InvenTrust Receives Variable Rate of | InvenTrust Pays Fixed Rate of | Fixed Rate Achieved | Notional Amount | Fair Value as of December 31, 2023 |
|---|---|---|---|---|---|---|---|
| 5.5 Year Term Loan | Dec 2, 2019 | Jun 21, 2024 | 1-Month SOFR | 1.47% | 2.77% | $ 50,000 | $ 855 |
| 5.5 Year Term Loan | Dec 2, 2019 | Jun 21, 2024 | 1-Month SOFR | 1.46% | 2.76% | 50,000 | 857 |
| 5.5 Year Term Loan | Apr 3, 2023 | Mar 22, 2027 | 1-Month SOFR | 3.69% | 4.99% | 100,000 | (122) |
| 5 Year Term Loan | Dec 21, 2023 | Sep 22, 2026 | 1-Month SOFR | 1.51% | 2.81% | 100,000 | 5,820 |
| 5 Year Term Loan | Dec 21, 2023 | Sep 22, 2026 | 1-Month SOFR | 1.51% | 2.81% | 100,000 | 5,845 |
| | | | | | | $ 400,000 | $ 13,255 |
| | | | | | | | |
| 5.5 year, fixed portion | Jun 21, 2024 | Mar 22, 2027 | 1-Month SOFR | 1.48% | 2.78% | 50,000 | $ 2,451 |
| 5.5 year, fixed portion | Jun 21, 2024 | Mar 22, 2027 | 1-Month SOFR | 1.54% | 2.84% | 50,000 | 2,368 |
| | | | | | | $ 100,000 | $ 4,819 |

The following table summarizes the Company's four effective and four forward interest rate swaps as of December 31, 2022:

| Interest Rate Swap | Effective Date | Termination Date | InvenTrust Receives Variable Rate of | InvenTrust Pays Fixed Rate of | Fixed Rate Achieved | Notional Amount | Fair Value as of December 31, 2022 |
|---|---|---|---|---|---|---|---|
| 5 year, fixed portion | Dec 2, 2019 | Dec 21, 2023 | 1-Month SOFR | 1.41% | 2.71% | $ 100,000 | $ 3,222 |
| 5 year, fixed portion | Dec 2, 2019 | Dec 21, 2023 | 1-Month SOFR | 1.42% | 2.72% | 100,000 | 3,238 |
| 5.5 year, fixed portion | Dec 2, 2019 | Jun 21, 2024 | 1-Month SOFR | 1.47% | 2.77% | 50,000 | 2,275 |
| 5.5 year, fixed portion | Dec 2, 2019 | Jun 21, 2024 | 1-Month SOFR | 1.46% | 2.76% | 50,000 | 2,281 |
| | | | | | | $ 300,000 | $ 11,016 |
| | | | | | | | |
| 5 year, fixed portion | Dec 21, 2023 | Sep 22, 2026 | 1-Month SOFR | 1.51% | 2.81% | $ 100,000 | $ 4,924 |
| 5 year, fixed portion | Dec 21, 2023 | Sep 22, 2026 | 1-Month SOFR | 1.51% | 2.81% | 100,000 | 4,949 |
| 5.5 year, fixed portion | Jun 21, 2024 | Mar 22, 2027 | 1-Month SOFR | 1.48% | 2.78% | 50,000 | 2,196 |
| 5.5 year, fixed portion | Jun 21, 2024 | Mar 22, 2027 | 1-Month SOFR | 1.54% | 2.84% | 50,000 | 2,116 |
| | | | | | | $ 300,000 | $ 14,185 |

Gains or losses resulting from marking-to-market the Company's derivatives each reporting period are recognized as an increase or decrease in comprehensive (loss) income on the consolidated statements of operations and comprehensive (loss) income.

The information presented above does not consider all exposures or positions that could arise in the future. Therefore, the information represented herein has limited predictive value. As a result, the ultimate realized gain or loss with respect to interest rate fluctuations will depend on the exposures that arise during the period, the hedging strategies at the time, and the related interest rates.

## Item 8. Consolidated Financial Statements and Supplementary Data

See the Index to Consolidated Financial Statements and Financial Statement Schedule commencing on page F-1.

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

Not applicable.

## Item 9A. Controls and Procedures

As required by Rule 13a-15(b) and Rule 15d-15(b) under the Exchange Act, our management, including our Principal Executive Officer and our Principal Financial Officer evaluated as of December 31, 2023, the effectiveness of our disclosure controls and procedures as defined in Exchange Act Rules 13a-15(e) and Rule 15d-15(e). Based on that evaluation, our Principal Executive Officer and our Principal Financial Officer concluded that our disclosure controls and procedures, as of December 31, 2023, were effective for the purpose of ensuring that information required to be disclosed by us in this report is recorded, processed, summarized and reported within the time periods specified by the rules and forms of the Exchange Act and is accumulated and communicated to management, including our Principal Executive Officer and Principal Financial Officer as appropriate to allow timely decisions regarding required disclosures.

### Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Our management, including our Principal Executive Officer and Principal Financial Officer, evaluated as of December 31, 2023, the effectiveness of our internal control over financial reporting based on the framework in "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013). Based on its evaluation, our management has concluded that we maintained effective internal control over financial reporting as of December 31, 2023.

### Independent Registered Public Accounting Firm's Report on Internal Control Over Financial Reporting

KPMG LLP, an independent registered public accounting firm, has audited the Company's consolidated financial statements included in this Annual Report and, as part of its audit, has issued its report, included herein on page F-4, on the effectiveness of our internal control over financial reporting.

### Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting during the quarter ended December 31, 2023, that has materially affected, or is reasonably likely to materially affect, our 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

The following information with respect to our board of directors and executive officers is presented as of February 13, 2024:

| Name | Age | Position at IVT | Principal Employment |
|---|---|---|---|
| Daniel J. Busch | 42 | President, Chief Executive Officer & Director | Same |
| Christy L. David | 45 | Executive Vice President, Chief Operating Officer, General Counsel and Secretary | Same |
| Michael D. Phillips | 42 | Executive Vice President, Chief Financial Officer and Treasurer | Same |
| Stuart Aitken | 52 | Director | Senior Vice President and Chief Merchant and Marketing Officer at The Kroger Co., a grocery retailer |
| Amanda Black | 48 | Director | Managing Director and Global Chief Investment Officer at JLP Asset Management, a real estate investment firm |
| Thomas F. Glavin | 64 | Director | Owner of Thomas F. Glavin & Associates, Inc., a certified public accounting firm |
| Scott A. Nelson | 67 | Director | Principal of SAN Property Advisors, a retail real estate advisory firm |
| Paula Saban | 70 | Director | Development Director of Interim Execs, a placement firm for interim CXO's |
| Smita N. Shah | 50 | Director | Chief Executive Officer of SPAAN Tech, Inc., an architecture, engineering, and project management firm |
| Michael A. Stein | 74 | Director | Retired |
| Julian Whitehurst | 66 | Director | Retired |

Other information called for by this Item is incorporated by reference to the information set forth in our definitive Proxy Statement, to be filed with the SEC within 120 days after the end of the Company's fiscal year ended December 31, 2023 in connection with our 2024 Annual Meeting of Stockholders, and is incorporated herein by reference.

### Item 11. Executive Compensation

The information called for by this Item is incorporated by reference to the information set forth in our definitive Proxy Statement, to be filed with the SEC within 120 days after the end of the Company's fiscal year ended December 31, 2023 in connection with our 2024 Annual Meeting of Stockholders, and is incorporated herein by reference.

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

The information called for by this Item is incorporated by reference to the information set forth in our definitive Proxy Statement, to be filed with the SEC within 120 days after the end of the Company's fiscal year ended December 31, 2023 in connection with our 2024 Annual Meeting of Stockholders, and is incorporated herein by reference.

### Equity Compensation Plan Information

The following table provides information regarding our equity compensation plans as of December 31, 2023.

| | | I | II |
|---|---|---|---|
| Plan Category | Plan Description | Number of Shares Issuable Upon Vesting (a) | Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans *(Excluding Securities Reflected in column I*) |
| Equity compensation plans not approved by stockholders: | Incentive Award Plan (b) | 1,172,363 | 536,429 |
| Equity compensation plans approved by stockholders: | ESPP | N/A | 3,288,272 |
| Total | | 1,172,363 | 3,824,701 |

(a) Represents restricted share unit ("RSU") awards outstanding under the Incentive Award Plan as of December 31, 2023.

(b) The weighted average grant date price per share of common stock underlying the unvested restricted stock units based on total outstanding restricted stock units as of December 31, 2023 was $19.36.

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

The information called for by this Item is incorporated by reference to the information set forth in our definitive Proxy Statement, to be filed with the SEC within 120 days after the end of the Company's fiscal year ended December 31, 2023 in connection with our 2024 Annual Meeting of Stockholders, and is incorporated herein by reference.

### Item 14. Principal Accounting Fees and Services

The information called for by this Item is incorporated by reference to the information set forth in our definitive Proxy Statement, to be filed with the SEC within 120 days after the end of the Company's fiscal year ended December 31, 2023 in connection with our 2024 Annual Meeting of Stockholders, and is incorporated herein by reference.

## Part IV

### Item 15. Exhibits and Financial Statement Schedules

(a) Documents filed as part of this Annual Report



All schedules other than those indicated in the index have been omitted as the required information is inapplicable or the information is presented in the consolidated financial statements or related notes.

3 EXHIBITS

The following documents are filed as exhibits to this report:

| EXHIBIT NO. | DESCRIPTION |
|---|---|
| 2.1 | Master Modification Agreement, dated as of March 12, 2014, by and among Inland American Real Estate Trust, Inc., Inland American Business Manager & Advisor, Inc., Inland American Lodging Corporation, Inland American Holdco Management LLC, Inland American Retail Management LLC, Inland American Office Management LLC, Inland American Industrial Management LLC and Eagle I Financial Corp. (incorporated by reference to Exhibit 2.1 to the Registrant's Form 8-K, as filed by the Registrant with the SEC on March 13, 2014) |
| 2.2 | Asset Acquisition Agreement, dated as of March 12, 2014, by and among Inland American Real Estate Trust, Inc., Inland American Holdco Management LLC, Inland American Retail Management LLC, Inland American Office Management LLC, Inland American Industrial Management LLC and Eagle I Financial Corp. (incorporated by reference to Exhibit 2.2 to the Registrant's Form 8-K, as filed by the Registrant with the SEC on March 13, 2014) |
| 2.3 | Separation and Distribution Agreement by and between Inland American Real Estate Trust, Inc. and Xenia Hotels & Resorts, Inc., dated as of January 20, 2015 (incorporated by reference to Exhibit 2.1 to the Registrant's Form 8-K, as filed by the Registrant with the SEC on January 23, 2015) |
| 2.4 | Separation and Distribution Agreement by and between InvenTrust Properties Corp. and Highlands REIT, Inc., dated as of April 14, 2016 (incorporated by reference to Exhibit 2.1 to the Registrant's Form 8-K, as filed by the Registrant with the SEC on April 14, 2016) |
| 2.5 | Stock Purchase Agreement by and among InvenTrust Properties Corp., University House Communities Group, Inc. and UHC Acquisition Sub LLC, dated as of January 3, 2016 (incorporated by reference to Exhibit 2.1 to the Registrant's Form 10-Q, as filed by the Registrant on May 10, 2016) |
| 2.6 | Amendment No. 1 to Stock Purchase Agreement, dated as of May 30, 2016, by and among InvenTrust Properties Corp., University House Communities Group, Inc. and UHC Acquisition Sub LLC (incorporated by reference to Exhibit 2.2 to the Registrant's Form 8-K, as filed by the Registrant on June 27, 2016) |
| 2.7 | Amendment No. 2 to Stock Purchase Agreement, dated as of June 20, 2016, by and among InvenTrust Properties Corp., University House Communities Group, Inc. and UHC Acquisition Sub LLC (incorporated by reference to Exhibit 2.3 to the Registrant's Form 8-K, as filed by the Registrant on June 27, 2016) |
| 3.1 | Seventh Articles of Amendment and Restatement of InvenTrust Properties Corp., as amended (incorporated by reference to Exhibit 3.1 to the Registrant's Form 10-Q, as filed by the Registrant with the SEC on May 14, 2015) |
| 3.2 | Articles of Amendment of InvenTrust Properties Corp. (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K, as filed by the Registrant with the SEC on August 5, 2021) |

| EXHIBIT NO. | DESCRIPTION |
|---|---|
| 3.3 | Articles of Amendment of InvenTrust Properties Corp. (incorporated by reference to Exhibit 3.2 to the Registrant's Form 8-K, as filed by the Registrant with the SEC on August 5, 2021) |
| 3.4 | Articles Supplementary of InvenTrust Properties Corp. (incorporated by reference to Exhibit 3.2 to the Registrant's Form 8-K, as filed by the Registrant with the SEC on October 12, 2021) |
| 3.5 | Articles of Amendment of InvenTrust Properties Corp. (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K, as filed by the Registrant with the SEC on April 28, 2022) |
| 3.6 | Articles of Amendment of InvenTrust Properties Corp. (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K, as filed by the Registrant with the SEC on May 8, 2023) |
| 3.7 | Fourth Amended and Restated Bylaws of the Company, dated as of May 5, 2023 (incorporated by reference to Exhibit 3.2 to the Registrant's Form 8-K, as filed by the Registrant with the SEC on May 8, 2023) |
| 4.1 | Statement regarding restrictions on transferability of shares of common stock (to appear on stock certificate or to be sent upon request and without charge to stockholders issued shares without certificates) (incorporated by reference to Exhibit 4.4 to the Registrant's Amendment No. 1 to Form S-11 Registration Statement, as filed by the Registrant with the SEC on July 31, 2007 (file number 333-139504)) |
| 4.2 | Third Amended and Restated Distribution Reinvestment Plan (incorporated by reference to Appendix A to the prospectus dated November 1, 2019 included in Post-Effective Amendment No. 1 to the Registrant's Registration Statement on Form S-3 (No. 333-172862) filed November 1, 2019) |
| 4.3* | Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 |
| 10.1 | Indemnity Agreement, dated as of August 8, 2014, by and between Inland American Real Estate Trust, Inc., and Xenia Hotels & Resorts, Inc., and Inland American Lodging Group, Inc. (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q, as filed by the Registrant with the SEC on August 14, 2014) |
| 10.2^ | Employment Offer Letter, dated as of June 20, 2019, by and between InvenTrust Properties Corp. and Daniel J. Busch (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-Q as filed by the Registrant on August 8, 2019) |
| 10.3.1^ | InvenTrust Properties Corp. 2015 Incentive Award Plan (incorporated by reference to Exhibit 99.1 to the Registrant's Form S-8 Registration Statement, as filed by the Registrant with the SEC on June 19, 2015) |
| 10.3.2^ | First Amendment to InvenTrust Properties Corp. 2015 Incentive Award Plan, dated May 6, 2016 (incorporated by reference to Exhibit 10.3 to the Registrant's Form 10-Q, as filed by the Registrant with the SEC on August 15, 2016) |
| 10.4^ | Form of Time-Based Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-Q, as filed by the Registrant with the SEC on August 10, 2017) |
| 10.5^ | Form of Director Restricted Stock Unit Agreement for 2016 Pro Rata Awards (incorporated by reference to Exhibit 10.10.3 to the Registrant's Form 10-K, as filed by the Registrant with the SEC on March 17, 2017) |
| 10.6^ | Form of Director Restricted Stock Unit Agreement for 2017 Annual Pro Rata Awards (incorporated by reference to Exhibit 10.3 to the Registrant's Form 10-Q, as filed by the Registrant with the SEC on August 10, 2017) |
| 10.7^ | Form of Director Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.4 to the Registrant's Form 10-Q, as filed by the Registrant with the SEC on August 10, 2017) |
| 10.8^ | InvenTrust Properties Corp. Director Compensation Program, effective as of May 5, 2022 (incorporated by reference to Exhibit 10.18 to the Registrant's Form 10-K, as filed by the Registrant with the SEC on February 21, 2023) |
| 10.9^ | InvenTrust Properties Corp. Executive Severance and Change of Control Plan (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K, as filed by the Registrant on July 13, 2018) |
| 10.10^ | Form of Performance-Based Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K, as filed by the Registrant with the SEC on May 14, 2019) |
| 10.11^ | Form of Performance-Based Restricted Stock Unit Award Agreement (2022) (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K, as filed by the Registrant with the SEC on February 25, 2022) |
| 10.12 | First Amendment to Indemnity Agreement by and among Inland American Real Estate Trust, Inc. and Xenia Hotels & Resorts, Inc., dated as of February 3, 2015 (incorporated by reference to Exhibit 10.3 to the Registrant's Form 8-K, as filed by the Registrant with the SEC on February 9, 2015) |
| 10.13.1 | Amended and Restated Term Loan Credit Agreement dated as of December 21, 2018, among InvenTrust Properties Corp., as Borrower, Wells Fargo Bank, National Association, as Administrative Agent, Bank of America, N.A and U.S. Bank National Association, as tranche A-1 Co-Syndication Agents, PNC Bank, National Association and U.S. Bank National Association, as tranche A-2 Co-Syndication Agents, BMO Harris Bank, N.A. and Fifth Third Bank, as tranche A-1 Co-Documentation Agents, KeyBank National Association, as tranche A-2 Documentation Agent, and the other lenders from time to time party thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K, as filed by the Registrant with the SEC on December 31, 2018) |
| 10.13.2 | First Amendment, dated as of September 22, 2021, to Amended and Restated Term Loan Credit Agreement, among InvenTrust Properties Corp., Wells Fargo Bank, National Association and the other lenders party thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K, as filed by the Registrant with the SEC on September 22, 2021) |
| 10.13.3* | Second Amendment, dated as of May 11, 2022, to Amended and Restated Term Loan Credit Agreement, among InvenTrust Properties Corp., the lenders party thereto and Wells Fargo Bank, National Association |
| 10.14.1 | Second Amended and Restated Credit Agreement dated as of December 21, 2018, among InvenTrust Properties Corp., as borrower, KeyBank National Association, as Administrative Agent, KeyBanc Capital Markets Inc. and Wells Fargo Securities, LLC, as Joint Book Managers, KeyBanc Capital Markets Inc., Wells Fargo Securities, LLC, JPMorgan Chase Bank, N.A., Bank of America, N.A., PNC Bank, National Association, and BMO Harris Bank, N.A., as Joint Lead Arrangers, Wells Fargo Bank, National Association, and JPMorgan Chase Bank, N.A., as Co-Syndication Agents, Bank of America, N.A., PNC Bank, National Association, and BMO Harris Bank, N.A., as Co-Documentation Agents, and the other lenders from time to time party thereto (incorporated by reference to Exhibit 10.3 to the Registrant's Form 8-K, as filed by the Registrant with the SEC on December 31, 2018) |

| EXHIBIT NO. | DESCRIPTION |
|---|---|
| 10.14.2 | First Amendment, dated as of September 22, 2021, to Second Amended and Restated Credit Agreement, among InvenTrust Properties Corp., KeyBank, National Association and the other lenders party thereto (incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K, as filed by the Registrant with the SEC on September 22, 2021) |
| 10.14.3* | Second Amendment dated as of May 11, 2022 to Second Amended and Restated Credit Agreement, among InvenTrust Properties Corp., the lenders party thereto and KeyBank National Association |
| 10.15^ | Form of Director Restricted Stock Unit Agreement for Annual Awards (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q, as filed by the Registrant with the SEC on August 7, 2020) |
| 10.16^ | Separation and Consulting Agreement, by and between InvenTrust Properties Corp. and Thomas McGuinness, dated as of February 18, 2021 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K, as filed by the Registrant with the SEC on February 23, 2021) |
| 10.17 | Third Amended and Restated Share Repurchase Program (incorporated by reference to Exhibit 99.2 to the Registrant's Current Report on Form 8-K, as filed by the Registrant with the SEC on April 12, 2021) |
| 10.18^ | Form of Indemnification Agreement (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q, as filed by the Registrant with the SEC on November 9, 2017) |
| 10.19 | Note Purchase Agreement, dated June 3, 2022, by and among InvenTrust Properties Corp. and the purchasers named therein (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K, as filed by the Registrant with the SEC on June 3, 2022) |
| 10.20^ | InvenTrust Properties Corp. 2023 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q, as filed by the Company with the SEC on August 1, 2023) |
| 21.1* | Subsidiaries of the Registrant |
| 23.1* | Consent of KPMG LLP |
| 31.1* | Certification by Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2* | Certification by Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1** | Certification by Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 32.2** | Certification by Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 97.1* | InvenTrust Properties Corp. Policy for Recovery of Erroneously Awarded Compensation |
| 101 | The following financial information from our Annual Report for the year ended December 31, 2023, filed with the Securities and Exchange Commission on February 14, 2024, is formatted in Extensible Business Reporting Language ("XBRL"): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations and Comprehensive (Loss) Income, (iii) Consolidated Statements of Equity, (iv) Consolidated Statements of Cash Flows (v) Notes to Consolidated Financial Statements (tagged as blocks of text). |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101) |
| * | Filed as part of this Annual Report |
| ** | This certification is deemed furnished, and not filed, with the SEC and is not to be incorporated by reference into any filing of the Registrant under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Annual Report on Form 10-K, irrespective of any general incorporation language contained in such filing. |
| ^ | Management contract or compensatory plan or arrangement. |

### Item 16. Form 10-K Summary

None.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**INVENTRUST PROPERTIES CORP.**

| | |
|---|---|
| By: | /s/ Daniel J. Busch |
| Name: | Daniel J. Busch |
| | President and Chief Executive Officer |
| Date: | February 14, 2024 |

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

| | Signature | Title | Date |
|---|---|---|---|
| By: | /s/ Daniel J. Busch | President, Chief Executive Officer and Director (Principal Executive Officer) | February 14, 2024 |
| Name: | Daniel J. Busch | | |
| By: | /s/ Michael Phillips | Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer) | February 14, 2024 |
| Name: | Michael Phillips | | |
| By: | /s/ David Bryson | Senior Vice President, Chief Accounting Officer and Controller (Principal Accounting Officer) | February 14, 2024 |
| Name: | David Bryson | | |
| By: | /s/ Stuart Aitken | Director | February 14, 2024 |
| Name: | Stuart Aitken | | |
| By: | /s/ Amanda Black | Director | February 14, 2024 |
| Name: | Amanda Black | | |
| By: | /s/ Thomas F. Glavin | Director | February 14, 2024 |
| Name: | Thomas F. Glavin | | |
| By: | /s/ Scott A. Nelson | Director | February 14, 2024 |
| Name: | Scott A. Nelson | | |
| By: | /s/ Paula J. Saban | Director | February 14, 2024 |
| Name: | Paula J. Saban | | |
| By: | /s/ Smita N. Shah | Director | February 14, 2024 |
| Name: | Smita N. Shah | | |
| By: | /s/ Michael A. Stein | Director | February 14, 2024 |
| Name: | Michael A. Stein | | |
| By: | /s/ Julian E. Whitehurst | Director | February 14, 2024 |
| Name: | Julian E. Whitehurst | | |

## INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULE

### Consolidated Financial Statements and Supplementary Data



All other schedules have been omitted as the information is inapplicable, not required, or the information is included elsewhere in the consolidated financial statements or related notes thereto.

## Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors

InvenTrust Properties Corp.:

*Opinion on the Consolidated Financial Statements*

We have audited the accompanying consolidated balance sheets of InvenTrust Properties Corp. and subsidiaries (the Company) as of December 31, 2023 and 2022, the related consolidated statements of operations and comprehensive (loss) income, equity, and cash flows for each of the years in the three-year period ended December 31, 2023, and the related notes and financial statement schedule III (collectively, 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, 2023 and 2022, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 14, 2024 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

*Basis for Opinion*

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. 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 Matter*

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter 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 matter below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which it relates.

*Expected hold period of investment properties*

As discussed in Note 2 to the consolidated financial statements, the Company assesses the carrying values of its investment properties (including any related intangible assets or liabilities) on an individual basis when events or changes in circumstances, including changes in the expected holding period, indicate their carrying value may not be fully recoverable. If it is determined that the carrying value of the investment property is not recoverable because the expected undiscounted cash flows do not exceed that carrying value of the property, the Company records an impairment loss to the extent that the carrying value exceeds the estimated fair value. Net investment properties as of December 31, 2023 was $2,195 million, or 88.3% of total assets.

We identified the assessment of the expected hold period for the investment properties evaluated for impairment as a critical audit matter because of the significance of the estimate to the evaluation of the recoverability of the investment properties. Changes in the expected hold period could have a material impact on the projected operating cash flows utilized in the recoverability analysis for the investment property. Subjective and challenging auditor judgment was required to evaluate the reasonableness of management's assessment of expected hold period.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the Company's consideration of individual real estate properties for potential reductions in expected hold period:

- Inquiring of Company officials to evaluate the likelihood that an investment property will be sold before the end of its expected hold period.
- Inspecting meeting minutes of the board of directors and the management investment committee to evaluate the likelihood that an investment property will be sold before the end of its expected hold period.
- Inquiring and obtaining representations from the Company regarding the status and evaluation of any potential disposal of properties. We corroborated that information with others in the organization who are responsible for, and have authority over, disposition activities and compared with the Company's documented investment plans.
- Reading external communications with investors in order to identify information regarding potential sales of the Company's properties, or other indicators of a reduction in an investment property's expected hold period.

/s/ KPMG LLP

We have served as the Company's auditor since 2005.

Chicago, Illinois
February 14, 2024

## Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors

InvenTrust Properties Corp.:

*Opinion on Internal Control Over Financial Reporting*

We have audited InvenTrust Properties Corp. and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2023 and 2022, the related consolidated statements of operations and comprehensive (loss) income, equity, and cash flows for each of the years in the three-year period ended December 31, 2023, and the related notes and financial statement schedule III (collectively, the consolidated financial statements), and our report dated February 14, 2024 expressed an unqualified opinion on those consolidated financial statements.

*Basis for Opinion*

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the 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 audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

*Definition and Limitations of Internal Control Over Financial Reporting*

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. 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.

/s/ KPMG LLP

Chicago, Illinois
February 14, 2024

**Consolidated Balance Sheets**
(in thousands, except share amounts)

| | As of December 31, | |
|---|---|---|
| | 2023 | 2022 |
| Assets | | |
| Investment properties | | |
| Land | $ 694,668 | $ 650,764 |
| Building and other improvements | 1,956,117 | 1,825,893 |
| Construction in progress | 5,889 | 5,005 |
| Total | 2,656,674 | 2,481,662 |
| Less accumulated depreciation | (461,352) | (389,361) |
| Net investment properties | 2,195,322 | 2,092,301 |
| Cash, cash equivalents and restricted cash | 99,763 | 137,762 |
| Investment in unconsolidated entities | — | 56,131 |
| Intangible assets, net | 114,485 | 101,167 |
| Accounts and rents receivable | 35,353 | 34,528 |
| Deferred costs and other assets, net | 42,408 | 51,145 |
| Total assets | $ 2,487,331 | $ 2,473,034 |
| | | |
| Liabilities | | |
| Debt, net | $ 814,568 | $ 754,551 |
| Accounts payable and accrued expenses | 44,583 | 42,792 |
| Distributions payable | 14,594 | 13,837 |
| Intangible liabilities, net | 30,344 | 29,658 |
| Other liabilities | 29,198 | 28,287 |
| Total liabilities | 933,287 | 869,125 |
| Commitments and contingencies | | |
| | | |
| Stockholders' Equity | | |
| Preferred stock, $0.001 par value, 40,000,000 shares authorized, none outstanding | — | — |
| Common stock, $0.001 par value, 146,000,000 shares authorized, 67,807,831 shares issued and outstanding as of December 31, 2023 and 67,472,553 shares issued and outstanding as of December 31, 2022 | 68 | 67 |
| Additional paid-in capital | 5,468,728 | 5,456,968 |
| Distributions in excess of accumulated net income | (3,932,826) | (3,879,847) |
| Accumulated comprehensive income | 18,074 | 26,721 |
| Total stockholders' equity | 1,554,044 | 1,603,909 |
| Total liabilities and stockholders' equity | $ 2,487,331 | $ 2,473,034 |

See accompanying notes to the consolidated financial statements.

## Consolidated Statements of Operations and Comprehensive (Loss) Income

(in thousands, except share and per share amounts)

| | Year Ended December 31 | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| Income | | | |
| Lease income, net | $ 257,146 | $ 232,980 | $ 207,350 |
| Other property income | 1,450 | 1,161 | 1,087 |
| Other fee income | 80 | 2,566 | 3,542 |
| Total income | 258,676 | 236,707 | 211,979 |
| Operating expenses | | | |
| Depreciation and amortization | 113,430 | 94,952 | 87,143 |
| Property operating | 42,832 | 40,239 | 32,788 |
| Real estate taxes | 34,809 | 32,925 | 31,312 |
| General and administrative | 31,797 | 33,342 | 38,192 |
| Direct listing costs | — | — | 19,769 |
| Total operating expenses | 222,868 | 201,458 | 209,204 |
| Other (expense) income | | | |
| Interest expense, net | (38,138) | (26,777) | (16,261) |
| Loss on extinguishment of debt | (15) | (181) | (400) |
| Gain on sale of investment properties, net | 2,691 | 38,249 | 1,522 |
| Equity in (losses) earnings of unconsolidated entities | (557) | 3,663 | 6,398 |
| Other income and expense, net | 5,480 | 2,030 | 606 |
| Total other (expense) income, net | (30,539) | 16,984 | (8,135) |
| Net income (loss) | $ 5,269 | $ 52,233 | $ (5,360) |
| Weighted-average common shares outstanding, basic | 67,531,898 | 67,406,233 | 71,072,933 |
| Weighted-average common shares outstanding, diluted | 67,813,180 | 67,525,935 | 71,072,933 |
| Net income (loss) per common share - basic | $ 0.08 | $ 0.77 | $ (0.08) |
| Net income (loss) per common share - diluted | $ 0.08 | $ 0.77 | $ (0.08) |
| Distributions declared per common share outstanding | $ 0.86 | $ 0.82 | $ 0.78 |
| Distributions paid per common share outstanding | $ 0.85 | $ 0.82 | $ 0.78 |
| Comprehensive (loss) income | | | |
| Net income (loss) | $ 5,269 | $ 52,233 | $ (5,360) |
| Unrealized gain on derivatives | 6,228 | 32,052 | 3,795 |
| Reclassification (to) from net income (loss) | (14,875) | (1,009) | 4,332 |
| Comprehensive (loss) income | $ (3,378) | $ 83,276 | $ 2,767 |

See accompanying notes to the consolidated financial statements.

**INVENTRUST PROPERTIES CORP.**

**Consolidated Statements of Equity**
(in thousands, except share amounts)

| | Number of Shares | Common Stock | Additional Paid-in Capital | Distributions in Excess of Accumulated Net Income | Accumulated Comprehensive Income (Loss) | Total |
|---|---|---|---|---|---|---|
| Beginning balance, January 1, 2021 | 71,998,654 | $ 72 | $ 5,566,902 | $ (3,815,662) | $ (12,449) | $ 1,738,863 |
| Net loss | — | — | — | (5,360) | — | (5,360) |
| Unrealized loss on derivatives | — | — | — | — | 3,795 | 3,795 |
| Reclassification to interest expense, net | — | — | — | — | 4,198 | 4,198 |
| Reclassification to equity in losses of unconsolidated entities | — | — | — | — | 134 | 134 |
| Distributions declared | — | — | — | (55,721) | — | (55,721) |
| Stock-based compensation, net | 101,363 | 6 | 5,653 | — | — | 5,659 |
| Repurchase of common stock under share repurchase plan | (755,643) | (7) | (16,678) | — | — | (16,685) |
| Repurchase of common stock through tender offer | (4,000,000) | (4) | (103,327) | — | — | (103,331) |
| Ending balance, December 31, 2021 | 67,344,374 | 67 | 5,452,550 | (3,876,743) | (4,322) | 1,571,552 |
| Net income | — | — | — | 52,233 | — | 52,233 |
| Unrealized gain on derivatives | — | — | — | — | 32,052 | 32,052 |
| Reclassification from interest expense, net | — | — | — | — | (405) | (405) |
| Reclassification from equity in earnings of unconsolidated entities | — | — | — | — | (604) | (604) |
| Distributions declared | — | — | — | (55,337) | — | (55,337) |
| Stock-based compensation, net | 128,179 | — | 4,418 | — | — | 4,418 |
| Ending balance, December 31, 2022 | 67,472,553 | 67 | 5,456,968 | (3,879,847) | 26,721 | 1,603,909 |
| Net income | — | — | — | 5,269 | — | 5,269 |
| Unrealized gain on derivatives | — | — | — | — | 6,228 | 6,228 |
| Reclassification from interest expense, net | — | — | — | — | (14,875) | (14,875) |
| Distributions declared | — | — | — | (58,248) | — | (58,248) |
| Stock-based compensation, net | 127,238 | 1 | 7,427 | — | — | 7,428 |
| Issuance of common stock, net | 208,040 | — | 4,333 | — | — | 4,333 |
| Ending balance, December 31, 2023 | 67,807,831 | $ 68 | $ 5,468,728 | $ (3,932,826) | $ 18,074 | $ 1,554,044 |

See accompanying notes to the consolidated financial statements.

## INVENTRUST PROPERTIES CORP.

### Consolidated Statements of Cash Flows
(in thousands)

| | Year Ended December 31, 2023 | 2022 | 2021 |
|---|---|---|---|
| Cash flows from operating activities: | | | |
| Net income (loss) | $ 5,269 | $ 52,233 | $ (5,360) |
| Adjustments to reconcile to net cash provided by operating activities: | | | |
| Depreciation and amortization | 113,430 | 94,952 | 87,143 |
| Amortization of market-lease intangibles and inducements, net | (3,343) | (5,589) | (4,318) |
| Amortization of debt discounts and financing costs | 4,113 | 2,816 | 1,816 |
| Straight-line rent adjustment, net | (3,464) | (2,645) | (3,272) |
| Provision for (reversal of) estimated credit losses | 1,148 | (1,437) | 2,271 |
| Gain on sale of investment properties, net | (2,691) | (38,249) | (1,522) |
| Loss on extinguishment of debt | 15 | 181 | 400 |
| Equity in losses (earnings) of unconsolidated entities | 557 | (3,663) | (6,398) |
| Distributions from unconsolidated entities | — | 9,350 | 8,085 |
| Stock-based compensation, net | 9,021 | 6,541 | 9,116 |
| Changes in operating assets and liabilities: | | | |
| Accounts and rents receivable | 1,483 | (999) | 257 |
| Deferred costs and other assets, net | 91 | 317 | (1,834) |
| Accounts payable and accrued expenses | 2,054 | 8,411 | 1,875 |
| Other liabilities | 1,938 | 3,576 | 1,697 |
| Net cash provided by operating activities | 129,621 | 125,795 | 89,956 |
| Cash flows from investing activities: | | | |
| Purchase of investment properties | (152,047) | (235,001) | (53,078) |
| Capital expenditures and tenant improvements | (27,298) | (19,420) | (15,361) |
| Investment in development and re-development projects | (4,558) | (9,461) | (5,466) |
| Proceeds from the sale of investment properties, net | 12,559 | 77,538 | 14,807 |
| Distributions from unconsolidated entities | 95,065 | 47,355 | — |
| Lease commissions and other leasing costs | (3,888) | (4,302) | (4,055) |
| Other investing activities, net | 449 | (1,170) | (1,548) |
| Net cash used in investing activities | (79,718) | (144,461) | (64,701) |
| Cash flows from financing activities: | | | |
| Payment of tax withholdings for share-based compensation | (1,583) | (1,581) | (1,833) |
| Repurchases of common stock | — | — | (116,397) |
| Payment of common stock repurchase costs | — | — | (3,619) |
| Proceeds from sale of common stock under ATM | 5,165 | — | — |
| Proceeds from sale of common stock under ESPP | 235 | — | — |
| Payment of common stock offering costs | (341) | — | — |
| Distributions to stockholders | (57,491) | (55,302) | (55,561) |
| Term loan proceeds | — | — | 400,000 |
| Term loan repayments | — | — | (400,000) |
| Line of credit proceeds | 30,000 | 112,000 | 31,000 |
| Line of credit repayments | (30,000) | (143,000) | — |
| Senior notes proceeds | — | 250,000 | — |
| Payoffs of debt | (33,700) | (47,052) | (50,000) |
| Principal payments on mortgage debt | (32) | (842) | (1,306) |
| Payment of loan fees and deposits | (175) | (2,387) | (6,065) |
| Other financing activities | 20 | (262) | (390) |
| Net cash (used in) provided by financing activities | (87,902) | 111,574 | (204,171) |
| Net decrease in cash, cash equivalents and restricted cash | (37,999) | 92,908 | (178,916) |
| Cash, cash equivalents and restricted cash at beginning of year | 137,762 | 44,854 | 223,770 |
| Cash, cash equivalents and restricted cash at end of year | $ 99,763 | $ 137,762 | $ 44,854 |

**INVENTRUST PROPERTIES CORP.**

**Consolidated Statements of Cash Flows**
(in thousands)

| | Year Ended December 31, 2023 | 2022 | 2021 |
|---|---|---|---|
| Supplemental disclosure of cash flow information: | | | |
| Cash flow disclosure, including non-cash investing and financing activities: | | | |
| Cash paid for interest, net of capitalized interest | $ 33,093 | $ 18,705 | $ 14,570 |
| Cash paid (refunded) for income taxes, net of (payments) refunds | 209 | (386) | 276 |
| Previously held equity investments in real estate assets acquired | 39,603 | — | — |
| Distributions payable to stockholders | 14,594 | 13,837 | 13,802 |
| Accrued capital expenditures and tenant improvements | 1,680 | 2,851 | 3,552 |
| Capitalized costs placed in service | 16,402 | 17,895 | 7,453 |
| Gross issuance of shares for share-based compensation | 4,558 | 6,224 | 5,040 |
| | | | |
| Purchase of investment properties: | | | |
| Net investment properties | $ 200,085 | $ 280,938 | $ 45,791 |
| Accounts and rents receivable, lease intangibles, and deferred costs and other assets | 52,871 | 47,019 | 8,734 |
| Accounts payable and accrued expenses, lease intangibles, and other liabilities | (9,133) | (13,075) | (1,447) |
| Assumption of mortgage debt, at fair value | (91,776) | (79,881) | — |
| Cash outflow for purchase of investment properties, net | 152,047 | 235,001 | 53,078 |
| Assumption of mortgage principal | 92,468 | 80,380 | — |
| Capitalized acquisition costs | (150) | (1,079) | (59) |
| Credits and other changes in cash outflow, net | (365) | 4,768 | 1,691 |
| Gross acquisition price of investment properties | $ 244,000 | $ 319,070 | $ 54,710 |
| | | | |
| Sale of investment properties: | | | |
| Net investment properties | $ 10,086 | $ 66,294 | $ 10,953 |
| Accounts and rents receivable, lease intangibles, and deferred costs and other assets | 297 | 4,200 | 2,332 |
| Accounts payable and accrued expenses, lease intangibles, and other liabilities | (515) | (2,575) | — |
| Debt assumed by buyer through disposition of property | — | (28,552) | — |
| Gain on sale of investment properties, net | 2,691 | 38,249 | 1,522 |
| Loss on extinguishment of debt | | (78) | — |
| Proceeds from sale of investment properties, net | 12,559 | 77,538 | 14,807 |
| Assumption of mortgage principal | — | 28,630 | — |
| Credits and other changes in cash inflow, net | 583 | 4,282 | 174 |
| Gross disposition price of investment properties | $ 13,142 | $ 110,450 | $ 14,981 |

See accompanying notes to the consolidated financial statements.

## 1. Organization

On October 4, 2004, InvenTrust Properties Corp. (the "Company" or "InvenTrust") was incorporated as Inland American Real Estate Trust, Inc., a Maryland corporation, and elected to operate in a manner to be taxed as a real estate investment trust ("REIT") for federal tax purposes. The Company changed its name to InvenTrust Properties Corp. in April of 2015 and is focused on owning, leasing, redeveloping, acquiring and managing a multi-tenant retail platform.

The accompanying consolidated financial statements include the accounts of the Company, as well as all wholly-owned subsidiaries. Subsidiaries generally consist of limited liability companies ("LLCs") and limited partnerships ("LPs"). All significant intercompany balances and transactions have been eliminated. Each retail property is owned by a separate legal entity that maintains its own books and financial records. Each separate legal entity's assets are not available to satisfy the liabilities of other affiliated entities.

The Company has a single reportable segment, multi-tenant retail, for disclosure purposes in accordance with United States ("U.S.") generally accepted accounting principles ("GAAP"). Unless otherwise noted, all square feet and dollar amounts are stated in thousands, except share, per share and per square foot data. Number of properties and square feet are unaudited.

The following table summarizes the Company's retail portfolio as of December 31, 2023 and 2022:

| | Wholly-Owned Retail Properties | | Unconsolidated Retail Properties at 100% | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| No. of properties | 62 | 58 | — | 4 |
| Gross Leasable Area (square feet) | 10,324 | 9,171 | — | 1,125 |

## 2. Basis of Presentation and Summary of Significant Accounting Policies

### *Estimates, Risks, and Uncertainties*

The accompanying consolidated financial statements have been prepared in accordance with GAAP, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant estimates, judgments and assumptions are required in a number of areas, including, but not limited to, evaluating the impairment of long-lived assets, allocating the purchase price of acquired retail properties, determining the fair value of debt and evaluating the collectability of accounts receivable. The Company bases these estimates, judgments and assumptions on historical experience and various other factors that the Company believes to be reasonable under the circumstances. Actual results may differ from these estimates.

### *Variable Interest Entities*

The Company evaluates its investments in LLCs and LPs to determine whether each such entity may be a variable interest entity ("VIE"). The accounting standards related to the consolidation of VIEs require qualitative assessments to determine whether the Company is the primary beneficiary. Determination of the primary beneficiary is based on whether the Company has (i) power to direct significant activities of the VIE and (ii) an obligation to absorb losses or the right to receive benefits that could be potentially significant to the VIE. The Company consolidates a VIE if it is deemed to be the primary beneficiary. The equity method of accounting is applied to entities in which the Company is not the primary beneficiary, or if the entity is not a VIE and the Company does not have control, but can exercise significant influence over the entity with respect to its operations and major decisions. As of December 31, 2023 and 2022, the Company had no VIEs.

### *Revenue Recognition*

*Lease Income*

The majority of revenue recognized from the Company's retail properties is comprised of fixed and variable consideration received from tenants under long-term operating leases with varying terms. Fixed consideration generally consists of minimum lease payments for the rental of retail space while the variable consideration generally consists of reimbursements of the tenant's pro-rata share of certain operating expenses incurred by the Company, including real estate taxes, special assessments, insurance, utilities, common area maintenance, management fees and certain capital repairs. Certain other tenants are subject to net leases whereby the tenant is responsible for fixed minimum lease payments to the Company, as well as directly paying all costs and expenses associated with occupancy to third party service providers. Such direct payments to third parties are not recorded as revenue and expense by the Company.

In accordance with Accounting Standards Codification ("ASC") 842, *Leases*, ("Topic 842"), the Company has elected to not separate lease and non-lease components for all qualifying leases. In effect, this generally relieves the Company from accounting for certain consideration under ASC 606, *Revenue from Contracts with Customers* ("Topic 606"). As a result of the election, all income arising from leases is presented on a combined basis as lease income, net.

Minimum lease payments are recognized on a straight-line basis over the term of each lease. The cumulative difference between fixed consideration recognized on a straight-line basis and the cash payments due under the provisions of the lease agreements is recorded as deferred rent receivable and is included as a component of accounts and rents receivable.

The Company records lease termination income when all conditions of a signed termination agreement have been met, the tenant is no longer occupying the property, and termination income amounts due are considered collectible. The Company defers recognition of contingent lease income until the specified target that triggers the contingent lease income is achieved.

The Company commences revenue recognition on its leases when the lessee takes possession of, or controls the physical use of, the leased asset, unless the lessee is constructing improvements for which the Company is deemed to be the owner for accounting purposes. If the Company is deemed the owner for accounting purposes, the leased asset is the finished space and revenue recognition commences when the lessee takes possession of it, typically when the improvements are substantially complete. Alternatively, if the lessee is deemed to be the owner of the improvements for accounting purposes, then the leased asset is the unimproved space, and any tenant improvement allowances funded under the lease are treated as lease incentives, which reduce lease income recognized over the lease term, and the Company commences revenue recognition when the lessee takes possession of the unimproved space.

The determination of who owns the tenant improvements, for accounting purposes, is based on contractual rights and subject to judgment. In making that judgment, no one factor is determinative. The Company routinely considers:

- whether the lease stipulates how and on what a tenant improvement allowance may be spent;
- whether the tenant is required to provide evidence supporting the cost of improvements prior to reimbursement;
- whether the tenant or landlord retains legal title to the improvements;
- the uniqueness of the improvements;
- the expected economic life of the tenant improvements relative to the length of the lease; and
- who constructs or directs the construction of the improvements.

*Credit Losses*

The Company reviews the collectability of amounts due from its tenants on a regular basis. Such reviews consider the tenant's financial condition and payment history and other economic conditions impacting the tenant. Changes in collectability occur when the Company no longer believes it is probable that substantially all the lease payments will be collected over the term of the lease. If collection is not probable, the lease payments will be accounted for on a cash basis and revenue will be recorded as cash is received. If reassessed, and the collection of substantially all of the lease payments from the tenant becomes probable, the accrual basis of revenue recognition is reestablished. The provision for estimated credit losses resulting from changes in the expected collectability of lease payments, including variable payments, is recognized as a direct adjustment to lease income, and a direct write-off of the operating lease receivables, including straight-line rent receivable.

*Other Fee Income*

The Company recognizes other fee income when it satisfies a performance obligation relating to services provided to its joint venture partnership. The Company generally does not receive prepayments for services or recognize revenue prior to being legally entitled to payment. As a result, the Company does not generally record contract assets or contract liabilities.

Property management and asset management fees are recognized over time as services are rendered to the joint venture partnership. The bundled services of the property management performance obligation and asset management performance obligation each qualify as a series of distinct services satisfied over time. The variability in timing of the property management and asset management fees, which generally relate to the fluctuation in cash receipts from tenants and potential changes in equity capitalization, are resolved on a monthly basis.

Leasing commissions and other fees are recognized at a point in time consistent with the underlying service rendered to the joint venture partnership. Generally, the first and second installments of leasing commissions are paid upon lease execution and rent commencement, respectively.

*Sale of Real Estate*

The Company derecognizes real estate and recognizes a gain or loss when a contract exists and control of the property has transferred to the buyer. Control of the property, including controlling financial interest, is generally considered to transfer upon closing through transfer of the legal title and possession of the property, at which point the Company recognizes a gain or loss equal to the difference between the transaction price and the carrying amount of the property.

***Acquisition of Real Estate***

The Company evaluates the inputs, processes and outputs of each asset acquired to determine if the transaction is a business combination or asset acquisition. If an acquisition qualifies as a business combination, the related transaction costs are expensed. If an acquisition qualifies as an asset acquisition, the related transaction costs are capitalized and amortized over the useful life of the acquired assets. Generally, our acquisitions of real estate qualify as asset acquisitions.

The Company allocates the purchase price of real estate to land, building, other building improvements, tenant improvements, intangible assets and liabilities (such as the value of above- and below-market leases, and in-place leases). The values of above- and below-market leases are recorded as intangible assets and intangible liabilities, respectively, and are amortized as either a decrease (in the case of above-market leases) or an increase (in the case of below-market leases) to lease income, net over the remaining term of the associated lease. The values, if any, associated with in-place leases are recorded as intangible assets and amortized to depreciation and amortization expense over the remaining lease term.

The difference between the contractual rental rates and the Company's estimate of market rental rates is measured over a period equal to the remaining non-cancelable term of the leases plus the term of any below-market renewal options. For the amortization period, the remaining term of leases with renewal options at terms below market reflect the assumed exercise of such below-market renewal options, if reasonably assured.

If a tenant vacates its space prior to the contractual expiration of the lease and no rental payments are being made on the lease, any unamortized balance of the related intangible asset or liability is written off. Tenant improvements are depreciated and origination costs are amortized over the remaining term of the lease or charged against earnings if the lease is terminated prior to its contractual expiration date.

With the assistance of a third-party valuation specialist, the Company performs the following procedures for assets acquired:

- Estimate the value of the property "as if vacant" as of the acquisition date;
- Allocate the value of the property among land, building, and other building improvements and determine the associated useful life for each;
- Calculate the value and associated life of above- and below-market leases on a tenant-by-tenant basis. The difference between the contractual rental rates and the Company’s estimate of market rental rates is measured over a period equal to the remaining term of the leases (using a discount rate which reflects the risks associated with the leases acquired, including geographical location, size of leased area, tenant profile and credit risk);
- Estimate the fair value of the tenant improvements, legal costs and leasing commissions incurred to obtain the leases and calculate the associated useful life for each;
- Estimate the fair value of assumed debt, if any; and
- Estimate the intangible value of the in-place leases based on lease execution costs of similar leases as well as lost rent payments during an assumed lease-up period and their associated useful lives on a tenant-by-tenant basis.

***Properties Held for Sale***

In determining whether to classify a property as held for sale, the Company considers whether: (i) management has committed to a plan to sell the property; (ii) the property is available for immediate sale, in its present condition; (iii) the Company has initiated a program to locate a buyer; (iv) the Company believes that the sale of the property is probable; (v) the Company has received a significant non-refundable deposit for the purchase of the property; (vi) the Company is actively marketing the property for sale at a price that is reasonable in relation to its estimated fair value; and (vii) actions required for the Company to complete the plan indicate that it is unlikely that any significant changes will be made to the plan. When all criteria are met, the property is classified as held for sale and carried at the lower of cost or estimated fair value less costs to sell. Additionally, if the sale represents a strategic shift that has (or will have) a major effect on the Company's results and operations, the income and expenses for the period are classified as discontinued operations for all periods presented.

### *Impairment of Long Lived Assets*

The Company assesses the carrying values of long-lived tangible and intangible assets whenever events or changes in circumstances indicate that they may not be fully recoverable, such as a reduction in the expected hold period of a property. When such event or circumstances occur, if it is expected that the carrying value is not recoverable because the expected undiscounted cash flows do not exceed that carrying value, the Company recognizes an impairment loss to the extent that the carrying value exceeds the estimated fair value. The valuation and possible subsequent impairment of investment properties is a significant estimate that can and does change based on the Company's continuous process of analyzing each property's economic condition over time and reviewing and updating assumptions about uncertain inherent factors, including observable inputs such as contractual revenues and unobservable inputs such as forecasted revenues and expenses, estimated net disposition proceeds, and discount rate. These unobservable inputs are based on a property's market conditions and expected growth rates. Assumptions and estimates about future cash flows and capitalization rates are complex and subjective. Changes in economic and operating conditions and the Company's ultimate investment intent that occur subsequent to the impairment analyses could impact these assumptions and result in additional impairment.

The Company's assessment of expected hold period for investment properties evaluated for impairment is of particular significance because of the material impact it has on the evaluation of the property's recoverability. Changes in the Company's disposition strategy or changes in the marketplace may alter the hold period of an asset or asset group which may result in an impairment loss and such loss could be material to the Company's financial condition or operating performance.

Periodically, management assesses whether there are any indicators that the carrying value of the Company's investments in unconsolidated entities may be other-than-temporarily impaired. To the extent other-than-temporary impairment has occurred, the loss is measured as the excess of the carrying value of the investment over the estimated fair value of the investment. The estimated fair value of the investment is generally derived from the cash flows generated from the underlying real property investments of the investee.

### *Real Estate Capitalization and Depreciation*

Real estate is reflected at cost less accumulated depreciation within investment properties on the consolidated balance sheets. Ordinary repairs and maintenance are expensed as incurred.

Depreciation expense is computed using the straight-line method. A range of estimated useful lives of 15-30 years is used for buildings and other improvements, and a range of 3-20 years is used for furniture, fixtures and equipment.

Tenant improvements are amortized on a straight-line basis over the lesser of the life of the tenant improvement or the lease term. Amortization is included in depreciation and amortization expense.

Deferred leasing costs are recognized as a part of deferred costs and other assets, net and are amortized to depreciation and amortization expense over the remaining term of the associated tenant lease.

Direct and indirect costs that are clearly related to the construction and improvements of investment properties are capitalized. Costs incurred for interest, property taxes and insurance are capitalized during periods in which activities necessary to prepare the property for its intended use are in progress.

### *Cash, Cash Equivalents and Restricted Cash*

The Company considers all demand deposits, money market accounts and investments in certificates of deposit and repurchase agreements with a maturity of three months or less, at the date of purchase, to be cash equivalents. The Company maintains its cash and cash equivalents at financial institutions. The combined account balances at one or more institutions generally exceed the Federal Deposit Insurance Corporation ("FDIC") insurance coverage. The Company periodically assesses the credit risk associated with these financial institutions. The Company believes insignificant credit risk exists related to amounts on deposit in excess of FDIC insurance coverage.

The Company had restricted cash of $3,378 and $142 as of December 31, 2023 and 2022, respectively. Restricted cash often consists of lenders' escrows, operating real estate escrows for taxes, insurance, capital expenditures and payments required under certain lease agreements, and funds restricted through lender or other agreements, including funds held in escrow for future acquisitions.

### ***Fair Value Measurements***

In accordance with ASC 820, *Fair Value Measurement and Disclosures* ("Topic 820"), the Company defines fair value based on the price that would be received upon sale of an asset or the exit price that would be paid to transfer or settle a liability in an orderly transaction between market participants at the measurement date. The Company uses a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value. The fair value hierarchy consists of the three broad levels described below:

- Level 1 - Quoted prices in active markets for identical assets or liabilities that the entity has the ability to access.
- Level 2 - Observable inputs, other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The Company has estimated the fair value of its financial instruments and non-financial assets using available market information and valuation methodologies the Company believes to be appropriate for these purposes. Considerable judgment and a high degree of subjectivity are involved in developing these estimates and, accordingly, they are not necessarily indicative of amounts that would be realized upon disposition.

The carrying amounts of cash, cash equivalents and restricted cash, accounts and rents receivables, other assets, accounts payable, accrued expenses, and other liabilities reasonably approximate fair value, in management's judgment, because of their short-term nature. Fair value information pertaining to derivative financial instruments, investment properties, and debt is provided in *"Note 9. Fair Value Measurements"*.

### ***Stock-Based Compensation Plans***

*Incentive Award Plan*

Effective June 19, 2015, the Company's board of directors (the "Board") adopted the InvenTrust Properties Corp. 2015 Incentive Award Plan (the "Incentive Award Plan"), under which the Company may grant cash and equity incentive awards to eligible employees, directors, and consultants. The Company has awarded time-based restricted stock units ("RSUs"), performance-based RSUs, and market-based RSUs with tandem dividend equivalents. Compensation expense related to these awards, which are generally equity classified, is recognized as a part of general and administrative expense. The tandem dividend equivalent cash payments of awards granted during the years ended December 31, 2023 and 2022 are recognized within equity. The tandem dividend equivalent cash payments of awards granted during the year ended December 31, 2021 are recognized within earnings. Forfeitures of awards are recognized as they occur.

Time-based awards are generally measured at grant date fair value and not subsequently remeasured. Compensation expense related to these awards is recognized on a straight-line basis over the vesting period. Time-based awards granted to employees vest equally on each of the first three anniversaries of the applicable vesting commencement date, subject to the employees' continued service to the Company. The time-based RSU awards granted to directors vest on the earlier of the one-year anniversary of the applicable grant date or the date of the Company's next annual meeting of its shareholders following the grant date, subject to the directors' continued service to the Company.

Performance-based awards are measured at grant date fair value and each grantee is eligible to vest in a number of RSUs ranging from 0% to 100% of the total number granted based on specified performance levels. Performance-based awards vest within 45 days of the conclusion of the performance period and are generally subject to the recipients' continued service to the Company. Compensation cost is recognized when the performance condition is considered probable of achievement. If a performance award has more than one potential outcome, recognition of compensation cost is based on the most likely outcome. During the service period, a cumulative catch-up approach is used to account for changes in the assessment of which outcome is most likely to occur.

Market-based awards are valued as of the grant date utilizing a Monte Carlo simulation model that assesses the probability of satisfying certain market performance thresholds over a three year performance period. Market-based awards vest within 45 days of the conclusion of the performance period and are generally subject to the recipients' continued service to the Company. The number of common shares ultimately issued is based on the Company's total shareholder return ("TSR") relative to that of the FTSE NAREIT Shopping Index peer group on a percentile basis. The resulting compensation expense is recorded over the service period regardless of whether the TSR performance measures are achieved.

*Employee Stock Purchase Plan*

Effective May 4, 2023, the Company's Board established an Employee Stock Purchase Plan (the "ESPP") through which employees may purchase shares of the Company's common stock semi-annually at a price equal to 85% of the lesser of: (a) the closing price per share on the first day of such period, and (b) the closing price per share on the last day of such period. Compensation expense related to the ESPP is recognized as a part of general and administrative expense.

***Derivative Instruments***

In the normal course of business, the Company is exposed to the effect of interest rate changes. The Company's objective in using interest rate derivatives is to manage its exposure to interest rate movements and add stability to interest expense. To accomplish this objective, the Company uses interest rate swaps as part of its interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable rate amounts from a counterparty in exchange for the Company making fixed rate payments over the life of the agreement without exchange of the underlying notional amount.

The Company has a policy of only entering into contracts with established financial institutions based upon their credit ratings and other factors. When viewed in conjunction with the underlying and offsetting exposure that the derivatives are designed to hedge, the Company has not sustained a material loss from those instruments, nor does it anticipate any material adverse effect on its net income or financial position in the future from the use of derivatives.

The Company recognizes all derivatives on the consolidated balance sheets at fair value. Additionally, changes in fair value will affect either equity or earnings depending on whether the derivative instruments qualify as a hedge for accounting purposes and, if so, the nature of the hedging activity. When the underlying transaction is terminated or completed, all changes in the fair value of the instrument are marked-to-market with changes in value included in earnings each period until the instrument matures. Any derivative instrument used for risk management that does not meet the criteria for hedge accounting is marked-to-market each period in earnings. The Company does not use derivatives for trading or speculative purposes.

***Income Taxes***

The Company has elected and operates in a manner to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the "Code") for federal income tax purposes commencing with the tax year ended December 31, 2005. To qualify as a REIT, the Company is generally required to distribute at least 90% of its REIT taxable income (subject to certain adjustments) to its stockholders each year (the "90% Distribution Requirement"). As a REIT, the Company is entitled to a tax deduction for some or all of the dividends paid to stockholders. Accordingly, the Company generally will not be subject to federal income taxes as long as it currently distributes to stockholders an amount equal to or in excess of the Company's taxable income. If the Company fails to qualify as a REIT in any taxable year, without the benefit of certain relief provisions, the Company will be subject to federal and state income tax on its taxable income at regular corporate tax rates. Even if the Company qualifies for taxation as a REIT, the Company may be subject to certain state and local taxes on its income, property or net worth and federal income and excise taxes on its undistributed income.

From time to time, the Company may elect to treat certain of its consolidated subsidiaries as taxable REIT subsidiaries ("TRSs") pursuant to the Code. Among other activities, TRSs may participate in non-real estate related activities and/or perform non-customary services for tenants and are subject to federal and state income tax at regular corporate tax rates. Income tax expense or benefit is recognized as a part of other income and expense, net. During the years ended December 31, 2023, 2022, and 2021 the Company did not have any operations within TRSs.

Income tax expense for the years ended December 31, 2023, 2022 and 2021 generally pertains to Texas margin tax. The Company has accrued no material interest or penalties relating to income taxes. As of December 31, 2023, the Company's 2022, 2021, and 2020 tax years remain subject to examination by U.S. and various state tax jurisdictions.

***Recently Issued Accounting Pronouncements***

| Standard | Description | Date of adoption | Effect on the financial statements or other significant matters |
|---|---|---|---|
| *ASU No. 2023-07 Improvements to Reportable Segment Disclosures (Topic 280)* | ASU No. 2023-07 is intended to improve financial reporting by requiring disclosure of incremental segment information on an annual and interim basis. | December 2024 (anticipated) | The Company is continuing to evaluate this guidance, but expects the standard to impact our disclosures around our single reportable segment and is not anticipated to have an impact on the Company's financial position, results of operations, or cash flows. |

Other recently issued accounting standards or pronouncements not disclosed in the foregoing table have been excluded because they are either not relevant to the Company, or are not expected to have, or did not have, a material effect on the consolidated financial statements of the Company.

### 3. Revenue Recognition

*Operating Leases*

Minimum lease payments to be received under long-term operating leases and short-term specialty leases, excluding additional percentage rent based on tenants' sales volume and tenant reimbursements of certain operating expenses, and assuming no exercise of renewal options or early termination rights, are as follows:

| For the year ending December 31, | As of December 31, 2023 | |
|---|---|---|
| 2024 | $ | 188,912 |
| 2025 | | 178,186 |
| 2026 | | 159,268 |
| 2027 | | 127,019 |
| 2028 | | 100,057 |
| Thereafter | | 346,370 |
| Total | $ | 1,099,812 |

The foregoing table includes payments from tenants who have taken possession of their space and tenants who have been moved to the cash basis of accounting for revenue recognition purposes. The remaining lease terms range from less than one year to fifty-seven years.

The following table reflects the disaggregation of lease income, net:

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2022 | | 2021 | |
| Minimum base rent | $ | 165,267 | $ | 145,467 | $ | 128,716 |
| Real estate tax recoveries | | 31,220 | | 30,107 | | 27,874 |
| Common area maintenance, insurance, and other recoveries | | 30,731 | | 28,072 | | 23,948 |
| Ground rent income | | 19,044 | | 14,991 | | 13,167 |
| Amortization of market-lease intangibles and inducements, net | | 3,343 | | 5,589 | | 4,318 |
| Short-term and other lease income | | 4,389 | | 4,333 | | 3,378 |
| Termination fee income | | 836 | | 339 | | 406 |
| Straight-line rent adjustment, net | | 3,464 | | 2,645 | | 3,272 |
| Reversal of (provision for) uncollectible straight-line rent | | (115) | | 1,170 | | (468) |
| Provision for uncollectible billed rent and recoveries | | (1,628) | | (1,065) | | (2,264) |
| Reversal of uncollectible billed rent and recoveries | | 595 | | 1,332 | | 5,003 |
| Lease income, net | $ | 257,146 | $ | 232,980 | $ | 207,350 |

*Other Fee Income*

Other fee income was derived from services provided to the Company's unconsolidated real estate joint venture and deemed to be related party transactions. The property management, asset management, leasing and other services were provided over the term of the contract.

The following table reflects the disaggregation of other fee income:

| | Timing of Satisfaction of Performance Obligations | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|---|
| | | 2023 | | 2022 | | 2021 | |
| Property management fees | Over time | $ | 48 | $ | 1,301 | $ | 1,952 |
| Asset management fees | Over time | | 32 | | 882 | | 1,128 |
| Leasing commissions and other fees | Point in time | | — | | 383 | | 462 |
| Other fee income | | $ | 80 | $ | 2,566 | $ | 3,542 |

## 4. Acquired Properties

The following table reflects the retail properties acquired, accounted for as asset acquisitions, during the year ended December 31, 2023:

| Date | Property | Metropolitan Area | Square Feet | Gross Acquisition Price | Assumption of Mortgage Debt |
|---|---|---|---|---|---|
| January 18, 2023 | Bay Colony (a) | Houston, TX | 416 | $ 79,100 | $ 41,969 |
| January 18, 2023 | Blackhawk Town Center (a) | Houston, TX | 127 | 26,300 | 13,008 |
| January 18, 2023 | Cyfair Town Center (a) | Houston, TX | 433 | 79,200 | 30,880 |
| January 18, 2023 | Stables Town Center (a) | Houston, TX | 148 | 37,000 | 6,611 |
| June 2, 2023 | The Shoppes at Davis Lake | Charlotte, NC | 91 | 22,400 | — |
| | | | 1,215 | $ 244,000 | $ 92,468 |

(a) These retail properties were acquired from the Company's unconsolidated joint venture, IAGM, as disclosed in *"Note 6. Investment in Unconsolidated Entities"*. The Company recognized a fair value adjustment of $692 related to the pooled mortgage debt on these properties.

The following table reflects the retail properties acquired, accounted for as asset acquisitions, during the year ended December 31, 2022:

| Date | Property | Metropolitan Area | Square Feet | Gross Acquisition Price | Assumption of Mortgage Debt |
|---|---|---|---|---|---|
| February 2, 2022 | Shops at Arbor Trails | Austin, TX | 357 | $ 112,190 | $ 31,500 |
| February 2, 2022 | Escarpment Village | Austin, TX | 170 | 77,150 | 26,000 |
| April 21, 2022 | The Highlands of Flower Mound (a) | Dallas, TX | 175 | 38,000 | 22,880 |
| May 4, 2022 | Bay Landing | Fort Myers, FL | 63 | 10,425 | — |
| June 10, 2022 | Kyle Marketplace - Outparcel (b) | Austin, TX | — | 705 | — |
| October 28, 2022 | Eastfield Village | Charlotte, NC | 96 | 22,500 | — |
| December 16, 2022 | Stone Ridge Market (a) | San Antonio, TX | 219 | 58,100 | — |
| | | | 1,080 | $ 319,070 | $ 80,380 |

(a) These retail properties were acquired from the Company's unconsolidated joint venture. See *"Note 6. Investment in Unconsolidated Entities"*. The Company recognized a fair value adjustment of $499 related to the pooled mortgage debt on these properties.

(b) The Company acquired a parcel of vacant land adjacent to this retail property. The assets, liabilities and operations of the outparcel acquired are combined for presentation purposes with the retail property already owned by the Company.

Transaction costs of $150 and $1,079 were capitalized during the years ended December 31, 2023 and 2022, respectively.

## 5. Disposed Properties

The following table reflects the real property disposed of during the year ended December 31, 2023:

| Date | Property | Metropolitan Area | Square Feet | Gross Disposition Price | Gain on Sale |
|---|---|---|---|---|---|
| June 20, 2023 | Shops at Galleria (a) | Austin, TX | N/A | $ 1,692 | $ 984 |
| August 25, 2023 | Trowbridge Crossing | Atlanta, GA | 63 | 11,450 | 1,707 |
| | | | 63 | $ 13,142 | $ 2,691 |

(a) This disposition was related to the completion of a partial condemnation at one retail property.

The following table reflects the real property disposed of during the year ended December 31, 2022:

| Date | Property | Metropolitan Area | Square Feet | Gross Disposition Price | Gain (Loss) on Sale, net |
|---|---|---|---|---|---|
| June 30, 2022 | Centerplace of Greeley | Denver, CO | 152 | $ 37,550 | $ 25,147 |
| June 30, 2022 | Cheyenne Meadows | Denver, CO | 90 | 17,900 | 11,709 |
| December 15, 2022 | The Shops at Walnut Creek (a) | Denver, CO | 225 | 55,000 | 1,393 |
| | | | 467 | $ 110,450 | $ 38,249 |

(a) The property's buyer assumed a $28,600 mortgage payable secured by the property. We recognized a loss on debt extinguishment of $80 related to the buyer's assumption.

## 6. Investment in Unconsolidated Entities

*Joint Venture Interest in IAGM*

As of December 31, 2022, the Company owned a 55% interest in one unconsolidated entity, IAGM Retail Fund I, LLC ("IAGM"), a joint venture partnership between the Company and PGGM Private Real Estate Fund ("PGGM"). IAGM was formed on April 17, 2013 for the purpose of acquiring, owning, managing, and disposing of retail properties and sharing in the profits and losses from those retail properties and their activities.

On January 18, 2023, the Company acquired the four remaining retail properties from IAGM, for an aggregate purchase price of $222.3 million, by acquiring 100% of the membership interests in each of IAGM's wholly owned subsidiaries. The Company assumed aggregate mortgage debt of $92.5 million and funded the remaining balance with its available liquidity. IAGM recognized a gain on sale of $45.2 million, of which the Company's share was approximately $24.9 million. Subsequent to the transaction, IAGM proportionately distributed substantially all net proceeds from the sale, of which the Company's share was approximately $71.4 million. In connection with the foregoing, IAGM adopted a liquidation plan on January 11, 2023. On December 15, 2023, IAGM was fully liquidated.

The Company's aggregate deferred gains related to its previously owned equity interest in real estate acquisitions from IAGM of $39.9 million are reflected in the basis of the respective acquired assets. Previously, deferred gains were reflected as a reduction of the Company's investment in IAGM and amortized to equity in earnings of unconsolidated entities.

On January 18, 2023, the Company acquired IAGM's two interest rate swap agreements which achieved fixed interest rates on an aggregate notional amount of $75.0 million of the assumed pooled mortgage priced in a Secured Overnight Financing Rate ("SOFR"), each of which repriced monthly ("1-Month Term SOFR"). IAGM recognized a gain on sale of $2.6 million representing the fair value of the derivatives, of which the Company's share was approximately $1.4 million. The Company deferred its share of IAGM's gain on sale of derivatives, initially reflecting it within accumulated comprehensive income and amortizing it to interest expense, net, through the instruments' maturity date.

The following table reflects the real property disposed by IAGM since January 1, 2022:

| Date | Property | Square Feet | Gross Disposition Price | IAGM's Gain (Loss) on Sale | The Company's Gain Deferral |
|---|---|---|---|---|---|
| March 3, 2022 | Price Plaza (a) | 206 | $ 39,100 | $ 3,751 | $ — |
| April 21, 2022 | The Highlands of Flower Mound (b) | 175 | 38,000 | 1,244 | 684 |
| December 16, 2022 | Stone Ridge Market (b) | 219 | 58,100 | 12,287 | 6,758 |
| December 22, 2022 | Stables Town Center (c) | 43 | 7,800 | (244) | — |
| January 18, 2023 | Bay Colony (b) | 416 | 79,100 | 22,327 | 12,280 |
| January 18, 2023 | Blackhawk Town Center (b) | 127 | 26,300 | 12,632 | 6,948 |
| January 18, 2023 | Cyfair Town Center (b) | 433 | 79,200 | 4,713 | 2,592 |
| January 18, 2023 | Stables Town Center (b) | 148 | 37,000 | 5,536 | 3,045 |

(a) The buyer assumed a $17,800 mortgage payable secured by the property.

(b) The Company purchased these properties at a purchase price determined by a third party real estate valuation specialist.

(c) IAGM disposed of 43 square feet out of a total 191 square feet through a partial sale of the property.

*Condensed Financial Information*

The following table presents condensed balance sheet information for IAGM as of December 31, 2022:

| | | As of December 31, 2022 |
|---|---|---|
| Assets: | | |
| Net investment properties | $ | 161,312 |
| Other assets | | 65,565 |
| Total assets | $ | 226,877 |
| Liabilities and equity: | | |
| Mortgage debt, net | $ | 92,186 |
| Other liabilities | | 7,392 |
| Equity | | 127,299 |
| Total liabilities and equity | $ | 226,877 |
| | | |
| Company's share of equity | $ | 70,869 |
| Outside basis difference, net (a) | | (14,738) |
| Carrying value of investments in unconsolidated entities | $ | 56,131 |

(a) The outside basis difference relates to the unamortized deferred gains on historical property sales from IAGM to the Company.

The following table presents condensed income statement information of IAGM:

| | Year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| IAGM | 2023 | | 2022 | | 2021 | |
| Total income | $ | 952 | $ | 27,764 | $ | 42,145 |
| Depreciation and amortization | | (622) | | (10,508) | | (14,437) |
| Property operating | | (232) | | (5,149) | | (7,265) |
| Real estate taxes | | (127) | | (4,086) | | (7,507) |
| Asset management fees | | (32) | | (882) | | (1,128) |
| Interest expense, net | | (143) | | (4,002) | | (5,637) |
| Other income and expense, net | | 447 | | (245) | | (422) |
| Gain (loss) on debt extinguishment | | 444 | | (219) | | (229) |
| Gain on sale of real estate, net | | 45,208 | | 17,038 | | 18,294 |
| Gain on sale of derivatives | | 2,556 | | — | | — |
| Net income | $ | 48,451 | $ | 19,711 | $ | 23,814 |
| | | | | | | |
| Company's share of net income | $ | 26,648 | $ | 10,832 | $ | 13,089 |
| Outside basis adjustment for investee's sale of real estate, net | | (27,175) | | (7,169) | | (6,691) |
| Outside basis adjustment for investee's NCI redemption | | (30) | | — | | — |
| Equity in (losses) earnings of unconsolidated entities | $ | (557) | $ | 3,663 | $ | 6,398 |

### 7. Intangible Assets, Liabilities, and Deferred Leasing Costs

The following table summarizes the Company's intangible assets, liabilities, and deferred leasing costs as of December 31, 2023 and 2022:

| | As of December 31, | |
|---|---|---|
| | 2023 | 2022 |
| Intangible assets: | | |
| In-place leases | $ 183,139 | $ 158,155 |
| Above-market leases | 17,967 | 16,082 |
| Intangible assets | 201,106 | 174,237 |
| Accumulated amortization: | | |
| In-place leases | (78,177) | (66,347) |
| Above-market leases | (8,444) | (6,723) |
| Accumulated amortization | (86,621) | (73,070) |
| Intangible assets, net | $ 114,485 | $ 101,167 |
| | | |
| Intangible liabilities: | | |
| Below-market leases | $ 52,412 | $ 55,501 |
| Accumulated amortization | (22,068) | (25,843) |
| Intangible liabilities, net | $ 30,344 | $ 29,658 |
| | | |
| Deferred leasing costs: | | |
| Leasing costs | $ 22,621 | $ 20,949 |
| Accumulated amortization | (7,626) | (7,114) |
| Deferred leasing costs, net | $ 14,995 | $ 13,835 |

The following table summarizes the amortization related to intangible assets, liabilities, and deferred leasing costs for the years ended December 31, 2023, 2022 and 2021:

| | Year ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| Intangible assets: | | | |
| In-place leases | $ 32,179 | $ 20,993 | $ 18,730 |
| Above-market leases | 2,977 | 2,018 | 2,036 |
| Amortization of intangible assets | $ 35,156 | $ 23,011 | $ 20,766 |
| Intangible liabilities: | | | |
| Amortization of below-market leases | $ 5,976 | $ 7,403 | $ 6,317 |
| Deferred leasing costs: | | | |
| Amortization of deferred leasing costs | $ 2,691 | $ 2,533 | $ 2,138 |

The following table summarizes the amortization during the next five years and thereafter related to intangible assets, liabilities, and deferred leasing costs as of December 31, 2023:

| Year ending December 31, | In-place leases | Above market leases | Below market leases | Deferred leasing costs |
|---|---|---|---|---|
| 2024 | $ 24,961 | $ 2,368 | $ 4,312 | $ 3,507 |
| 2025 | 19,611 | 1,863 | 3,762 | 2,290 |
| 2026 | 15,047 | 1,461 | 3,237 | 2,123 |
| 2027 | 10,513 | 1,002 | 2,315 | 1,842 |
| 2028 | 7,764 | 753 | 1,840 | 1,515 |
| Thereafter | 27,066 | 2,076 | 14,878 | 3,718 |
| Total | $ 104,962 | $ 9,523 | $ 30,344 | $ 14,995 |

## 8. Debt

The Company's debt consists of mortgages payable, unsecured term loans, senior notes, and an unsecured revolving line of credit. The Company believes it has the ability to repay, refinance or extend any of its debt, and that it has adequate sources of funds to meet short-term cash needs. It is anticipated that the Company will use proceeds from property sales, cash on hand, and available capacity on credit agreements, if any, to repay, refinance or extend the mortgages payable maturing in the near term.

The Company's credit agreements and mortgage loans require compliance with certain covenants, such as debt service coverage ratios, investment restrictions and distribution limitations. As of December 31, 2023 and 2022, the Company was in compliance with all loan covenants.

On February 6, 2023, the Company extinguished the $13.7 million mortgage payable secured by Renaissance Center with its available liquidity.

On October 17, 2023, the Company extended the maturity of its $92.5 million cross-collateralized mortgage debt maturing in 2023 by exercising one of its two 12-month extension options. The maturity date of the mortgage debt is now November 2, 2024. On December 22, 2023, the Company partially paid down the mortgage debt by $20.0 million, resulting in the release of Blackhawk Town Center from collateralization and an outstanding balance of $72.5 million as of December 31, 2023.

*Credit Agreements*

On September 22, 2021, the Company entered into an amendment to the Revolving Credit Agreement (the "Amended Revolving Credit Agreement"), which provides for, among other things, an extension of the maturity of the $350.0 million Revolving Credit Agreement to September 22, 2025, with two six-month extension options.

On September 22, 2021, the Company entered into an amendment to its $400.0 million Term Loan Credit Agreement (the "Amended Term Loan Agreement"), which provides for, among other things, an extension of the maturity dates and a reallocation of indebtedness under the two outstanding tranches of term loans thereunder. The Amended Term Loan Agreement consists of a $200.0 million 5-year tranche maturing on September 22, 2026, and a $200.0 million 5.5-year tranche maturing on March 22, 2027.

On May 11, 2022, the Company transitioned its Amended Revolving Credit Agreement and Amended Term Loan Agreement from 1-Month LIBOR to 1-Month Term SOFR.

On June 3, 2022, in connection with and upon effectiveness of the Note Purchase Agreement (as defined below) and in accordance with the terms of the Amended Term Loan Credit Agreement and Amended Revolving Credit Agreement, each of the administrative agents under such agreements released all of the subsidiary guarantors from their guaranty obligations that were previously made for the benefit of the lenders under such agreements.

*Senior Notes*

On August 11, 2022, the Company issued $250.0 million aggregate principal amount of senior notes in a private placement, of which (i) $150.0 million are designated as 5.07% Senior Notes, Series A, due August 11, 2029 (the "Series A Notes") and (ii) $100.0 million are designated as 5.20% Senior Notes, Series B, due August 11, 2032 (the "Series B Notes" and, together with the Series A Notes, the "Notes") pursuant to a note purchase agreement (the "Note Purchase Agreement"), dated June 3, 2022, between the Company and the various purchasers named therein. The Notes were issued at par in accordance with the Note Purchase Agreement and pay interest semiannually on February 11th and August 11th until their respective maturities.

The Company may prepay at any time all or any part of the Notes, in an amount not less than 5% of the aggregate principal amount of any series of the Notes then outstanding in the case of a partial prepayment, at 100% of the principal amount prepaid plus accrued interest and a Make-Whole Amount (as defined in the Note Purchase Agreement). The Notes will be required to be absolutely and unconditionally guaranteed by certain subsidiaries of the Company that guarantee certain material credit facilities of the Company. Currently, there are no subsidiary guarantees of the Notes.

The following table summarizes the Company's debt as of December 31, 2023 and 2022:

| | Maturity Date | Interest Rate Type | As of December 31, 2023 | | As of December 31, 2022 | |
|---|---|---|---|---|---|---|
| | | | Interest Rate | Amount | Interest Rate | Amount |
| Mortgages Payable | | | | | | |
| Fixed rate mortgages payable | Various | Fixed | 4.01% (a) | $ 96,080 | 3.95% (a) | $ 109,812 |
| Variable rate mortgages payable | 11/2/2024 | Variable | 1M SOFR +1.65% (b) | 72,468 | — | — |
| Total | | | | 168,548 | | 109,812 |
| Term Loans | | | | | | |
| $200.0 million 5 years | 9/22/2026 | Fixed | 2.81% (c) | 100,000 | 2.71% (c) | 100,000 |
| $200.0 million 5 years | 9/22/2026 | Fixed | 2.81% (c) | 100,000 | 2.72% (c) | 100,000 |
| $200.0 million 5.5 years | 3/22/2027 | Fixed | 2.77% (c) | 50,000 | 2.77% (c) | 50,000 |
| $200.0 million 5.5 years | 3/22/2027 | Fixed | 2.76% (c) | 50,000 | 2.76% (c) | 50,000 |
| $200.0 million 5.5 years | 3/22/2027 | Fixed | 4.99% (d) | 100,000 | 1M SOFR + 1.30% (b) | 100,000 |
| Total | | | | 400,000 | | 400,000 |
| Senior Notes | | | | | | |
| $150.0 million Series A Notes | 8/11/2029 | Fixed | 5.07% | 150,000 | 5.07% | 150,000 |
| $100.0 million Series B Notes | 8/11/2032 | Fixed | 5.20% | 100,000 | 5.20% | 100,000 |
| Total | | | | 250,000 | | 250,000 |
| Revolving Line of Credit | | | | | | |
| $350.0 million total capacity | 9/22/2025 | Variable | 1M SOFR + 1.14% (b)(e) | — | 1M SOFR + 1.14% (b)(e) | — |
| Total debt | | | 4.29% | 818,548 | 4.08% | 759,812 |
| Debt discounts and issuance costs, net | | | | (3,980) | | (5,261) |
| Debt, net | | | | $ 814,568 | | $ 754,551 |

(a) Interest rates reflect the weighted average of the Company's mortgages payable.

(b) As of December 31, 2023 and 2022, 1-Month Term SOFR was 5.35% and 4.36%, respectively.

(c) Interest rates reflect the fixed rates achieved through the Company's interest rate swaps.

(d) As of April 3, 2023, the variable portion was swapped to 3.69%, achieving a fixed rate of 4.99% through the maturity date.

(e) Interest rate applies to drawn balance only. Additional annual facility fee of 0.15% applies to entire line of credit capacity.

The following table summarizes the scheduled maturities of the Company's mortgages payable as of December 31, 2023:

| Scheduled maturities by year: | As of December 31, 2023 |
|---|---|
| 2024 | $ 88,168 |
| 2025 | 22,880 |
| 2026 | — |
| 2027 | 26,000 |
| 2028 | — |
| Thereafter | 31,500 |
| Total | $ 168,548 |

*Interest Rate Swaps*

As of December 31, 2023, the Company is party to five effective interest rate swap agreements and two interest rate forward swap agreements, which address the periods between the maturity dates of the effective swaps and the maturity dates of the Amended Term Loan Agreement. In tandem, the interest rate swaps achieve fixed interest rates for a constant notional amount through the maturity dates of the Amended Term Loan Agreement.

On January 18, 2023, the Company acquired IAGM's two interest rate swap agreements, which achieve fixed interest rates on an aggregate notional amount of $75.0 million of the assumed pooled mortgage, each priced in 1-Month Term SOFR. The two acquired interest rate swap agreements expired at the maturity date of November 2, 2023.

On March 16, 2023, the Company entered into one interest rate swap agreement with a notional amount of $100.0 million at 3.69%, achieving a fixed interest rate of 4.99%. As of the effective date of April 3, 2023, the entirety of the Company's variable rate term loans were swapped to fixed rates through the maturity dates of the Amended Term Loan Agreement.

The following table summarizes the Company's five effective and two forward interest rate swaps as of December 31, 2023:

| Interest Rate Swaps | Notional Amount | Company Receives Variable Rate of | Company Pays Fixed Rate of | Fixed Rate Achieved | Effective Date | Maturity Date |
|---|---|---|---|---|---|---|
| 5.5 Year Term Loan | 50,000 | 1-Month SOFR | 1.47% | 2.77% | Dec 2, 2019 | Jun 21, 2024 |
| 5.5 Year Term Loan | 50,000 | 1-Month SOFR | 1.46% | 2.76% | Dec 2, 2019 | Jun 21, 2024 |
| 5.5 Year Term Loan | 100,000 | 1-Month SOFR | 3.69% | 4.99% | Apr 3, 2023 | Mar 22, 2027 |
| 5 Year Term Loan | 100,000 | 1-Month SOFR | 1.51% | 2.81% | Dec 21, 2023 | Sep 22, 2026 |
| 5 Year Term Loan | 100,000 | 1-Month SOFR | 1.51% | 2.81% | Dec 21, 2023 | Sep 22, 2026 |
| | $ 400,000 | | | | | |
| | | | | | | |
| 5.5 Year Term Loan | 50,000 | 1-Month SOFR | 1.48% | 2.78% | Jun 21, 2024 | Mar 22, 2027 |
| 5.5 Year Term Loan | 50,000 | 1-Month SOFR | 1.54% | 2.84% | Jun 21, 2024 | Mar 22, 2027 |
| | $ 100,000 | | | | | |

The following table summarizes the Company's four effective and four forward interest rate swaps as of December 31, 2022:

| Interest Rate Swaps | Notional Amount | Company Receives Variable Rate of | Company Pays Fixed Rate of | Fixed Rate Achieved | Effective Date | Maturity Date |
|---|---|---|---|---|---|---|
| 5 Year Term Loan | $ 100,000 | 1-Month SOFR | 1.41% | 2.71% | Dec 2, 2019 | Dec 21, 2023 |
| 5 Year Term Loan | 100,000 | 1-Month SOFR | 1.42% | 2.72% | Dec 2, 2019 | Dec 21, 2023 |
| 5.5 Year Term Loan | 50,000 | 1-Month SOFR | 1.47% | 2.77% | Dec 2, 2019 | Jun 21, 2024 |
| 5.5 Year Term Loan | 50,000 | 1-Month SOFR | 1.46% | 2.76% | Dec 2, 2019 | Jun 21, 2024 |
| | $ 300,000 | | | | | |
| | | | | | | |
| 5 Year Term Loan | 100,000 | 1-Month SOFR | 1.51% | 2.81% | Dec 21, 2023 | Sep 22, 2026 |
| 5 Year Term Loan | 100,000 | 1-Month SOFR | 1.51% | 2.81% | Dec 21, 2023 | Sep 22, 2026 |
| 5.5 Year Term Loan | 50,000 | 1-Month SOFR | 1.48% | 2.78% | Jun 21, 2024 | Mar 22, 2027 |
| 5.5 Year Term Loan | 50,000 | 1-Month SOFR | 1.54% | 2.84% | Jun 21, 2024 | Mar 22, 2027 |
| | $ 300,000 | | | | | |

The following table summarizes the effects of derivative financial instruments on the consolidated financial statements:

| Location and amount of gain recognized in accumulated comprehensive income | | | | Location and amount of gain (loss) reclassified from accumulated comprehensive income into net income (loss) | | | | Total interest expense presented in the consolidated statements of operations in which the effects of cash flow hedges are recorded | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2021 | | 2023 | 2022 | 2021 | | 2023 | 2022 | 2021 |
| Unrealized gain on derivatives | $ 6,228 | $ 32,052 | $ 3,795 | Interest expense, net | $ 14,875 | $ 1,009 | $ (4,332) | Interest expense, net | $ 38,138 | $ 26,777 | $ 16,261 |

## 9. Fair Value Measurements

*Recurring Measurements*

The following financial instruments are remeasured at fair value on a recurring basis:

| | Fair Value Measurements as of | | | | | |
|---|---|---|---|---|---|---|
| Cash Flow Hedges: (a) (b) | December 31, 2023 (c) | | | December 31, 2022 (d) | | |
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Derivative interest rate swaps | — | $ 18,074 | — | — | $ 26,721 | — |

(a) During the twelve months subsequent to December 31, 2023, an estimated $10,275 of derivative interest rate balances recognized in accumulated comprehensive income will be reclassified into earnings.

(b) As of December 31, 2023 and 2022, the Company determined that the credit valuation adjustments associated with nonperformance risk are not significant to the overall valuation of its derivatives. As a result, the Company's derivative valuations in their entirety are classified as Level 2 of the fair value hierarchy.

(c) The Company's derivative assets or liabilities are recognized as a part of deferred costs and other assets, net or other liabilities, respectively.

(d) The Company's derivative assets or liabilities are recognized as a part of deferred costs and other assets, net or other liabilities, respectively. IAGM's derivative assets or liabilities were recognized as a part of investment in unconsolidated entities.

Level 1

At December 31, 2023 and 2022, the Company had no Level 1 recurring fair value measurements.

Level 2

To calculate the fair value of the derivative interest rate instruments, the Company primarily uses quoted prices for similar contracts and inputs based on data that are observed in the forward yield curve that is widely observable in the marketplace. The Company also incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements that utilize Level 3 inputs, such as estimates of current credit spreads.

Level 3

At December 31, 2023 and 2022, the Company had no Level 3 recurring fair value measurements.

*Non-Recurring Measurements*

*Investment Properties*

During the years ended December 31, 2023 and 2022, the Company had no Level 3 nonrecurring fair value measurements.

*Financial Instruments Not Measured at Fair Value*

The following table summarizes the estimated fair value of financial instruments presented at carrying values in the Company's consolidated financial statements as of December 31, 2023 and 2022:

| | December 31, 2023 | | | December 31, 2022 | | |
|---|---|---|---|---|---|---|
| | Carrying Value | Estimated Fair Value | Market Interest Rate | Carrying Value | Estimated Fair Value | Market Interest Rate |
| Mortgages payable | $ 168,548 | $ 161,320 | 6.86 % | $ 109,812 | $ 100,218 | 6.81 % |
| Senior notes | 250,000 | 233,635 | 6.31 % | 250,000 | 235,820 | 6.05 % |
| Term loans | 400,000 | 399,539 | 5.10 % | 400,000 | 401,470 | 5.11 % |
| Revolving line of credit | — | — | N/A | — | — | N/A |

The market interest rates used to estimate the fair value of the Company's mortgages payable, senior notes, term loans, and revolving line of credit reflect the terms currently available on similar borrowing terms to borrowers with credit profiles similar to that of the Company's. The Company classifies its debt instrument valuations within Level 2 of the fair value hierarchy.

## 10. Earnings Per Share and Equity Transactions

Basic earnings per share ("EPS") is computed by dividing net income or loss attributed to common shares by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that may occur from awards issued pursuant to the stock-based compensation plans.

The following table reconciles the amounts used in calculating basic and diluted EPS:

| | Year ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| **Numerator:** | | | |
| Net income (loss) attributed to common shares | $ 5,269 | $ 52,233 | $ (5,360) |
| Earnings allocated to unvested restricted shares | — | — | — |
| Net income (loss) attributed to common shares - basic and diluted | $ 5,269 | $ 52,233 | $ (5,360) |
| | | | |
| **Denominator:** | | | |
| Weighted average common shares outstanding - basic | 67,531,898 | 67,406,233 | 71,072,933 |
| Dilutive effect of unvested restricted shares (a) | 281,282 | 119,702 | — |
| Weighted average common shares outstanding - diluted | 67,813,180 | 67,525,935 | 71,072,933 |
| | | | |
| **Basic and diluted earnings per common share:** | | | |
| Net income (loss) per common share - basic | $ 0.08 | $ 0.77 | $ (0.08) |
| Net income (loss) per common share - diluted | $ 0.08 | $ 0.77 | $ (0.08) |

(a) For the year ended December 31, 2021, unvested restricted shares were anti-dilutive.

*ATM Program*

On March 7, 2022, the Company established an at-the-market equity offering program (the "ATM Program") through which the Company may sell from time to time up to an aggregate of $250.0 million of its common stock. In connection with the ATM Program, the Company may sell shares of its common stock to or through sales agents, or may enter into separate forward sale agreements with one of the agents, or one of their respective affiliates, as a forward purchaser.

During the quarter ended December 31, 2023, the Company raised $5.4 million of net proceeds under the ATM Program, after $0.1 million in commissions, through the issuance of 208,040 shares of common stock at a weighted average price of $26.13 per share. As of December 31, 2023, $244.6 million of common stock remains available for issuance under the ATM Program.

*Share Repurchase Programs*

On February 23, 2022, the Company established a share repurchase program (the "SRP") of up to $150.0 million of the Company's outstanding shares of common stock. The SRP may be suspended or discontinued at any time, and does not obligate the Company to repurchase any dollar amount or particular amount of shares. As of December 31, 2023, the Company has not repurchased any common stock under the SRP.

During the year ended December 31, 2021, the Company repurchased 755,643 shares of the Company's outstanding common stock at a price per share of $21.70, reflecting a 25% discount to an estimated Net Asset Value ("NAV") per share of $28.90 as of December 1, 2020 established by the Company's Board.

## 11. Stock-Based Compensation

*Incentive Award Plan*

The Company is authorized to issue or transfer up to 3,000,000 shares (the "Share Limit") of the Company's common stock pursuant to awards granted under the Incentive Award Plan. As of December 31, 2023, 536,429 shares were available for future issuance under the Incentive Award Plan. Outstanding restricted stock unit ("RSU") awards are categorized as either time-based awards, performance-based awards, or market-based awards. All awards are granted at fair value, earn dividends throughout the vesting period, and have no voting rights.

Market-based awards are valued as of the grant date utilizing a Monte Carlo simulation model that assesses the probability of satisfying certain market performance thresholds over a three year performance period.

The following table summarizes the Company's significant assumptions used in the Monte Carlo simulation models:

| | At Grant Date | |
|---|---|---|
| | 2023 | 2022 |
| Volatility | 34.00% | 33.89% |
| Risk free interest rate | 4.45% | 0.79 % - 1.76% |
| Dividend Yield | 3.20% | 3.24% |

The following table summarizes the Company's RSU activity during the years ended December 31, 2023, 2022, and 2021:

| | Unvested Time-Based RSUs | Unvested Performance and Market-Based RSUs | Weighted Average Grant Date Price Per Share |
|---|---|---|---|
| Outstanding as of January 1, 2021 | 110,382 | 332,095 | $31.40 |
| | | | |
| Shares granted | 209,539 | 218,835 | $28.90 |
| Shares vested | (167,806) | — | $30.04 |
| Shares forfeited | (13,880) | (79,562) | $30.73 |
| Outstanding as of December 31, 2021 | 138,235 | 471,368 | $30.12 |
| | | | |
| Shares granted | 127,862 | 396,338 | $18.97 |
| Shares vested | (135,491) | (76,520) | $29.36 |
| Unearned performance shares added back to Share Limit | — | (61,102) | $31.40 |
| Shares forfeited | (7,179) | (18,033) | $23.42 |
| Outstanding as of December 31, 2022 | 123,427 | 712,051 | $23.35 |
| | | | |
| Shares granted | 152,393 | 445,828 | $18.40 |
| Shares vested | (126,885) | (60,042) | $29.50 |
| Unearned performance shares added back to Share Limit | — | (69,803) | $31.40 |
| Shares forfeited | (1,343) | (3,263) | $19.51 |
| Outstanding as of December 31, 2023 | 147,592 | 1,024,771 | $19.36 |

*Employee Stock Purchase Plan*

Employees may purchase up to an aggregate of 3,300,000 shares of the Company's common stock under the ESPP, of which 3,288,272 shares remain available as of December 31, 2023.

The following table summarizes the Company's common stock activity under the ESPP:

| | Year ended December 31, 2023 |
|---|---|
| Shares purchased | 11,728 |
| Issuance price | $20.07 |
| Issuance proceeds | $235 |

*Stock-Based Compensation Expense*

The following table summarizes the Company's stock-based compensation expense:

| | Year ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| Incentive Award Plan, net (a) | $ 8,953 | $ 6,541 | $ 9,116 |
| Employee Stock Purchase Plan (b) | 68 | — | — |
| Stock-based compensation expense, net | $ 9,021 | $ 6,541 | $ 9,116 |

(a) As of December 31, 2023, there was $9,975 of total estimated unrecognized compensation expense related to the Incentive Award Plan which will be recognized through December 2025.

(b) As of December 31, 2023, there was $205 of total estimated unrecognized compensation expense related to the ESPP which will be recognized through June 2025.

## 12. Commitments and Contingencies

*Legal Matters*

The Company is subject, from time to time, to various types of third-party legal claims or litigation that arise in the ordinary course of business, including, but not limited to, property loss claims, personal injury or other damages resulting from contact with the Company's properties. These claims and lawsuits and any resulting damages are generally covered by the Company's insurance policies. The Company accrues for legal costs associated with loss contingencies when these costs are probable and reasonably estimable. While the resolution of these matters cannot be predicted with certainty, based on currently available information, management does not expect that the final outcome of any pending claims or legal proceedings will have a material adverse effect on the financial condition, results of operations or cash flows of the Company.

*Captive Insurance Company*

In April 2023, the Company formed a wholly-owned captive insurance company (the "Captive") which provides insurance coverage for all losses below the deductibles of the Company’s third party liability insurance policies relating to wind, flood, named windstorm, earthquake, fire, and other property-related perils. The Company formed the Captive as part of its overall risk management program and to stabilize insurance costs, manage exposures, and recoup expenses through the function of the captive program. The Captive is capitalized in accordance with the applicable regulatory requirements. As of December 31, 2023, the Captive had no outstanding or unpaid claims.

*Operating Lease Commitments*

The Company is the lessee under various operating leases for corporate office space for which the Company recognizes right-of-use (“ROU”) assets and related lease liabilities.

The following table summarizes the Company's operating lease arrangements as of December 31, 2023 and 2022:

| | | As of | |
|---|---|---|---|
| | Balance Sheet Caption | December 31, 2023 | December 31, 2022 |
| Operating lease ROU assets | Deferred costs and other assets, net | $ 3,220 | $ 3,220 |
| Operating lease ROU accumulated amortization | Deferred costs and other assets, net | $ (967) | $ (570) |
| Operating lease liabilities | Other liabilities | $ 3,023 | $ 3,265 |
| | | | |
| Weighted-average remaining lease term | | 6.0 years | 6.7 years |
| Weighted-average discount rate | | 4.47 % | 4.35 % |

The following table summarizes the Company's operating lease arrangements for the years ended December 31, 2023 and 2022:

| | Statement of Operations and Comprehensive Income (Loss) Caption | Year ended December 31, | |
|---|---|---|---|
| | | 2023 | 2022 |
| Minimum lease payments | General and administrative | $ 570 | $ 528 |
| Variable lease payments | General and administrative | 298 | 343 |
| Short-term lease payments | General and administrative | 114 | 97 |
| Total lease cost | | $ 982 | $ 968 |

The following table summarizes the Company's future minimum operating lease obligations as of December 31, 2023:

| Scheduled minimum payments by year: | Future Minimum Lease Payments |
|---|---|
| 2024 | $ 628 |
| 2025 | 511 |
| 2026 | 517 |
| 2027 | 529 |
| 2028 | 522 |
| Thereafter | 786 |
| Total expected minimum lease obligation | 3,493 |
| Less: Amount representing interest (a) | (470) |
| Present value of net minimum lease payments | $ 3,023 |

(a) Interest includes the amount necessary to reduce the total expected minimum lease obligations to present value calculated at the Company's incremental borrowing rate.

## 13. Subsequent Events

In preparing its consolidated financial statements, the Company evaluated events and transactions occurring after December 31, 2023 through the date the financial statements were issued for recognition and disclosure purposes.

On February 1, 2024, the Company acquired The Plant, a 57,000 square foot neighborhood center, anchored by Sprouts Farmers Market, in Chandler, Arizona for a gross acquisition price of $29.5 million. The Company used cash on hand and assumed $13.0 million of existing mortgage debt to fund the acquisition.

**INVENTRUST PROPERTIES CORP.**
**Schedule III - Real Estate and Accumulated Depreciation**
**(amounts stated in thousands)**

| | | Initial Cost (A) | | | | Gross amount at which carried at end of period | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| PROPERTY NAME<br>Location | Encumbrance | Land | Buildings and Improvements | Adjustments to Land Basis (B) | Adjustments to Basis (B) | Land | Buildings and Improvements | Total (C) | Accumulated Depreciation (D,E) | Year Acquired |
| Antoine Town Center<br>Houston, TX | $ — | $ 5,327 | $ 14,333 | $ — | $ (612) | $ 5,327 | $ 13,721 | $ 19,048 | $ 2,524 | 2020 |
| Bay Colony<br>Houston, TX | 38,276 | 8,287 | 41,714 | — | — | 8,287 | 41,714 | 50,001 | 1,835 | 2023 |
| Bay Landing<br>Bonita Springs, FL | — | 1,687 | 9,283 | — | 67 | 1,687 | 9,350 | 11,037 | 666 | 2022 |
| Bear Creek Village Center<br>Wildomar, CA | — | 3,523 | 12,384 | — | 426 | 3,523 | 12,810 | 16,333 | 6,685 | 2009 |
| Bent Tree Plaza<br>Raleigh, NC | — | 1,983 | 7,093 | — | 1,941 | 1,983 | 9,034 | 11,017 | 4,619 | 2009 |
| Blackhawk Town Center<br>Houston, TX | — | 10,265 | 6,156 | — | — | 10,265 | 6,156 | 16,421 | 449 | 2023 |
| Buckhead Crossing<br>Atlanta, GA | — | 7,565 | 27,104 | — | 3,527 | 7,565 | 30,631 | 38,196 | 15,491 | 2009 |
| Campus Marketplace<br>San Marcos, CA | — | 26,928 | 43,445 | 55 | 969 | 26,983 | 44,414 | 71,397 | 11,125 | 2017 |
| Cary Park Town Center<br>Cary, NC | — | 5,555 | 17,280 | — | 22 | 5,555 | 17,302 | 22,857 | 4,087 | 2017 |
| Commons at University Place<br>Durham, NC | — | 3,198 | 17,909 | — | (8) | 3,198 | 17,901 | 21,099 | 3,028 | 2019 |
| Coweta Crossing<br>Newnan, GA | — | 1,143 | 4,590 | — | 40 | 1,143 | 4,630 | 5,773 | 2,637 | 2009 |
| Custer Creek Village<br>Richardson, TX | — | 4,750 | 12,245 | — | 1,302 | 4,750 | 13,547 | 18,297 | 6,839 | 2007 |
| Cyfair Town Center<br>Houston, TX | 28,163 | 16,184 | 48,566 | — | — | 16,184 | 48,566 | 64,750 | 2,036 | 2023 |
| Eastfield Village<br>Charlotte, NC | — | 2,327 | 14,321 | — | 119 | 2,327 | 14,440 | 16,767 | 762 | 2022 |
| Eldorado Marketplace<br>Frisco, TX | — | 15,732 | 49,311 | — | 597 | 15,732 | 49,908 | 65,640 | 7,652 | 2019 |
| Eldridge Town Center & Windermere Village<br>Houston, TX | — | 5,380 | 22,994 | 1,977 | 6,095 | 7,357 | 29,089 | 36,446 | 13,655 | 2005 |
| Escarpment Village<br>Austin, TX | 26,000 | 19,641 | 51,763 | — | 227 | 19,641 | 51,990 | 71,631 | 3,939 | 2022 |
| Garden Village<br>San Pedro, CA | — | 3,188 | 16,522 | 3,268 | 1,799 | 6,456 | 18,321 | 24,777 | 9,103 | 2009 |
| Gateway Market Center<br>St. Petersburg, FL | — | 13,600 | 4,992 | — | 5,165 | 13,600 | 10,157 | 23,757 | 3,692 | 2010 |
| Kennesaw Marketplace<br>Kennesaw, GA | — | 12,587 | 51,860 | — | 458 | 12,587 | 52,318 | 64,905 | 10,272 | 2018 |
| Kyle Marketplace<br>Kyle, TX | — | 6,076 | 48,220 | 711 | 626 | 6,787 | 48,846 | 55,633 | 10,583 | 2017 |

# INVENTRUST PROPERTIES CORP.
## Schedule III - Real Estate and Accumulated Depreciation
**(amounts stated in thousands)**

| | | Initial Cost (A) | | | | Gross amount at which carried at end of period | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| PROPERTY NAME<br>Location | Encumbrance | Land | Buildings and Improvements | Adjustments to Land Basis (B) | Adjustments to Basis (B) | Land | Buildings and Improvements | Total (C) | Accumulated Depreciation (D,E) | Year Acquired |
| Lakeside & Lakeside Crossing<br>Winter Park, FL | $ — | $ 16,594 | $ 41,085 | $ — | $ (112) | $ 16,594 | $ 40,973 | $ 57,567 | $ 6,996 | 2019 |
| Market at Westlake<br>Westlake Hills, TX | — | 1,200 | 6,274 | (64) | (42) | 1,136 | 6,232 | 7,368 | 3,385 | 2007 |
| Northcross Commons<br>Charlotte, NC | — | 7,591 | 21,303 | — | 824 | 7,591 | 22,127 | 29,718 | 5,584 | 2016 |
| Old Grove Marketplace<br>Oceanside, CA | — | 12,545 | 8,902 | — | 502 | 12,545 | 9,404 | 21,949 | 2,613 | 2016 |
| Pavilion at La Quinta<br>LaQuinta, CA | — | 15,200 | 20,947 | — | 2,053 | 15,200 | 23,000 | 38,200 | 11,884 | 2009 |
| Peachland Promenade<br>Port Charlotte, FL | — | 1,742 | 6,502 | 4,158 | 10,368 | 5,900 | 16,870 | 22,770 | 3,381 | 2009 |
| PGA Plaza Palm Beach Gardens<br>Palm Beach Gardens, FL | — | 10,414 | 75,730 | — | 1,247 | 10,414 | 76,977 | 87,391 | 14,505 | 2018 |
| Plantation Grove<br>Ocoee, FL | 7,300 | 3,705 | 6,300 | — | 1,009 | 3,705 | 7,309 | 11,014 | 2,521 | 2014 |
| Plaza Midtown<br>Atlanta, GA | — | 5,295 | 23,946 | — | 770 | 5,295 | 24,716 | 30,011 | 5,158 | 2017 |
| Prestonwood Town Center<br>Dallas, TX | — | 22,055 | 22,140 | — | (450) | 22,055 | 21,690 | 43,745 | 2,468 | 2021 |
| Renaissance Center<br>Durham, NC | — | 26,713 | 96,141 | — | 6,424 | 26,713 | 102,565 | 129,278 | 28,919 | 2016 |
| Rio Pinar Plaza<br>Orlando, FL | — | 5,171 | 26,903 | 676 | 1,918 | 5,847 | 28,821 | 34,668 | 8,127 | 2015 |
| River Oaks<br>Santa Clarita, CA | — | 24,598 | 88,418 | — | 2,613 | 24,598 | 91,031 | 115,629 | 19,242 | 2017 |
| Riverview Village<br>Arlington, TX | — | 6,000 | 9,649 | — | 448 | 6,000 | 10,097 | 16,097 | 5,575 | 2007 |
| Riverwalk Market<br>Flower Mound, TX | — | 5,931 | 23,922 | — | 902 | 5,931 | 24,824 | 30,755 | 6,420 | 2016 |
| Rose Creek<br>Woodstock, GA | — | 1,443 | 5,630 | — | 550 | 1,443 | 6,180 | 7,623 | 3,208 | 2009 |
| Sandy Plains Centre<br>Marietta, GA | — | 12,364 | 27,270 | 652 | 2,223 | 13,016 | 29,493 | 42,509 | 5,094 | 2018 |
| Sarasota Pavilion<br>Sarasota, FL | — | 12,000 | 25,823 | — | 6,684 | 12,000 | 32,507 | 44,507 | 13,823 | 2010 |
| Scofield Crossing<br>Austin, TX | — | 8,100 | 4,992 | (576) | 2,937 | 7,524 | 7,929 | 15,453 | 3,229 | 2007 |
| Shops at Arbor Trails<br>Austin, TX | 31,500 | 28,233 | 76,769 | — | 144 | 28,233 | 76,913 | 105,146 | 6,027 | 2022 |

# INVENTRUST PROPERTIES CORP.
## Schedule III - Real Estate and Accumulated Depreciation
**(amounts stated in thousands)**

| | | Initial Cost (A) | | | | Gross amount at which carried at end of period | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| PROPERTY NAME<br>Location | Encumbrance | Land | Buildings and Improvements | Adjustments to Land Basis (B) | Adjustments to Basis (B) | Land | Buildings and Improvements | Total (C) | Accumulated Depreciation (D,E) | Year Acquired |
| Shops at Fairview Town Center<br>Fairview, TX | $ — | $ 7,299 | $ 25,233 | $ — | $ 1,117 | $ 7,299 | $ 26,350 | $ 33,649 | $ 4,126 | 2019 |
| Shops at the Galleria<br>Bee Cave, TX | — | 52,104 | 75,651 | (597) | 4,433 | 51,507 | 80,084 | 131,591 | 21,974 | 2016 |
| Sonterra Village<br>San Antonio, TX | — | 5,150 | 15,095 | (181) | 880 | 4,969 | 15,975 | 20,944 | 4,456 | 2015 |
| Southern Palm Crossing<br>Royal Palm Beach, FL | — | 37,735 | 49,843 | (745) | 2,120 | 36,990 | 51,963 | 88,953 | 8,844 | 2019 |
| Stables Town Center<br>Houston, TX | 6,029 | 5,899 | 20,439 | — | — | 5,899 | 20,439 | 26,338 | 889 | 2023 |
| Stevenson Ranch<br>Stevenson Ranch, CA | — | 29,519 | 39,190 | — | 1,565 | 29,519 | 40,755 | 70,274 | 10,804 | 2016 |
| Stone Ridge Market<br>San Antonio, TX | — | 8,935 | 38,754 | — | (6,501) | 8,935 | 32,253 | 41,188 | 1,477 | 2022 |
| Suncrest Village<br>Orlando, FL | 8,400 | 6,742 | 6,403 | — | 11,308 | 6,742 | 17,711 | 24,453 | 2,443 | 2014 |
| Sycamore Commons<br>Matthews, NC | — | 12,500 | 31,265 | — | 2,277 | 12,500 | 33,542 | 46,042 | 16,873 | 2010 |
| The Centre on Hugh Howell<br>Tucker, GA | — | 2,250 | 11,091 | — | 1,013 | 2,250 | 12,104 | 14,354 | 6,390 | 2007 |
| The Highlands of Flower Mound<br>Flower Mound, TX | 22,880 | 6,330 | 24,374 | — | (485) | 6,330 | 23,889 | 30,219 | 1,852 | 2022 |
| The Parke<br>Cedar Park, TX | — | 9,271 | 83,078 | — | 1,371 | 9,271 | 84,449 | 93,720 | 19,332 | 2017 |
| The Pointe at Creedmoor<br>Raleigh, NC | — | 7,507 | 5,454 | — | 82 | 7,507 | 5,536 | 13,043 | 1,670 | 2016 |
| The Shoppes at Davis Lake<br>Charlotte, NC | — | 6,232 | 12,903 | — | — | 6,232 | 12,903 | 19,135 | 341 | 2023 |
| The Shops at Town Center<br>Germantown, MD | — | 19,998 | 29,776 | — | 1,110 | 19,998 | 30,886 | 50,884 | 7,525 | 2017 |
| Thomas Crossroads<br>Newnan, GA | — | 1,622 | 8,322 | — | 1,944 | 1,622 | 10,266 | 11,888 | 4,853 | 2009 |
| Travilah Square<br>Rockville, MD | — | 8,964 | 39,836 | — | 607 | 8,964 | 40,443 | 49,407 | 5,914 | 2019 |
| University Oaks Shopping Center<br>Round Rock, TX | — | 7,250 | 25,326 | (170) | 8,934 | 7,080 | 34,260 | 41,340 | 17,141 | 2010 |
| Westfork Plaza & Paraiso Parc<br>Pembroke Pines, FL | — | 28,267 | 124,019 | — | 6,129 | 28,267 | 130,148 | 158,415 | 31,238 | 2017 |

# INVENTRUST PROPERTIES CORP.
## Schedule III - Real Estate and Accumulated Depreciation
**(amounts stated in thousands)**

| | | Initial Cost (A) | | | | Gross amount at which carried at end of period | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| PROPERTY NAME Location | Encumbrance | Land | Buildings and Improvements | Adjustments to Land Basis (B) | Adjustments to Basis (B) | Land | Buildings and Improvements | Total (C) | Accumulated Depreciation (D,E) | Year Acquired |
| Westpark Shopping Center Glen Allen, VA | $ — | $ 7,462 | $ 24,164 | $ (4) | $ 5,215 | $ 7,458 | $ 29,379 | $ 36,837 | $ 7,852 | 2013 |
| Windward Commons Alpharetta, GA | — | 12,823 | 13,779 | (171) | 881 | 12,652 | 14,660 | 27,312 | 4,138 | 2016 |
| Total corporate assets | — | — | — | — | 3,619 | — | 3,619 | 3,619 | 1,382 | - |
| Total | $ 168,548 | $ 685,679 | $ 1,844,726 | $ 8,989 | $ 111,391 | $ 694,668 | $ 1,956,117 | $ 2,650,785 | $ 461,352 | |
| Construction in progress | | — | — | — | 5,889 | — | 5,889 | 5,889 | — | |
| Total investment properties | | $ 685,679 | $ 1,844,726 | $ 8,989 | $ 117,280 | $ 694,668 | $ 1,962,006 | $ 2,656,674 | $ 461,352 | |

**Schedule III - Real Estate and Accumulated Depreciation**
**(amounts stated in thousands)**

**Notes to Schedule III**

The aggregate cost of real estate owned at December 31, 2023 for federal income tax purposes was approximately $2,996,600 (unaudited).

(A) The initial cost to the Company represents the original purchase price of the asset, including amounts incurred subsequent to acquisition which were contemplated at the time the property was acquired.

(B) Cost capitalized subsequent to acquisition includes additional tangible costs associated with investment properties. Amount also includes impairment charges recorded subsequent to acquisition to reduce basis.

(C) Reconciliation of total investment properties:

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Balance at January 1, | $ 2,481,662 | $ 2,273,103 | $ 2,221,689 |
| Acquisitions and capital improvements | 191,666 | 307,177 | 71,324 |
| Disposals and write-offs of assets no longer in service | (16,654) | (98,618) | (19,910) |
| Balance at December 31, | $ 2,656,674 | $ 2,481,662 | $ 2,273,103 |

(D) Reconciliation of accumulated depreciation:

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Balance at January 1, | $ 389,361 | $ 350,256 | $ 292,248 |
| Depreciation expense | 78,560 | 71,428 | 66,275 |
| Disposal and write-offs of assets no longer in service | (6,569) | (32,323) | (8,267) |
| Balance at December 31, | $ 461,352 | $ 389,361 | $ 350,256 |

(E) Depreciation is computed based upon the following estimated lives:

| | |
|---|---|
| Buildings and other improvements | 15 - 30 years |
| Tenant improvements | Life of the lease |
| Furniture, fixtures and equipment | 3 - 20 years |