



PHILLIPS EDISON & COMPANY™

Q3 2021 Investor Presentation

January 2022

Grocery Centered.
Community Focused.



Disclaimer / Forward-Looking Disclosure



PECO | Nasdaq Listed

Certain statements contained in this presentation of Phillips Edison & Company, Inc. (the “Company”) other than historical facts may be considered forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The Company intends for all such forward-looking statements to be covered by the applicable safe harbor provisions for forward-looking statements contained in such act. Such forward-looking statements can generally be identified by the Company’s use of forward-looking terminology such as “may,” “will,” “expect,” “intend,” “anticipate,” “estimate,” “believe,” “continue,” “seek,” “objective,” “goal,” “strategy,” “plan,” “focus,” “priority,” “should,” “could,” “potential,” “possible,” “look forward,” “optimistic,” or other similar words. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Such statements include, in particular, statements about the Company’s plans, strategies, and prospects, are based on the current beliefs and expectations of the Company’s management, and are subject to certain risks and uncertainties, including known and unknown risks, which could cause actual results to differ materially from those projected or anticipated. These risks include, without limitation, (i) changes in national, regional, or local economic climates; (ii) local market conditions, including an oversupply of space in, or a reduction in demand for, properties similar to those in the Company’s portfolio; (iii) vacancies, changes in market rental rates, and the need to periodically repair, renovate, and re-let space; (iv) changes in interest rates and the availability of permanent mortgage financing; (v) competition from other available properties and the attractiveness of properties in the Company’s portfolio to its tenants; (vi) the financial stability of tenants, including the ability of tenants to pay rent; (vii) changes in tax, real estate, environmental, and zoning laws; (viii) the concentration of the Company’s portfolio in a limited number of industries, geographies, or investments; (ix) the pace of recovery following the COVID-19 pandemic given its unpredictable nature and impact on macroeconomic conditions; and (x) any of the other risks included in the Company’s SEC filings. Therefore, such statements are not intended to be a guarantee of the Company’s performance in future periods.

Additional important factors that could cause actual results to differ are described in the filings made from time to time by the Company with the SEC and include the risk factors and other risks and uncertainties described in the Company’s 2020 Annual Report on Form 10-K, filed with the SEC on March 12, 2021, and the Company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2021, filed on August 5, 2021, in each case as updated from time to time in the Company’s periodic and/or current reports filed with the SEC, which are accessible on the SEC’s website at www.sec.gov. Except as required by law, the Company does not undertake any obligation to update or revise any forward-looking statements contained in this presentation to reflect actual results, new information or future events, changes in assumptions or changes in other factors affecting such forward-looking statements.

Nasdaq: PECO

Key Stats as of January 7, 2022

Equity Market Capitalization	\$4.3B
Total Enterprise Value	\$6.1B
Total Shares Outstanding (Diluted)	126.6M shares
Share Price ⁽¹⁾	\$34.24 per share
Dividend Yield ⁽²⁾	\$1.08 annualized dividend per share 3.2% forward yield
Public Float	15.4% of TSO (19.55 M shares)
Management Ownership	7%
First Day of Trading (Nasdaq)	July 15, 2021
IPO Details	Issued 19.55M shares at \$28.00 per share to the public generating \$547.4M of gross proceeds IPO closed July 19, 2021; Overallotment fully exercised July 29, 2021
IPO Lock-Up ⁽³⁾	The lockup for PECO management, directors, associates, and existing shareholders expires on January 18, 2022

1. The share price of PECO's Common Stock as of market close on December 31, 2021.

2. Dividends are not guaranteed and are determined periodically by the PECO Board of Directors.

3. PECO's Class B Common Stock will automatically convert into PECO's Nasdaq-listed Common Stock on January 15, 2022. Shares can be traded into the open market or transferred into a brokerage account the following business day, which is Tuesday, January 18, 2022.

Phillips Edison & Company: Our Mission Statement

We Create Great Omni-Channel Grocery-Anchored Shopping Experiences and Improve Our Communities One Center at a Time

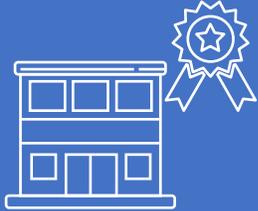
Grocery Centered.
Community Focused.

We are an experienced owner and operator exclusively focused on grocery-anchored neighborhood shopping centers over our 30-year history; we own and manage a portfolio of 289 properties, including 268 wholly-owned properties⁽¹⁾

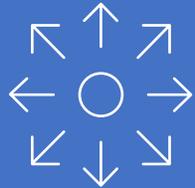


1. As of December 31, 2021

Why Phillips Edison?



**DIFFERENTIATED FOCUSED STRATEGY:
GROCERY-ANCHORED
NEIGHBORHOOD SHOPPING CENTERS**



INTEGRATED OPERATING PLATFORM



TARGETED PORTFOLIO

SUPERIOR FINANCIAL AND OPERATIONAL PERFORMANCE

Our Differentiated Strategy

Exclusively Focused on Omni-Channel Grocery-Anchored Neighborhood Shopping Centers

Key Elements of Our Strategy

- 
✓ #1 or #2 Grocery Anchor by Sales (87% of ABR)
- 
✓ 96% of ABR from Omni-Channel Grocery-Anchored Centers
- 
✓ Format Drives Results: Right-Sized Centers (114k SF Avg.) with Strategic Neighborhood Locations
- 
✓ Ecommerce Resistant: 72% ABR Necessity-Based Goods and Services
- 
✓ Last Mile Solution for Necessity-Based and Essential Retailers
- 
✓ Targeted Trade Areas Where Leading Grocers and Small Shop Neighbors Are Successful

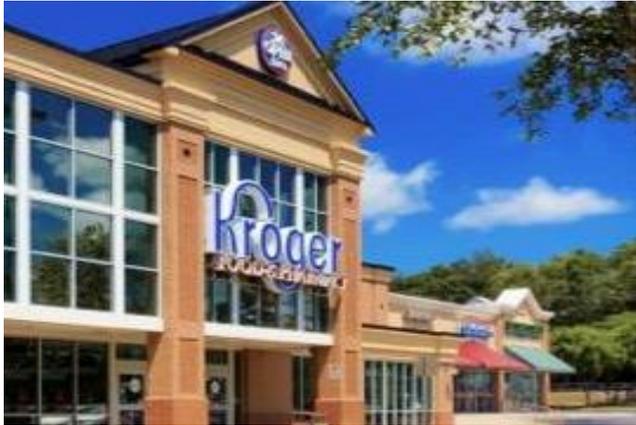
A Typical PECO Center: MetroWest Village



Our Assets Check All the Boxes

Data as of September 30, 2021

Why Grocery-Anchored Centers?



Necessity-Based

- Consumer staple goods and services that are indispensable for day-to-day living
 - 72% of PECO ABR from necessity-based goods and services retailers ⁽¹⁾
- Recession-resistant across multiple cycles
- Highly resilient with minimal exposure to distressed retailers; < 1% of ABR from 15 largest retail bankruptcies of 2020 ⁽¹⁾

1. % of ABR as of September 30, 2021
2. The Food Marketing Institute; data as of 2019



High Traffic

- U.S. consumers visit grocery stores 1.6 times per week ⁽²⁾
- Over 22,000 average total trips per week to each PECO center ⁽³⁾
- We believe strong foot traffic benefits inline Neighbor sales and enhances our ability to increase rents

3. According to Placer.ai, first half of 2021
4. Estimate as of September 30, 2021



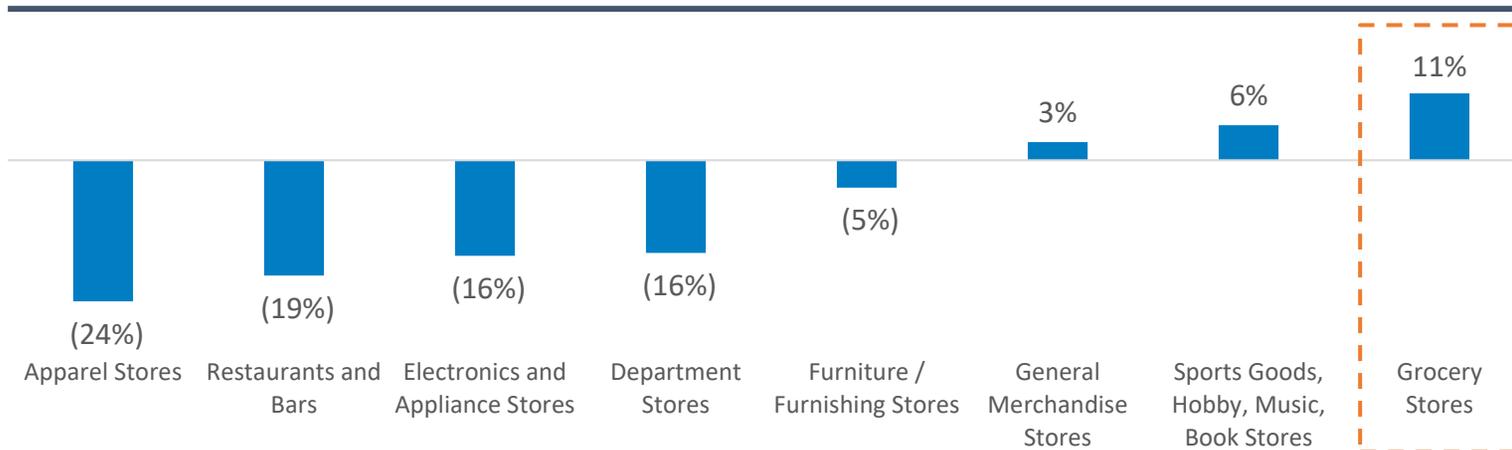
Omni-Channel

- PECO centers are a critical component of our Neighbors' omni-channel strategies and provide an attractive last-mile solution
 - ~91% of portfolio with *Front Row To Go*TM curbside pick-up program ⁽⁴⁾
 - ~ 88% of PECO grocers offer BOPIS option (Buy Online, Pick-Up In Store)⁽⁴⁾
- Economics of e-grocery delivery remain unattractive

Why Grocery-Anchored Centers? The Bright Spot in the U.S. Retail Landscape

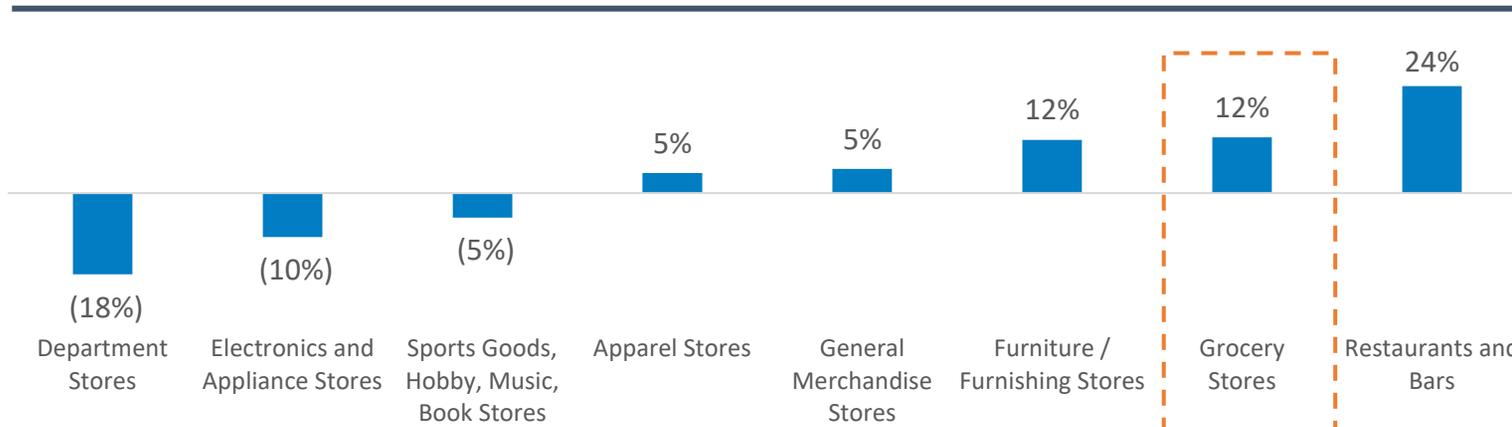
Grocery Demonstrated Strong Performance Both During COVID-19 and Throughout Years Before, Despite Upheaval Affecting Other Retail Segments

U.S. Retail Sales: 2020 YoY Growth / (Decline) ⁽¹⁾



Grocery Sales:
Q3 '21 vs. Q3 '19:
+15% ⁽²⁾

U.S. Retail Sales: 2015 - 2019 Total Growth / (Decline) ⁽¹⁾

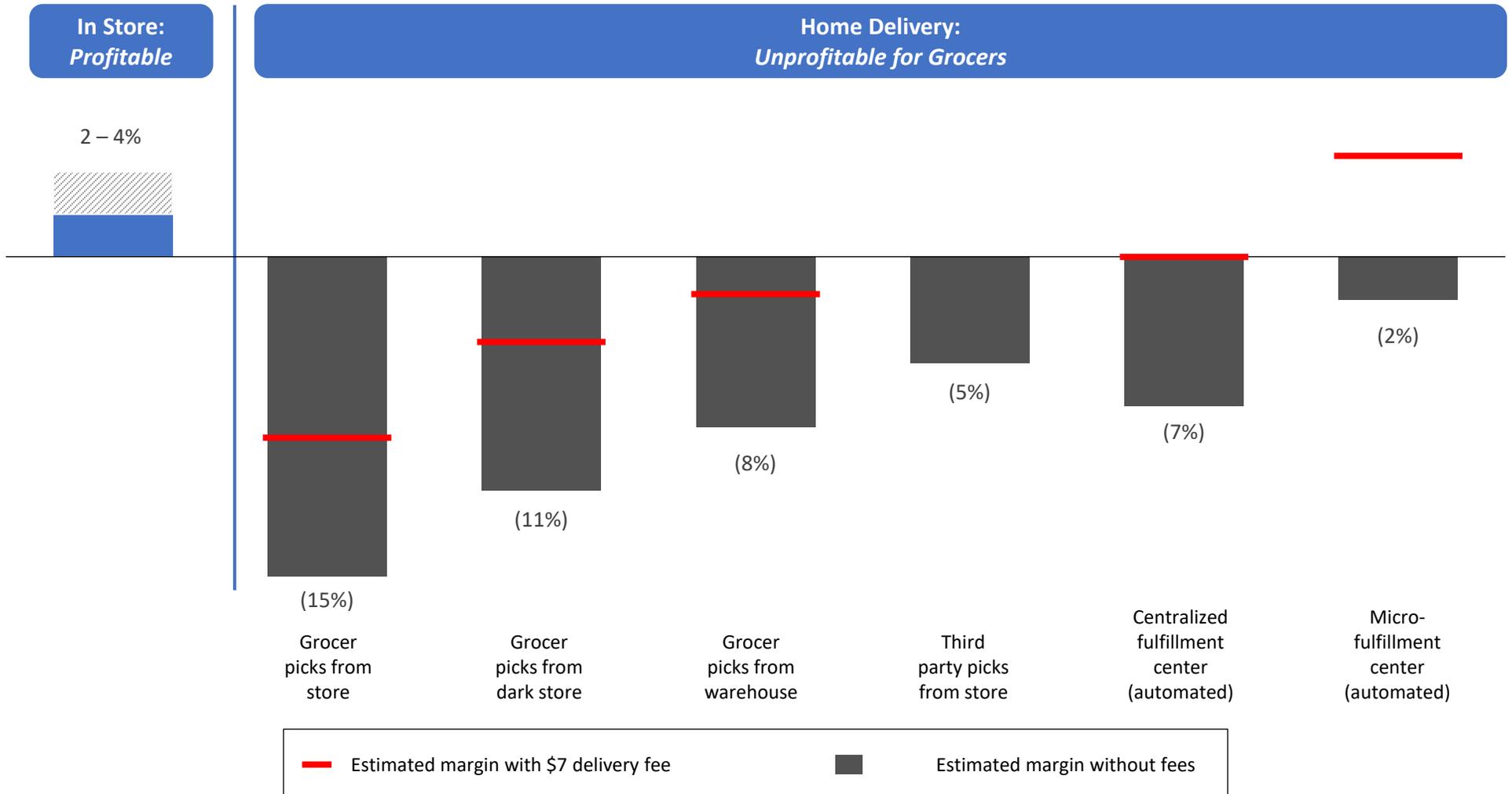


1. U.S. Census Bureau, May 2021

2. U.S. Census Bureau, Monthly Retail Trade data as of November 3, 2021

Why Grocery-Anchored Centers? Strongly Resistant to Ecommerce

*Grocery Home Delivery Is Uneconomical Across a Wide Range of Strategies
Brick & Mortar Remains Critical*



Source: Bain & Company. Used with permission from Bain & Company (www.bain.com)

Focus on Targeted Trade Areas Across a Broad National Footprint

Substantial Scale with a Targeted Trade Area Focus; ~50% of ABR from Sun Belt ⁽¹⁾

289 Properties Across 31 States



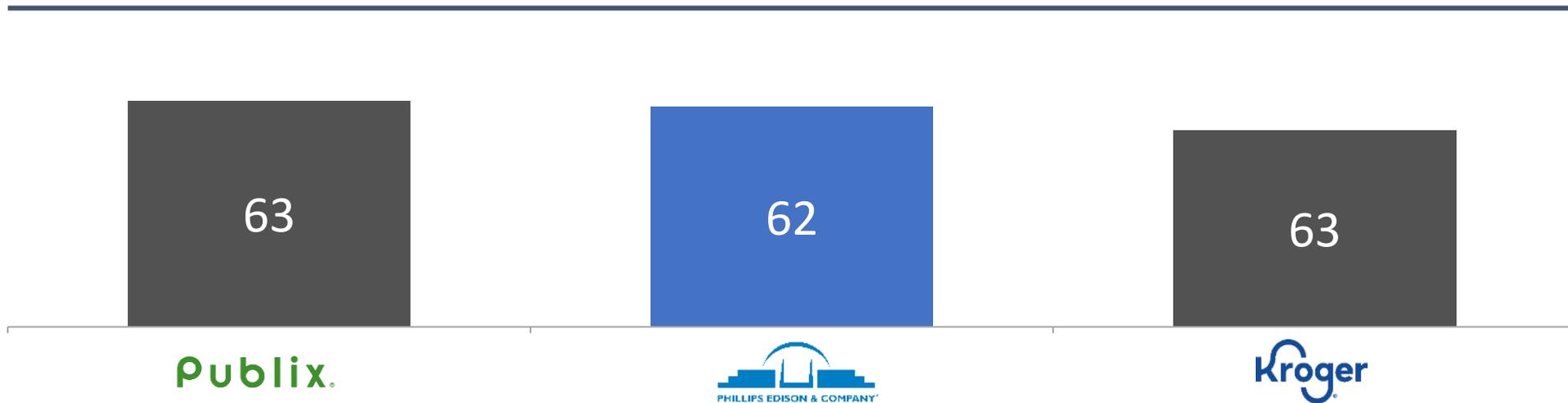
Top 10 Markets ⁽²⁾

1. Atlanta
2. Dallas
3. Chicago
4. Minn. / St. Paul
5. Denver
6. Tampa
7. Sacramento
8. Washington D.C.
9. Houston
10. Phoenix

1. Within respective format and trade area
2. Based on total annualized base rent ("ABR") in market, including pro-rata ABR from joint ventures; as of September 30, 2021

Targeted Trade Areas In Line with Leading Grocer Demographics

Average 3-Mile Population (000s)



Median 3-Mile Household Income (\$000s)

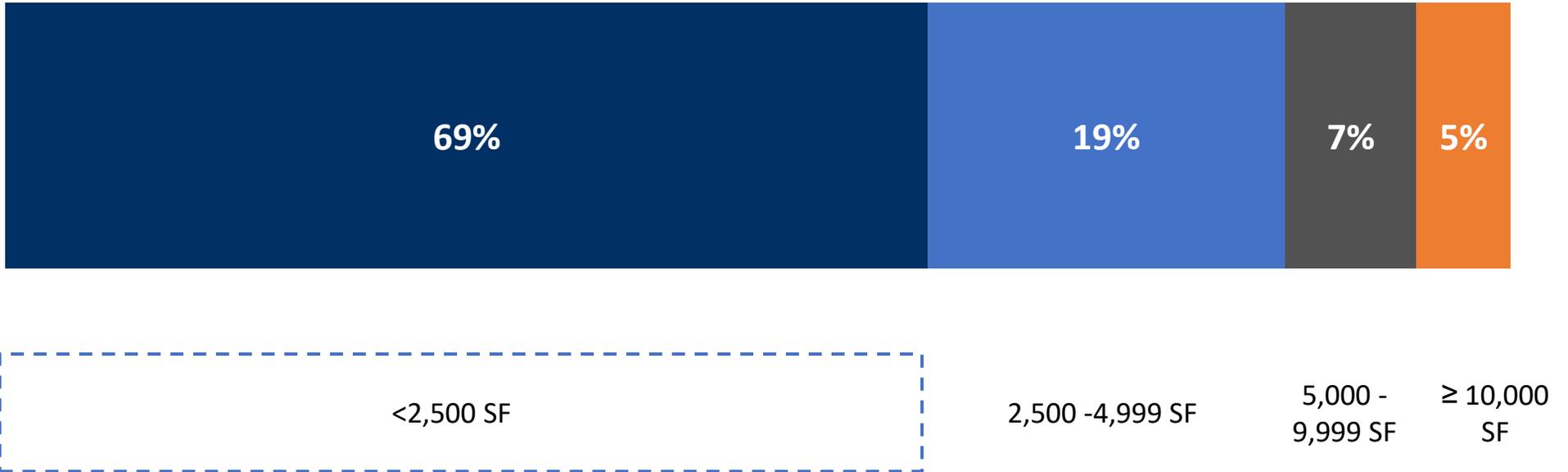


Source: Synergos Technologies, Inc. as of June 30, 2021 and Company filings

Why Smaller Centers? Leasing Activity Concentrated in Smaller Spaces

69% of U.S. Strip Center Leasing Activity is in Shops < 2,500 SF

U.S. Strip Center Leasing Activity by Lease Count (2021 YTD, New Leases)



Demand is well suited for PECO's Neighborhood and Community Centers where the average inline Neighbor is 2,200 square feet

Source: CoStar; data covers January 1, 2021 through September 2021

Why Smaller Centers? Strong Releasing Spreads, High Retention, and Lower Capex

PECO's Strong NOI Growth is Driven by Strong Lease Renewal Spreads, Impressive Neighbor Retention Rates, and Low Capex Spending

Defensive Position of Grocery-Anchored Centers

High Retention Rates – 87% Avg. (2017-2020)

Focus on Optimizing Inline / Small Shop Tenant Mix

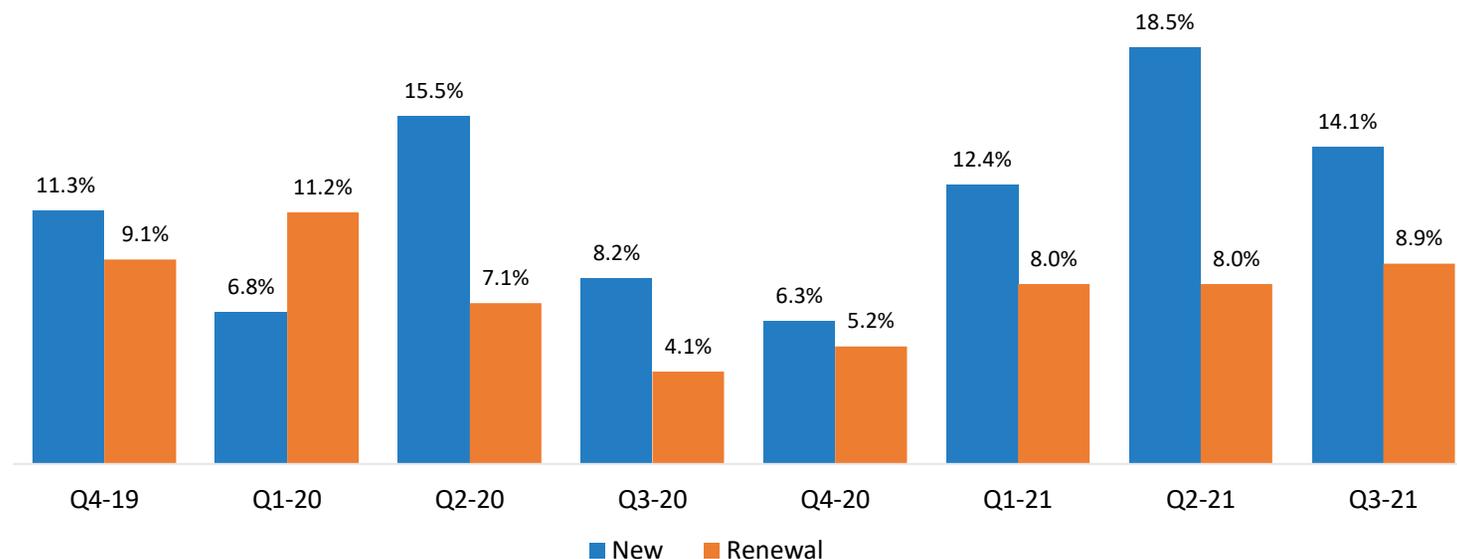
Low Capex Spend – 20% of NOI Avg. (2018-2020)

High Lease Renewal Spreads

Strong NOI Growth

- High retention rates:
 - 91.2% for Q3-2021; 88.3% 2021 YTD; 87% average from 2017-2020
 - Neighbor turnover is low, less downtime
- Retention drives the need for less capex spend
 - Capex as a % of total NOI is only 20%

Cash Releasing Spreads



Sources: Company filings as of September 30, 2021

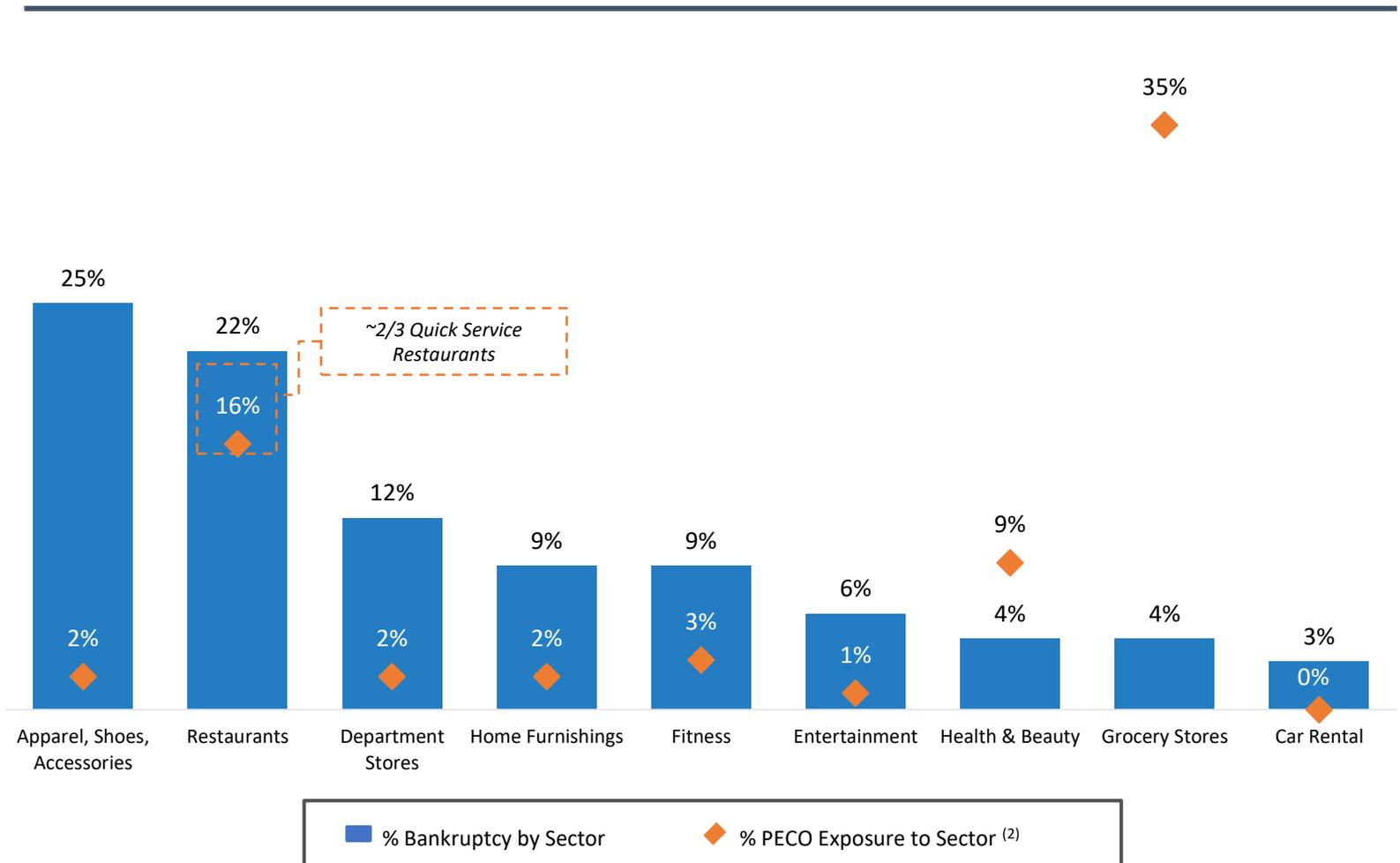
Why Smaller Centers?

Limited Exposure to High-Risk Retailer Categories

Portfolio Mix Ensures Ecommerce Resiliency and Limited Impact from Store Closures

- Grocery store bankruptcies were only 4% of COVID-era retailer bankruptcies and were heavily coastal market-focused (Fairway, Kings, etc.)
- PECO had exposure to **zero** bankrupt grocers during COVID-19
- Minimal exposure to worst-hit apparel category

COVID-19 U.S. Retailer Bankruptcies by Retail Sector ⁽¹⁾



Sources: JLL, Company Filings

1. Excludes sectors with < 2% of COVID-19 bankruptcies; reflects % of major bankruptcies since mid-March 2020; as of 5/3/2021
2. % of ABR as of September 30, 2021

Why Retailers Succeed in PECO Shopping Centers

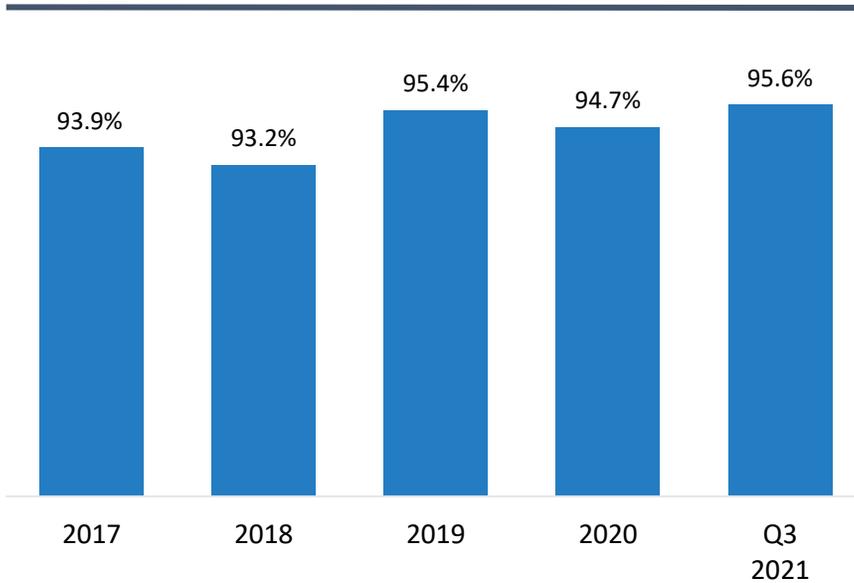
How the PECO Platform Drives Success for Our Neighbors

- ✓ **Innovating the physical shopping experience** for omni-channel retailers: Front Row to Go, BOPIS, DashComm, data sharing
- ✓ **Recurring customer foot traffic** from top grocers benefits our inline Neighbors
- ✓ **Optimized merchandise mix** with inline Neighbors offering complementary necessity goods and services
- ✓ **Scaled for superior service:** We provide experience, responsiveness, marketing tools, capital, and sophisticated solutions
- ✓ **Good value** for Neighbors with what we believe are lower average rents and occupancy costs than alternatives
- ✓ **High level of convenience** with centers within 3 miles of customers



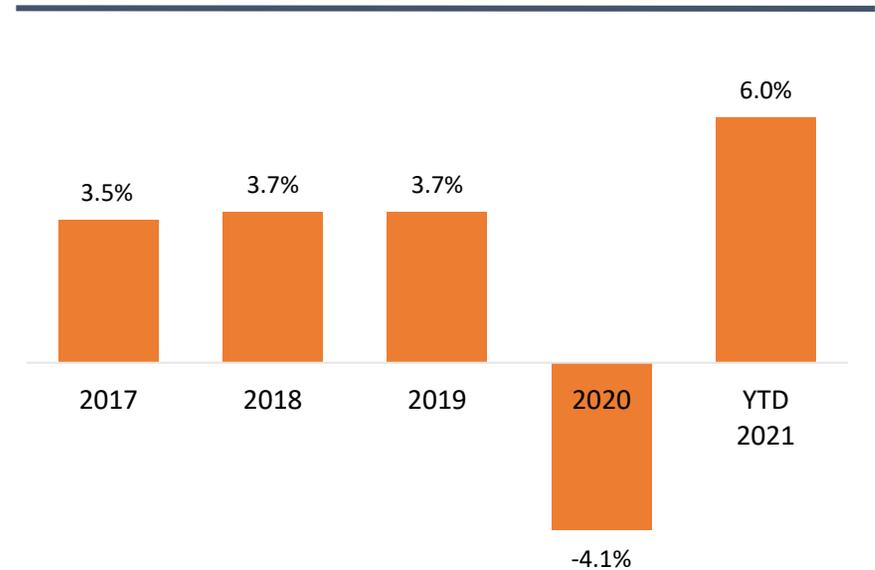
PECO's Differentiated Strategy Has Driven Strong Financial and Operational Performance

Leased Portfolio Occupancy⁽¹⁾



- PECO's leased portfolio occupancy has returned to pre-COVID levels
 - Inline occupancy⁽¹⁾: 91.9%
 - Anchor occupancy⁽¹⁾: 97.6%
 - Economic occupancy spread⁽¹⁾: 90 bps

Same-Center NOI Growth⁽²⁾



- PECO's high retention rates and focus on increasing occupancy, driving leasing spreads, executing redevelopment projects, and implementing rent bumps in new leases has driven strong NOI growth
- Same-center NOI was 4.3% higher than the comparable same-center NOI in Q3 2019, illustrating growth since prior to the onset of the COVID-19 pandemic

1. As of September 30, 2021

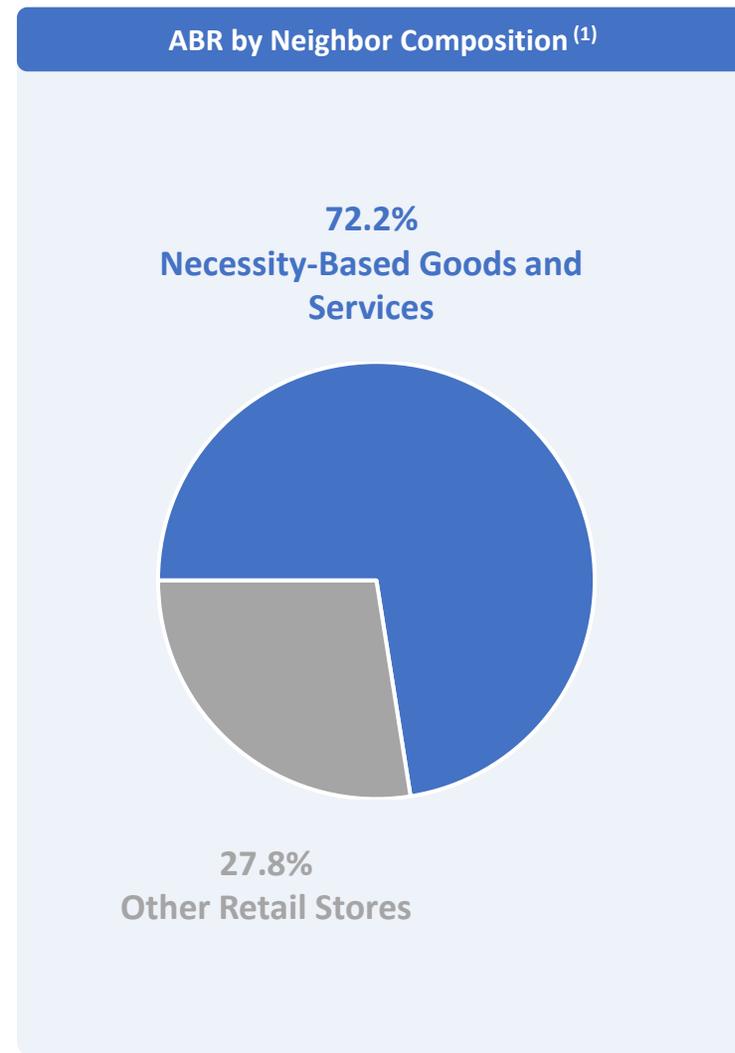
2. Please see reconciliation tables in the appendix of this presentation for more details.

Portfolio Snapshot at September 30, 2021



PECO | Nasdaq Listed

96%	95.6%	< 7% of ABR
of ABR from Grocery-Anchored Centers	Leased Occupancy	Top Neighbor Exposure
34.8%	2.4%	\$611
Grocer ABR of Total ABR	Grocer Health Ratio	Avg. Annual Grocer Sales per sq. ft.
51.7%	\$21.41	99%
Inline ABR of Total ABR	Inline ABR/SF	YTD 2021 Collections



Portfolio statistics representative of wholly-owned portfolio as of September 30, 2021, unless otherwise noted

1. Includes pro rata share of unconsolidated JVs

Investment Grade Balance Sheet

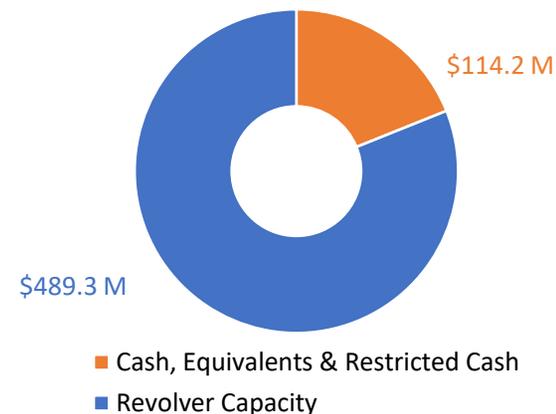


PECO | Nasdaq Listed

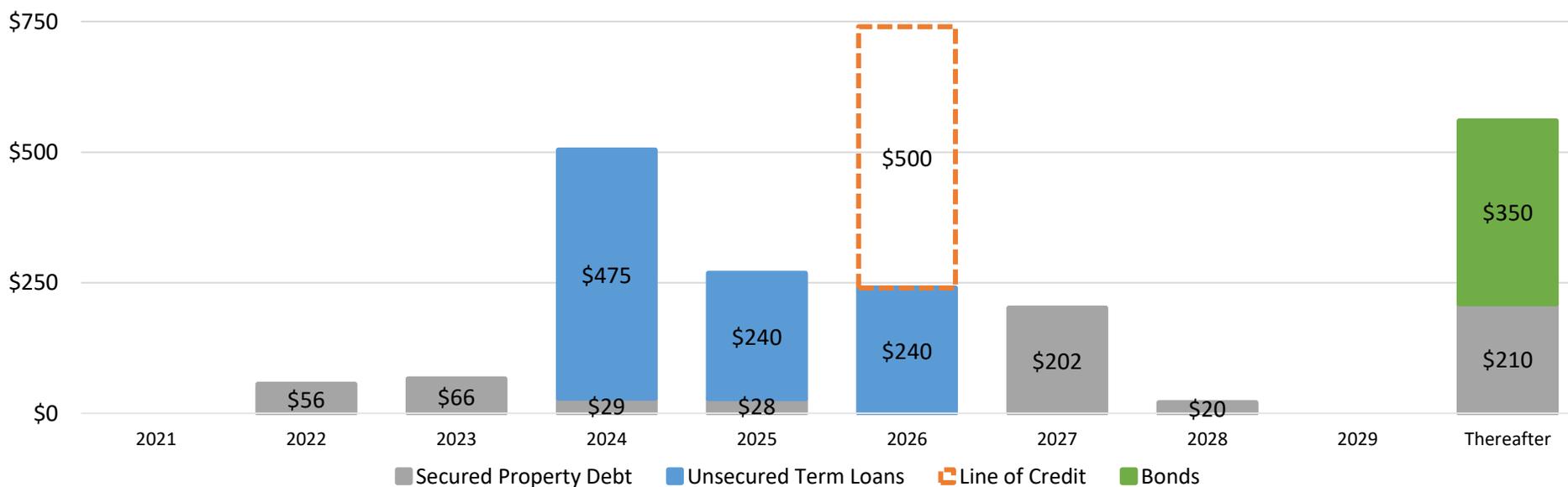
Key Highlights ⁽¹⁾

- Investment Grade Balance Sheet
- Moody's: Baa3 (stable); S&P: BBB- (stable)
- Significant liquidity position of \$603.5 M
- Net debt / adj. EBITDAre of 5.4x
- Approximately 76% of our assets are unencumbered

Liquidity ⁽¹⁾



Maturity Ladder (\$ Millions) ⁽²⁾



1. As of September 30, 2021. Revolver capacity is net of a line of credit.

2. Adjusted Q3 2021 metrics include impact of our public bond offering that closed in October 2021

Key Growth Drivers

1 Re-Lease at Higher Rents

2 Lease-up Vacant Space

3 Built-in Rent Bumps

4 Redevelopment Opportunities (Targeting 9% – 11% Unlevered Yield ⁽¹⁾)

5 Robust Acquisition Strategy

6 Platform Scaled for Growth

7 Investment Grade Balance Sheet Positioned for Growth

8 Demographic and Economic Tailwinds

1. Range of underwritten incremental unlevered yields on development and redevelopment projects

Track Record of Successful Acquisitions

Strong Track Record of Acquiring Material Volume of Strategically Aligned Centers

280 total acquisitions closed for **\$4.7B** of value from 2012-2018

Equated to an annual acquisition pace of **40** centers valued at **\$670M**

More recently, ranked **#1** as the largest acquirer of neighborhood centers among peers from 2018-2020 ⁽¹⁾ ⁽²⁾

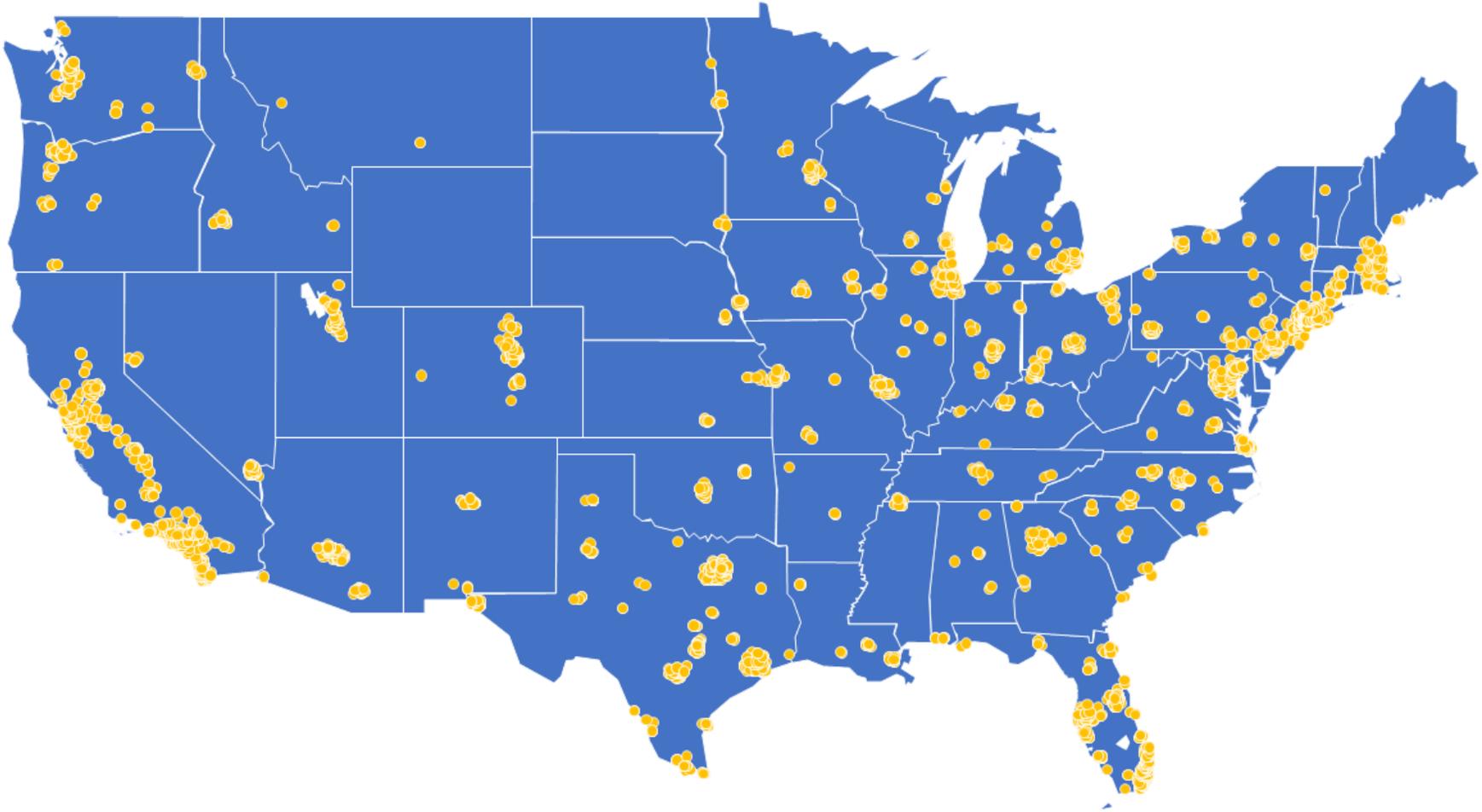


Source: JLL

1. Includes all third-party acquisitions by all predecessor entities; excludes mergers between our predecessor entities
2. Includes all REITs with > 50% neighborhood and community centers and > \$900M market cap

Large Addressable Market Provides Opportunity for External Growth

Complete Database of Identified Target Properties



Identified **5,800+** centers across the country that meet PECO's acquisition criteria

Recent Acquisitions: Grocery-Anchored Real Estate

July 1, 2021 – December 31, 2021: Acquired \$267 million (2022 2H Guidance \$200 million - \$270 million)



Fox Ridge Plaza



Valrico Commons



Pabst Farms



Arapahoe Marketplace

We expect to meet or exceed our IRR target of 8% on each of these properties

- For Ridge Plaza - Centennial, Colorado (Denver)
 - King Soopers (Kroger) anchored
- Valrico Commons - Valrico, Florida (Tampa)
 - Publix anchored
- Pabst Farms - Oconomowoc, Wisconsin (Milwaukee)
 - Metro Market (Kroger) anchored
- Arapahoe Marketplace - Greenwood Village, Colorado (Denver)
 - Sprouts anchored
- Rainbow Plaza – Las Vegas, Nevada
 - Albertsons anchored
- Town & Country Village – Sacramento, California
 - Sprouts and Trader Joe's anchored
- Sprouts Plaza – Las Vegas, Nevada
 - Sprouts anchored

Format Drives Results: Generating Superior Risk Adjusted Returns

Higher Going-in Yields

Produce Stronger Growth

Lower Capex Required

***SUPERIOR
INVESTMENT
RETURNS***

Key Takeaways: Format Drives Results

1

We own small format centers anchored by the #1 or #2 grocer in a given market

2

Our 289 centers⁽¹⁾ are located in areas close to the end consumer, where America's leading grocers make money

3

Experienced, cycle-tested management team; owning 7% of the Company

4

Growth driven by our investment grade balance sheet and strong cash flow

5

Our brick and mortar centers support our Neighbors' omni-channel strategies and are complementary to Ecommerce ("BOPIS" and last mile delivery)

6

Strong economic environment supported by macro-economic tailwinds

1. As of December 31, 2021



APPENDIX

Additional Materials

Experienced Leadership Team

Deep Management Team with an Average of 29 Years of Experience

Executive Team

 <p>Jeff Edison Chairman and Chief Executive Officer 37 Years of Experience (31 Years PECO)</p>	 <p>Devin Murphy President 37 Years of Experience (8 Years PECO)</p>	 <p>Robert Myers Chief Operating Officer 24 Years of Experience (18 Years PECO)</p>	 <p>John Caulfield Chief Financial Officer 19 Years of Experience (7 Years PECO)</p>	 <p>Tanya Brady General Counsel and Secretary 28 Years of Experience (8 Years PECO)</p>
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Senior Vice Presidents

Name	Position	Years of Experience / Years at PECO	Name	Position	Years of Experience / Years at PECO
 Brian Gibson	Finance	27 / 2	 Joseph Schlosser	Portfolio Management	24 / 17
 Cherilyn Megill	Chief Marketing Officer	36 / 8	 Keith Rummer	Chief HR Officer	27 / 9
 David Wik	Acquisitions	22 / 11	 Kevin McCann	Chief Information Officer	35 / 1
 Eric Richter	Property Management	30 / 20	 Ron Meyers	Leasing	22 / 12
 Jennifer Robison	Chief Accounting Officer	24 / 7	 Tony Haslinger	Construction	26 / 8
 Joseph Hoffmann	Tax	32 / 3			

Experienced Board of Directors



Jeff Edison
Chairman

- Co-founded Phillips Edison & Company in 1991
- Previous roles at NationsBank's South Charles Realty, Morgan Stanley, and Taubman Centers



Leslie Chao
Independent Director

- Retired CEO and former President and CFO of Chelsea Property Group
- Non-executive director of Value Retail PLC



Paul Massey
Independent Director

- Founder and former CEO of Massey Knakal Realty Services
- Former director of Brookfield Office Properties



Stephen Quazzo
Independent Director

- Co-founder and CEO of Pearlmark Real Estate
- Director of Marriott Vacations Worldwide



Elizabeth Fischer
Independent Director

- Former Managing Director at Goldman Sachs
- Served as Co-head of Goldman Sachs' firmwide Women's Network



Greg Wood
Independent Director

- CFO, EVP of EnergySolutions, Inc.
- Former CFO of Actian Corp., Silicon Graphics, Liberate Technologies, and InterTrust Technologies



Dr. John Strong
Independent Director

- Chairman and CEO of Bankers Financial Corporation
- Former President and Managing Partner of Greensboro Radiology



Jane Silfen
Independent Director

- Founder of Mayfair Advisors LLC
- VP at Mayfair Management, an independent single-family office

Governance Highlights

- ✓ Seasoned 10+ year SEC filer with a well-established corporate governance structure
- ✓ Opted out of provisions of MUTA that would allow us to stagger our board without prior shareholder approval
- ✓ Opted out of Maryland control share acquisition statute
- ✓ No Stockholder Rights Plan ⁽¹⁾
- ✓ 88% independent and 38% diverse
- ✓ 65% of independent director retainer in stock
- ✓ 7% ownership by officers and directors

Notes:

1. Any future adoption is subject to shareholder approval or ratification within 12 months of adoption if board determines it is in our best interest to adopt plan without prior approval

Our Commitment to ESG

We Are Committed to Making a Difference in Our Communities

Environmentally-Friendly Asset Management



Reducing energy consumption through LED lighting retrofits both internally and externally

- LED retrofits at 195 centers



Reducing water consumption with low flow fixtures and smart irrigation controls



Increasing use of sustainable resources such as solar panels and electric car ports

- EV charging available at 47 centers



Reducing waste through increased recycling at our 289 centers as well as at our corporate offices

Numerous Social Programs for Our Communities and Our Associates



Strong and Diversified Neighbor Mix

Top 20 Neighbors Dominated by Grocers and Necessity and Service-Based Businesses

Neighbor	Location Count	% ABR ⁽¹⁾
  IG	59	6.6%
 	57	5.9%
  IG	22	4.4%
 	29	4.3%
Walmart  IG	13	2.3%
 	11	2.0%
TJX IG	16	1.3%
SPROUTS FARMERS MARKET 	11	1.3%
Raley's 	4	1.0%
 IG	37	0.9%

Neighbor	Location Count	% ABR ⁽¹⁾
SUPERVALU 	5	0.8%
SUBWAY	75	0.7%
 ANYTIME FITNESS	34	0.7%
Schnucks 	4	0.6%
LOWE'S IG	4	0.6%
KOHL'S IG	4	0.6%
FOOD4LESS 	2	0.6%
 Save Mart 	5	0.6%
petco 	11	0.5%
 	3	0.5%
Total		36.2%



Grocer



Investment Grade ⁽²⁾

Notes:

1. % of ABR as of 9/30/2021
2. Investment Grade ratings represent the credit rating of our Neighbors, their subsidiaries or affiliated companies. Actual ratings based on S&P or Moody's are used



APPENDIX

Non-GAAP Reconciliations

We present Same-Center NOI as a supplemental measure of our performance. We define NOI as total operating revenues, adjusted to exclude non-cash revenue items, less property operating expenses and real estate taxes.

We believe Same-Center NOI provides useful information to our investors about our financial and operating performance because it provides a performance measure of the revenues and expenses directly involved in owning and operating real estate assets and provides a perspective not immediately apparent from net income (loss). Because Same-Center NOI excludes the change in NOI from shopping centers acquired or disposed of outside the reporting periods, it highlights operating trends such as occupancy levels, rental rates, and operating costs on shopping centers that were operational for both comparable periods. Other REITs may use different methodologies for calculating Same-Center NOI, and accordingly, our Same-Center NOI may not be comparable to other REITs.

Same-Center NOI should not be viewed as an alternative measure of our financial performance as it does not reflect the operations of our entire portfolio, nor does it reflect the impact of general and administrative expenses, depreciation and amortization, interest expense, other income (expense), or the level of capital expenditures and leasing costs necessary to maintain the operating performance of our shopping centers that could materially impact our results from operations.

We also present Same-Center NOI (Adjusted for Transactions), which is Same-Center NOI presented as if the PELP Transaction ⁽¹⁾ and the Merger ⁽²⁾ had occurred on January 1 of the earliest comparable period in each presentation. This perspective allows us to evaluate Same-Center NOI growth over each comparable period. Same-Center NOI (Adjusted for Transactions) is not necessarily indicative of what actual Same-Center NOI and growth would have been if the PELP Transaction and the Merger had occurred on January 1 of the earliest comparable period in each presentation.

Notes:

1. "PELP Transaction" means the October 2017 transaction pursuant to which we internalized our management structure through the acquisition of certain real estate assets and the third-party investment management business of Phillips Edison Limited Partnership in exchange for OP units and cash
2. "Merger" refers to the November 2018 merger with Phillips Edison Grocery Center REIT II, Inc., a public non-traded REIT that was advised and managed by us

Non-GAAP Measures (Cont'd)

Below is a reconciliation of Net (Loss) Income to NOI for real estate investments and Same-Center NOI (in thousands):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2021	2020	2019	2021	2020	
Net income	\$ 16,562	\$ 13,430	\$ (29,727)	\$ 23,069	\$ 18,216	
Adjusted to exclude:						
Fees and management income	(2,435)	(2,581)	(2,766)	(7,095)	(7,506)	
Straight-line rental income ⁽¹⁾	(2,476)	(1,800)	(2,573)	(6,868)	(3,164)	
Net amortization of above- and below-market leases	(908)	(811)	(1,042)	(2,633)	(2,394)	
Lease buyout income	(560)	(664)	(632)	(3,138)	(972)	
General and administrative expenses	11,627	9,595	11,537	32,905	30,141	
Depreciation and amortization	53,901	56,095	58,477	165,829	168,692	
Impairment of real estate assets	698	—	35,710	6,754	—	
Interest expense, net	18,570	20,388	25,309	57,765	65,317	
Gain on disposal of property, net	(14,093)	(10,734)	(5,048)	(31,678)	(8,616)	
Other expense (income), net	7,086	(196)	(1,561)	25,595	(9,565)	
Property operating expenses related to fees and management income	1,489	1,058	2,328	3,611	2,586	
NOI for real estate investments	\$ 89,461	\$ 83,780	\$ 90,012	\$ 264,116	\$ 252,735	
Less: Non-same-center NOI ⁽²⁾	(339)	(1,764)	(5,854)	(4,239)	(7,555)	
Total Same-Center NOI	\$ 89,122	\$ 82,016	\$ 84,158	\$ 259,877	\$ 245,180	
Less: Centers not included in 2019 Same-Center ⁽³⁾	(1,307)		—			
Total Same-Center NOI - adjusted for 2019⁽³⁾	\$ 87,815		\$ 84,158			

Notes:

- Includes straight-line rent adjustments for Neighbors for whom revenue is being recorded on a cash basis
- Includes operating revenues and expenses from non-same-center properties which includes properties acquired or sold and corporate activities
- When comparing Same-Center NOI for the three months ended September 30, 2021 and 2019, Same-Center NOI represents the NOI for the properties that were wholly-owned and operational for the entire portion of both comparable reporting periods. Same-Center NOI when comparing the three months ended September 30, 2021 and 2019 excludes the change in NOI from properties acquired or disposed of after June 30, 2019.

Non-GAAP Measures (Cont'd)

Below is a reconciliation of Net (Loss) Income to NOI for real estate investments and Same-Center NOI (in thousands):

	Year Ended December 31,	
	2020	2019
Net income	\$ 5,462	\$ (72,826)
Adjusted to exclude:		
Fees and management income	(9,820)	(11,680)
Straight-line rental income ⁽¹⁾	(3,356)	(9,079)
Net amortization of above- and below-market leases	(3,173)	(4,185)
Lease buyout income	(1,237)	(1,166)
General and administrative expenses	41,383	48,525
Depreciation and amortization	224,679	236,870
Impairment of real estate assets	2,423	87,393
Interest expense, net	85,303	103,174
Gain on disposal of property, net	(6,494)	(28,170)
Other (income) expense, net	(9,245)	676
Property operating expenses related to fees and management income	6,098	6,264
NOI for real estate investments	332,023	355,796
Less: Non-same-center NOI ⁽²⁾	(4,036)	(13,674)
Total Same-Center NOI	\$ 327,987	\$ 342,122

Notes:

1. Includes straight-line rent adjustments for Neighbors deemed to be non-creditworthy
2. Includes operating revenues and expenses from non-same-center properties which includes properties acquired or sold and corporate activities

Non-GAAP Measures (Cont'd)

Below is a reconciliation of Net (Loss) Income to NOI for real estate investments and Same-Center NOI (in thousands):

	Year Ended December 31,	
	2019	2018
Net (loss) income	\$ (72,826)	\$ 46,975
Adjusted to exclude:		
Fees and management income	(11,680)	(32,926)
Straight-line rental income	(9,079)	(5,173)
Net amortization of above- and below-market leases	(4,185)	(3,949)
Lease buyout income	(1,166)	(519)
General and administrative expenses	48,525	50,412
Depreciation and amortization	236,870	191,283
Impairment of real estate assets	87,393	40,782
Interest expense, net	103,174	72,642
Gain on sale or contribution of property, net	(28,170)	(109,300)
Other	676	4,720
Property operating expenses related to fees and management income	6,264	17,503
NOI for real estate investments	355,796	272,450
Less: Non-same-center NOI ⁽¹⁾	(16,175)	(44,194)
NOI from same-center properties acquired in the Merger, prior to acquisition	-	99,387
Total Same-Center NOI (Adjusted for Transactions)	\$ 339,621	\$ 327,643

Notes:

1. Includes operating revenues and expenses from non-same-center properties which includes properties acquired or sold and corporate activities

Non-GAAP Measures (Cont'd)

Below is a reconciliation of Net (Loss) Income to NOI for real estate investments and Same-Center NOI (in thousands):

	Year Ended December 31,	
	2018	2017
Net income (loss)	\$ 46,975	\$ (41,718)
Adjusted to exclude:		
Fees and management income	(32,926)	(8,156)
Straight-line rental income	(5,173)	(3,766)
Net amortization of above- and below-market leases	(3,949)	(1,984)
Lease buyout income	(519)	(1,321)
General and administrative expenses	50,412	36,878
Transaction expenses	3,331	15,713
Vesting of Class B units	–	24,037
Termination of affiliate arrangements	–	5,454
Depreciation and amortization	191,283	130,671
Impairment of real estate assets	40,782	–
Interest expense, net	72,642	45,661
Gain on sale or contribution of property, net	(109,300)	(1,760)
Other	1,389	(881)
Property operating expenses related to fees and management income	17,503	5,579
NOI for real estate investments	272,450	204,407
Less: Non-same-center NOI ⁽¹⁾	(35,456)	(27,286)
NOI from same-center properties acquired in the PELP Transaction, prior to acquisition	–	38,354
NOI from same-center properties acquired in the Merger, prior to acquisition	88,463	98,392
Total Same-Center NOI (Adjusted for Transactions)	\$ 325,457	\$ 313,867

Notes:

1. Includes operating revenues and expenses from non-same-center properties which includes properties acquired or sold and corporate activities

Non-GAAP Measures (Cont'd)

Below is a reconciliation of Net (Loss) Income to NOI for real estate investments and Same-Center NOI (in thousands):

	Year Ended December 31,	
	2017	2016
Net (loss) income	\$ (41,718)	\$ 9,043
Adjusted to exclude:		
Fees and management income	(8,156)	–
Straight-line rental income	(3,766)	(3,512)
Net amortization of above-and below-market leases	(1,984)	(1,208)
Lease buyout income	(1,321)	(583)
General and administrative expenses	36,348	31,804
Transaction expenses	15,713	–
Vesting of Class B units	24,037	–
Termination of affiliate arrangements	5,454	–
Acquisition expenses	530	5,803
Depreciation and amortization	130,671	106,095
Interest expense, net	45,661	32,458
Other	(2,336)	(5,990)
Property operating expenses related to fees and management income	5,386	–
NOI for real estate investments	204,519	173,910
Less: Non-same-center NOI ⁽¹⁾	(34,443)	(20,015)
NOI from same-center properties acquired in the PELP Transaction, prior to acquisition	34,756	44,061
Total Same-Center NOI (Adjusted for Transactions)	\$ 204,832	\$ 197,956

Notes:

1. Includes operating revenues and expenses from non-same-center properties which includes properties acquired or sold and corporate activities

Non-GAAP Measures (Cont'd)

Earnings Before Interest, Taxes, Depreciation, and Amortization for Real Estate ("EBITDAre") and Adjusted EBITDAre

Nareit defines EBITDAre as net income (loss) computed in accordance with GAAP before (i) interest expense, (ii) income tax expense, (iii) depreciation and amortization, (iv) gains or losses from disposition of depreciable property, and (v) impairment write-downs of depreciable property. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect EBITDAre on the same basis.

Adjusted EBITDAre is an additional performance measure used by us as EBITDAre includes certain non-comparable items that affect our performance over time. To arrive at Adjusted EBITDAre, we exclude certain recurring and non-recurring items from EBITDAre, including, but not limited to: (i) changes in the fair value of the liability; (ii) other impairment charges; (iii) amortization of basis differences in our investments in our unconsolidated joint ventures; and (iv) transaction and acquisition expenses.

We use EBITDAre and Adjusted EBITDAre as additional measures of operating performance which allow us to compare earnings independent of capital structure, determine debt service and fixed cost coverage, and measure enterprise value. Additionally, we believe they are a useful indicator of our ability to support our debt obligations. EBITDAre and Adjusted EBITDAre should not be considered as alternatives to net income (loss), as an indication of our liquidity, nor as an indication of funds available to cover our cash needs, including our ability to fund distributions. Accordingly, EBITDAre and Adjusted EBITDAre should be reviewed in connection with other GAAP measurements, and should not be viewed as more prominent measures of performance than net income (loss) or cash flows from operations prepared in accordance with GAAP. Our EBITDAre and Adjusted EBITDAre, as presented, may not be comparable to amounts calculated by other REITs.

Non-GAAP Measures (Cont'd)

The following table presents the Company's calculation of EBITDAre and Adjusted EBITDAre and provides additional information related to its operations (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,		Year Ended December 31,
	2021	2020	2021	2020	2020
Calculation of EBITDAre					
Net income	\$ 16,562	\$ 13,430	\$ 23,069	\$ 18,216	\$ 5,462
Adjustments:					
Depreciation and amortization	53,901	56,095	165,829	168,692	224,679
Interest expense, net	18,570	20,388	57,765	65,317	85,303
Gain on disposal of property, net	(14,093)	(10,734)	(31,678)	(8,616)	(6,494)
Impairment of real estate assets	698	—	6,754	—	2,423
Federal, state, and local tax expense	165	173	496	382	491
Adjustments related to unconsolidated joint ventures	1,107	594	1,704	3,162	3,355
EBITDAre	\$ 76,910	\$ 79,946	\$ 223,939	\$ 247,153	\$ 315,219
Calculation of Adjusted EBITDAre					
EBITDAre	76,910	79,946	223,940	247,153	315,219
Adjustments:					
Change in fair value of earn-out liability	5,000	—	23,000	(10,000)	(10,000)
Other impairment charges	—	—	—	—	359
Amortization of unconsolidated joint venture basis differences	80	546	905	1,267	1,883
Transaction and acquisition expenses	1,775	152	2,850	211	539
Adjusted EBITDAre	\$ 83,765	\$ 80,644	\$ 250,695	\$ 238,631	\$ 308,000

Non-GAAP Measures (Cont'd)

Financial Leverage Ratios

The Company's net debt to Adjusted EBITDA, net debt to total enterprise value, and debt covenant compliance as of September 30, 2021 allows the Company access to future borrowings as needed in the near term. The following table presents the Company's calculation of net debt and total enterprise value, inclusive of its prorated portion of net debt and cash and cash equivalents owned through its joint ventures, as of September 30, 2021 and December 31, 2020 (in thousands):

	September 30, 2021		December 31, 2020	
Net debt:				
Total debt, excluding market adjustments and deferred financing expenses	\$	1,746,487	\$	2,345,620
Less: Cash and cash equivalents		24,855		104,952
Total net debt	\$	1,721,632	\$	2,240,668
Enterprise value:				
Net debt	\$	1,721,632	\$	2,240,668
Total equity value ⁽¹⁾		3,887,303		2,797,234
Total enterprise value	\$	5,608,935	\$	5,037,902

Notes:

1. As of September 30, 2021, total equity value was calculated as the 126.6 million diluted shares multiplied by the closing market price per share of common stock of \$30.71. As of December 31, 2020, prior to the underwritten IPO, total equity value was calculated as 106.6 million diluted shares multiplied by the EVPS of \$26.25. Diluted shares include shares of common stock and OP units.

Non-GAAP Measures (Cont'd)



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The following table presents the calculation of net debt to Adjusted EBITDAre and net debt to total enterprise value as of September 30, 2021 and December 31, 2020 (dollars in thousands):

	September 30, 2021		December 31, 2020	
Net debt to Adjusted EBITDAre - annualized:				
Net debt	\$	1,721,632	\$	2,240,668
Adjusted EBITDAre - annualized ⁽¹⁾		320,063		308,000
Net debt to Adjusted EBITDAre - annualized		5.4x		7.3x
Net debt to total enterprise value				
Net debt	\$	1,721,632	\$	2,240,668
Total enterprise value		5,608,935		5,037,902
Net debt to total enterprise value		30.7 %		44.5 %

Notes:

- Adjusted EBITDAre is based on a trailing twelve-month period.