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

FORM 10-Q

(Mark One)

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

For the quarterly period ended **March 31, 2022**

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: **000-54691**

PHILLIPS EDISON & COMPANY®

PHILLIPS EDISON & COMPANY, INC.

(Exact name of registrant as specified in its charter)

Maryland	**27-1106076**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
11501 Northlake Drive, Cincinnati, Ohio	**45249**
(Address of principal executive offices)	(Zip code)

(513) 554-1110
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.01 per share	**PECO**	**Nasdaq Global Select Market**

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§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	Non-accelerated filer	Smaller reporting company	Emerging growth company
☐	☐	☑	☐	☐

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

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

There were 113.9 million shares of the registrant's Common Stock, $0.01 par value per share, outstanding as of April 29, 2022.

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w PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

PHILLIPS EDISON & COMPANY, INC.
CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2022 AND DECEMBER 31, 2021
(Condensed and Unaudited)
(In thousands, except per share amounts)

	March 31, 2022	December 31, 2021
ASSETS		
Investment in real estate:		
Land and improvements	$ 1,611,991	$ 1,586,993
Building and improvements	3,423,548	3,355,433
In-place lease assets	460,127	452,504
Above-market lease assets	69,187	68,736
Total investment in real estate assets	5,564,853	5,463,666
Accumulated depreciation and amortization	(1,161,965)	(1,110,426)
Net investment in real estate assets	4,402,888	4,353,240
Investment in unconsolidated joint ventures	30,491	31,326
Total investment in real estate assets, net	4,433,379	4,384,566
Cash and cash equivalents	5,063	92,585
Restricted cash	12,406	22,944
Goodwill	29,066	29,066
Other assets, net	153,720	138,050
Real estate investments and other assets held for sale	6,547	1,557
Total assets	$ 4,640,181	$ 4,668,768
LIABILITIES AND EQUITY		
Liabilities:		
Debt obligations, net	$ 1,876,208	$ 1,891,722
Below-market lease liabilities, net	107,869	107,526
Earn-out liability	—	52,436
Derivative liabilities	2,217	24,096
Deferred income	21,941	19,145
Accounts payable and other liabilities	94,079	97,229
Liabilities of real estate investments held for sale	198	288
Total liabilities	2,102,512	2,192,442
Commitments and contingencies (see Note 8)	—	—
Equity:		
Preferred stock, $0.01 par value per share, 10,000 shares authorized, zero shares issued and outstanding at March 31, 2022 and December 31, 2021	—	—
Common stock, $0.01 par value per share, 650,000 shares authorized, 113,819 and 19,550 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively	1,138	196
Class B common stock, $0.01 par value per share, 350,000 shares authorized, zero and 93,665 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively	—	936
Additional paid-in capital (“APIC”)	3,276,151	3,264,038
Accumulated other comprehensive loss (“AOCI”)	(160)	(24,819)
Accumulated deficit	(1,111,673)	(1,090,837)
Total stockholders’ equity	2,165,456	2,149,514
Noncontrolling interests	372,213	326,812
Total equity	2,537,669	2,476,326
Total liabilities and equity	$ 4,640,181	$ 4,668,768

See notes to consolidated financial statements.

PHILLIPS EDISON & COMPANY, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Condensed and Unaudited)
(In thousands, except per share amounts)

	Three Months Ended March 31,	
	2022	2021
Revenues:		
Rental income	$ 138,748	$ 127,623
Fees and management income	2,461	2,286
Other property income	954	472
Total revenues	142,163	130,381
Operating Expenses:		
Property operating	23,320	22,202
Real estate taxes	17,491	16,573
General and administrative	11,532	9,341
Depreciation and amortization	57,226	55,341
Impairment of real estate assets	—	5,000
Total operating expenses	109,569	108,457
Other:		
Interest expense, net	(18,199)	(20,063)
Gain on disposal of property, net	1,368	13,841
Other expense, net	(4,365)	(15,585)
Net income	11,398	117
Net income attributable to noncontrolling interests	(1,319)	(14)
Net income attributable to stockholders	$ 10,079	$ 103
Earnings per share of common stock:		
Net income per share attributable to stockholders - basic and diluted (see Note 10)	$ 0.09	$ 0.00
Comprehensive income:		
Net income	$ 11,398	$ 117
Other comprehensive income:		
Change in unrealized value on interest rate swaps	27,573	12,120
Comprehensive income	38,971	12,237
Net income attributable to noncontrolling interests	(1,319)	(14)
Change in unrealized value on interest rate swaps attributable to noncontrolling interests	(2,702)	(1,509)
Reallocation of comprehensive loss upon conversion of noncontrolling interests	(212)	$ —
Comprehensive income attributable to stockholders	$ 34,738	$ 10,714

See notes to consolidated financial statements.

PHILLIPS EDISON & COMPANY, INC.
CONSOLIDATED STATEMENTS OF EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Condensed and Unaudited)
(In thousands, except per share amounts)

	Three Months Ended March 31, 2022 and 2021									
	Common Stock		*Class B Common Stock*							
	Shares	*Amount*	*Shares*	*Amount*	*APIC*	*AOCI*	*Accumulated Deficit*	*Total Stockholders' Equity*	*Noncontrolling Interests*	*Total Equity*
Balance at January 1, 2021	—	$ —	93,279	$ 2,798	$ 2,739,358	$ (52,306)	$ (999,491)	$ 1,690,359	$ 325,570	$ 2,015,929
Dividend reinvestment plan ("DRIP")	—	—	280	8	7,360	—	—	7,368	—	7,368
Share repurchases	—	—	(24)	—	(123)	—	—	(123)	—	(123)
Change in unrealized value on interest rate swaps	—	—	—	—	—	10,611	—	10,611	1,509	12,120
Common distributions declared, $0.255 per share	—	—	—	—	—	—	(23,767)	(23,767)	—	(23,767)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(3,319)	(3,319)
Share-based compensation	—	—	47	1	325	—	—	326	784	1,110
Other	—	—	—	—	(29)	—	—	(29)	—	(29)
Net income	—	—	—	—	—	—	103	103	14	117
Balance at March 31, 2021	—	$ —	93,582	$ 2,807	$ 2,746,891	$ (41,695)	$ (1,023,155)	$ 1,684,848	$ 324,558	$ 2,009,406
Balance at January 1, 2022	19,550	$ 196	93,665	$ 936	$ 3,264,038	$ (24,819)	$ (1,090,837)	$ 2,149,514	$ 326,812	$ 2,476,326
Conversion of Class B common stock	93,665	936	(93,665)	(936)	—	—	—	—	—	—
Change in unrealized value on interest rate swaps	—	—	—	—	—	24,871	—	24,871	2,702	27,573
Common distributions declared, $0.27 per share	—	—	—	—	—	—	(30,915)	(30,915)	—	(30,915)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(4,104)	(4,104)
Share-based compensation	71	1	—	—	467	—	—	468	2,678	3,146
Conversion of noncontrolling interests	533	5	—	—	17,313	—	—	17,318	(17,318)	—
Reallocation of operating partnership interests	—	—	—	—	(5,667)	(212)	—	(5,879)	5,879	—
Settlement of earn-out liability	—	—	—	—	—	—	—	—	54,245	54,245
Net income	—	—	—	—	—	—	10,079	10,079	1,319	11,398
Balance at March 31, 2022	113,819	$ 1,138	—	$ —	$ 3,276,151	$ (160)	$ (1,111,673)	$ 2,165,456	$ 372,213	$ 2,537,669

See notes to consolidated financial statements.

PHILLIPS EDISON & COMPANY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Condensed and Unaudited)
(In thousands)

	Three Months Ended March 31,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 11,398	$ 117
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of real estate assets	56,321	54,341
Impairment of real estate assets	—	5,000
Depreciation and amortization of corporate assets	905	1,000
Net amortization of above- and below-market leases	(1,002)	(838)
Amortization of deferred financing expenses	801	1,227
Amortization of debt and derivative adjustments	586	354
Gain on disposal of property, net	(1,368)	(13,841)
Change in fair value of earn-out liability	1,809	16,000
Straight-line rent	(1,818)	(1,424)
Share-based compensation	3,146	1,110
Return on investment in unconsolidated joint ventures	—	1,546
Other	487	(567)
Changes in operating assets and liabilities:		
Other assets, net	(10,978)	(10,787)
Accounts payable and other liabilities	(66)	(4,487)
Net cash provided by operating activities	60,221	48,751
CASH FLOWS FROM INVESTING ACTIVITIES:		
Real estate acquisitions	(101,440)	(39,850)
Capital expenditures	(18,608)	(13,537)
Proceeds from sale of real estate, net	12,770	58,356
Investment in third parties	—	(3,000)
Return of investment in unconsolidated joint ventures	781	2,721
Net cash (used in) provided by investing activities	(106,497)	4,690
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from revolving credit facility	102,000	—
Payments on revolving credit facility	(56,000)	—
Payments on mortgages and loans payable	(62,515)	(16,505)
Distributions paid, net of DRIP	(30,926)	(24,296)
Distributions to noncontrolling interests	(4,343)	(4,530)
Repurchases of Class B common stock	—	(77,765)
Other	—	(29)
Net cash used in financing activities	(51,784)	(123,125)
NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(98,060)	(69,684)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH:		
Beginning of period	115,529	131,937
End of period	$ 17,469	$ 62,253
RECONCILIATION TO CONSOLIDATED BALANCE SHEETS:		
Cash and cash equivalents	$ 5,063	$ 20,258
Restricted cash	12,406	41,995
Cash, cash equivalents, and restricted cash at end of period	$ 17,469	$ 62,253

PHILLIPS EDISON & COMPANY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Condensed and Unaudited)
(In thousands)

	Three Months Ended March 31,	
	2022	2021
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	$ 14,849	$ 18,891
SUPPLEMENTAL SCHEDULE OF NON-CASH ACTIVITIES:		
Settlement of earn-out liability	54,245	—
Right-of-use (“ROU”) assets obtained in exchange for new lease liabilities	—	194
Accrued capital expenditures	6,486	3,442
Change in distributions payable	(11)	(7,897)
Change in distributions payable - noncontrolling interests	(239)	(1,211)
Change in accrued share repurchase obligation	—	(77,642)
Distributions reinvested	—	7,368

See notes to consolidated financial statements.

Phillips Edison & Company, Inc.

Notes to Consolidated Financial Statements
(Condensed and Unaudited)
As of and for the period ended March 31, 2022

1. ORGANIZATION

Phillips Edison & Company, Inc. ("we," the "Company," "PECO," "our," or "us") was formed as a Maryland corporation in October 2009. Substantially all of our business is conducted through Phillips Edison Grocery Center Operating Partnership I, L.P., (the "Operating Partnership"), a Delaware limited partnership formed in December 2009. We are a limited partner of the Operating Partnership, and our wholly-owned subsidiary, Phillips Edison Grocery Center OP GP I LLC, is the sole general partner of the Operating Partnership.

We are a real estate investment trust ("REIT") that invests primarily in omni-channel grocery-anchored neighborhood and community shopping centers that have a mix of creditworthy national, regional, and local retailers that sell necessity-based goods and services in strong demographic markets throughout the United States. In addition to managing our own shopping centers, our third-party investment management business provides comprehensive real estate and asset management services to two unconsolidated institutional joint ventures, in which we have a partial ownership interest, and one private fund (collectively, the "Managed Funds") as of March 31, 2022.

As of March 31, 2022, we wholly-owned 269 real estate properties. Additionally, we owned a 14% interest in Grocery Retail Partners I LLC ("GRP I"), a joint venture that owned 20 properties, and a 20% equity interest in Necessity Retail Partners ("NRP"), a joint venture that owned one property.

Underwritten Initial Public Offering—On July 19, 2021, we closed our underwritten initial public offering ("underwritten IPO"), through which we issued 19.6 million shares, including the underwriters' overallotment election, of a new class of common stock, $0.01 par value per share, at an initial price to the public of $28.00 per share. As a result of the underwritten IPO, we received gross proceeds of $547.4 million.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Set forth below is a summary of the significant accounting estimates and policies that management believes are important to the preparation of our condensed consolidated interim financial statements. Certain of our accounting estimates are particularly important for an understanding of our financial position and results of operations and require the application of significant judgment by management. For example, significant estimates and assumptions have been made with respect to the useful lives of assets, remaining hold periods of assets, recoverable amounts of receivables, and other fair value measurement assessments required for the preparation of the consolidated interim financial statements. As a result, these estimates are subject to a degree of uncertainty.

There were no changes to our significant accounting policies during the three months ended March 31, 2022, except for those discussed below. For a full summary of our significant accounting policies, refer to our 2021 Annual Report on Form 10-K, filed with the SEC on February 16, 2022.

Basis of Presentation and Principles of Consolidation—The accompanying condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. Readers of this Quarterly Report on Form 10-Q should refer to our audited consolidated financial statements for the year ended December 31, 2021, which are included in our 2021 Annual Report on Form 10-K. In the opinion of management, all normal and recurring adjustments necessary for the fair presentation of the unaudited consolidated financial statements for the periods presented have been included in this Quarterly Report. Our results of operations for the three months ended March 31, 2022 are not necessarily indicative of the operating results expected for the full year.

The accompanying consolidated financial statements include our accounts and the accounts of the Operating Partnership and its wholly-owned subsidiaries (over which we exercise financial and operating control). The financial statements of the Operating Partnership are prepared using accounting policies consistent with our accounting policies. All intercompany balances and transactions are eliminated upon consolidation.

The basis of presentation of our shares of common stock is described as follows:

- Reverse Stock Split—On July 2, 2021, our board of directors (the "Board") approved an amendment to our charter to effect a one-for-three reverse stock split. Concurrent with the reverse split, the Operating Partnership enacted a one-for-three reverse split of its outstanding Operating Partnership units ("OP units"). Unless otherwise indicated, the information in this Form 10-Q gives effect to the reverse stock and OP unit splits (see Note 9).
- Recapitalization—On June 18, 2021, our stockholders approved an amendment to our charter (the "Articles of Amendment") that effected a change of each share of our common stock outstanding at the time the amendment became effective into one share of a newly created class of Class B common stock (the "Recapitalization"). The

Articles of Amendment became effective on July 2, 2021. Unless otherwise indicated, all information in this Form 10-Q gives effect to the Recapitalization and references to "shares" and per share metrics refer to our common stock and Class B common stock, collectively. Our Class B common stock automatically converted into our publicly traded common stock on January 18, 2022 (see Note 9). Prior to the conversion, we have presented common stock and Class B common stock as separate classes within our consolidated balance sheets and consolidated statements of equity.

Income Taxes—Our consolidated financial statements include the operations of wholly-owned subsidiaries that have jointly elected to be treated as taxable REIT subsidiary entities and are subject to U.S. federal, state, and local income taxes at regular corporate tax rates. We recognized an insignificant amount of federal, state, and local income tax expense for the three months ended March 31, 2022 and 2021, and we retain a full valuation allowance for our deferred tax asset. All income tax amounts are included in Other Expense, Net on our consolidated statements of operations and comprehensive income ("consolidated statements of operations").

Newly Adopted Accounting Pronouncements—There were no newly adopted accounting pronouncements during the three months ended March 31, 2022 that impacted the Company.

3. LEASES

Lessor—The majority of our leases are largely similar in that the leased asset is retail space within our properties, and the lease agreements generally contain similar provisions and features, without substantial variations. All of our leases are currently classified as operating leases. Lease income related to our operating leases was as follows (in thousands):

	Three Months Ended March 31,	
	2022	2021
Rental income related to fixed lease payments[1]	$ 101,510	$ 94,966
Rental income related to variable lease payments[1][2]	33,467	31,401
Straight-line rent amortization[3]	1,695	1,369
Amortization of lease assets	992	827
Lease buyout income	1,964	797
Adjustments for collectibility[4]	(880)	(1,737)
Total rental income	$ 138,748	$ 127,623

(1) Includes rental income related to lease payments before assessing for collectibility.

(2) Variable payments are primarily related to tenant recovery income.

(3) For the three months ended March 31, 2022 and 2021, includes unfavorable revenue adjustments to straight-line rent for tenants considered non-creditworthy of $1.2 million and $0.8 million, respectively.

(4) Includes general reserves as well as adjustments for tenants not considered creditworthy for which we are recording revenue on a cash basis, per Accounting Standards Codification ("ASC") Topic 842, *Leases*.

For the three months ended March 31, 2022 and 2021, we had net favorable changes to general reserves of $0.2 million and $2.3 million, respectively. Additionally, we had net unfavorable adjustments of $1.1 million and $4.0 million, respectively, related to monthly revenue for tenants that we deemed non-creditworthy and for which we were recording revenue on a cash basis.

Approximate future fixed contractual lease payments to be received under non-cancelable operating leases in effect as of March 31, 2022, assuming no new or renegotiated leases or option extensions on lease agreements, and including the impact of rent abatements and tenants who have been moved to the cash basis of accounting for revenue recognition purposes, are as follows (in thousands):

Year	Amount
Remaining 2022	$ 303,902
2023	374,916
2024	322,431
2025	266,544
2026	201,848
Thereafter	513,911
Total	$ 1,983,552

No single tenant comprised 10% or more of our aggregate annualized base rent ("ABR") as of March 31, 2022. As of March 31, 2022, our wholly-owned real estate investments in Florida and California represented 12.0% and 10.7% of our ABR, respectively. As a result, the geographic concentration of our portfolio makes it particularly susceptible to adverse weather or economic events in the Florida and California real estate markets.

4. REAL ESTATE ACTIVITY

Acquisitions—The following table summarizes our real estate acquisition activity (dollars in thousands):

	Three Months Ended March 31,	
	2022	2021
Number of properties acquired	3	2
Number of outparcels acquired[1]	—	2
Contract price	$ 100,400	$ 39,605
Total price of acquisitions[2]	101,440	39,850

(1) Outparcels acquired are adjacent to shopping centers that we own.

(2) Total price of acquisitions includes closing costs and credits.

The aggregate purchase price of the assets acquired during the three months ended March 31, 2022 and 2021 were allocated as follows (in thousands):

	March 31, 2022	March 31, 2021
ASSETS		
Land and improvements	$ 30,274	$ 23,305
Building and improvements	65,028	13,990
In-place lease assets	8,557	4,155
Above-market lease assets	708	52
Total assets	104,567	41,502
LIABILITIES		
Below-market lease liabilities	3,127	1,652
Total liabilities	3,127	1,652
Net assets acquired	$ 101,440	$ 39,850

The weighted-average amortization periods for in-place, above-market, and below-market lease intangibles acquired during the three months ended March 31, 2022 and 2021 are as follows (in years):

	March 31, 2022	March 31, 2021
Acquired in-place leases	14	7
Acquired above-market leases	6	5
Acquired below-market leases	24	6

Property Dispositions—The following table summarizes our real estate disposition activity (dollars in thousands):

	Three Months Ended March 31,	
	2022	2021
Number of properties sold	2	6
Number of outparcels sold[1]	—	1
Contract Price	$ 13,325	$ 60,563
Proceeds from sale of real estate, net[2]	12,770	58,356
Gain on sale of property, net[3]	1,368	14,355

(1) During the three months ended March 31, 2021, the one outparcel sale included the only remaining portion of a property we previously owned; therefore, the sale resulted in a reduction in our total property count.

(2) Total proceeds from sale of real estate, net includes closing costs and credits.

(3) During the three months ended March 31, 2021, Gain on Disposal of Property, Net on the consolidated statements of operations includes miscellaneous write-off activity, which is not included in gain on sale of property, net, presented above.

Property Held for Sale—As of March 31, 2022 and December 31, 2021, one property was classified as held for sale. A property classified as held for sale is under contract to sell, with no substantive contingencies, and the prospective buyer had significant funds at risk. A summary of assets and liabilities for the properties held for sale as of March 31, 2022 and December 31, 2021 is below (in thousands):

	March 31, 2022	December 31, 2021
ASSETS		
Total investment in real estate assets, net	$ 6,332	$ 1,554
Other assets, net	215	3
Total assets	$ 6,547	$ 1,557
LIABILITIES		
Below-market lease liabilities, net	$ 114	$ 284
Accounts payable and other liabilities	84	4
Total liabilities	$ 198	$ 288

5. OTHER ASSETS, NET

The following is a summary of Other Assets, Net outstanding as of March 31, 2022 and December 31, 2021, excluding amounts related to assets classified as held for sale (in thousands):

	March 31, 2022	December 31, 2021
Other assets, net:		
Deferred leasing commissions and costs	$ 45,688	$ 44,968
Deferred financing expenses[(1)]	4,898	4,898
Office equipment, including capital lease assets, and other	25,833	24,823
Corporate intangible assets	6,690	6,706
Total depreciable and amortizable assets	83,109	81,395
Accumulated depreciation and amortization	(42,867)	(41,236)
Net depreciable and amortizable assets	40,242	40,159
Accounts receivable, net[(2)]	39,002	36,762
Accounts receivable - affiliates	638	711
Deferred rent receivable, net[(3)]	41,756	40,212
Derivative assets	5,365	—
Prepaid expenses and other	18,528	11,655
Investment in third parties	3,000	3,000
Investment in marketable securities	5,189	5,551
Total other assets, net	$ 153,720	$ 138,050

(1) Deferred financing expenses per the above table are related to our revolving credit facility, and as such we have elected to classify them as an asset rather than as a contra-liability.

(2) Net of $4.1 million and $3.5 million of general reserves for uncollectible amounts as of March 31, 2022 and December 31, 2021, respectively. Receivables that were removed for tenants considered to be non-creditworthy were $7.3 million and $9.2 million as of March 31, 2022 and December 31, 2021, respectively.

(3) Net of $5.8 million and $4.7 million of receivables removed as of March 31, 2022 and December 31, 2021, respectively, related to straight-line rent for tenants previously or currently considered to be non-creditworthy.

6. DEBT OBLIGATIONS

The following is a summary of the outstanding principal balances and interest rates, which include the effect of derivative financial instruments, for our debt obligations as of March 31, 2022 and December 31, 2021 (dollars in thousands):

	Interest Rate[1]	March 31, 2022	December 31, 2021
Revolving credit facility	LIBOR + 1.1%	$ 46,000	$ —
Term loans[2]	1.6% - 4.2%	955,000	955,000
Senior unsecured notes due 2031	2.6%	350,000	350,000
Secured loan facilities	3.4% - 3.5%	395,000	395,000
Mortgages	3.5% - 6.4%	150,805	213,316
Finance lease liability		762	766
Discount on notes payable		(7,512)	(7,680)
Assumed market debt adjustments, net		(1,546)	(1,530)
Deferred financing expenses, net		(12,301)	(13,150)
Total		$ 1,876,208	$ 1,891,722
Weighted-average interest rate[3]		3.2 %	3.3 %

(1) Interest rates are as of March 31, 2022.

(2) Our term loans carry an interest rate of LIBOR plus a spread. While most of the rates are fixed through the use of swaps, there is a portion of these loans that are not subject to a swap, and thus are still indexed to LIBOR.

(3) Includes the effects of derivative financial instruments (see Notes 7 and 12).

2022 Debt Activity—During the three months ended March 31, 2022, we executed early repayments of $61.0 million in mortgage debt.

Debt Allocation—The allocation of total debt between fixed-rate and variable-rate as well as between secured and unsecured, excluding market debt adjustments, discount on senior notes, and deferred financing expenses, net, and including the effects of derivative financial instruments as of March 31, 2022 and December 31, 2021 is summarized below (in thousands):

	March 31, 2022	December 31, 2021
As to interest rate:		
Fixed-rate debt[1]	$ 1,826,567	$ 1,889,082
Variable-rate debt	71,000	25,000
Total	$ 1,897,567	$ 1,914,082
As to collateralization:		
Unsecured debt	$ 1,351,000	$ 1,305,000
Secured debt	546,567	609,082
Total	$ 1,897,567	$ 1,914,082

(1) Fixed-rate debt includes, and variable-rate debt excludes, the portion of such debt that has been hedged by interest rate derivatives. As of March 31, 2022, $930.0 million in variable rate debt is hedged to a fixed rate for a weighted-average of 1.9 years.

7. DERIVATIVES AND HEDGING ACTIVITIES

Risk Management Objective of Using Derivatives—We are exposed to certain risks arising from both our business operations and economic conditions. We principally manage our exposure to a wide variety of business and operational risks through management of our core business activities. We manage economic risks, including interest rate, liquidity, and credit risk, primarily by managing the amount, sources, and duration of our debt funding, and through the use of derivative financial instruments. Specifically, we enter into interest rate swaps to manage exposures that arise from business activities that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates. Our derivative financial instruments are used to manage differences in the amount, timing, and duration of our known or expected cash receipts and our known or expected cash payments principally related to our investments and borrowings.

Cash Flow Hedges of Interest Rate Risk—Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for our making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

The changes in the fair value of derivatives designated, and that qualify, as cash flow hedges are recorded in AOCI and are subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. During the three months ended March 31, 2022 and 2021, such derivatives were used to hedge the variable cash flows associated with certain variable-rate debt. Amounts reported in AOCI related to these derivatives will be reclassified to Interest Expense, Net as interest payments are made on the variable-rate debt. During the next twelve months, we estimate that an additional $3.2 million will be reclassified from AOCI as an increase to Interest Expense, Net.

The following is a summary of our interest rate swaps that were designated as cash flow hedges of interest rate risk as of March 31, 2022 and December 31, 2021 (dollars in thousands):

	March 31, 2022	December 31, 2021
Count	5	5
Notional amount	$ 930,000	$ 930,000
Fixed LIBOR	1.3% - 2.9%	1.3% - 2.9%
Maturity date	2022-2025	2022 - 2025
Weighted-average term (in years)	1.6	1.9

The table below details the nature of the gain and loss recognized on interest rate derivatives designated as cash flow hedges in the consolidated statements of operations (in thousands):

	Three Months Ended March 31,	
	2022	2021
Amount of gain recognized in Other Comprehensive Income	$ 22,899	$ 7,265
Amount of loss reclassified from AOCI into Interest Expense, Net	4,674	4,855

Credit-risk-related Contingent Features—We have agreements with our derivative counterparties that contain provisions where, if we default, or are capable of being declared in default, on any of our indebtedness, we could also be declared to be in default on our derivative obligations. As of March 31, 2022, the fair value of our derivatives in a net liability position, which included accrued interest but excluded any adjustment for nonperformance risk related to these agreements, was approximately $2.2 million. As of March 31, 2022, we had not posted any collateral related to these agreements and were not in breach of any agreement provisions. If we had breached any of these provisions, we could have been required to settle our obligations under the agreements at their termination value of $2.2 million.

8. COMMITMENTS AND CONTINGENCIES

Litigation—We are involved in various claims and litigation matters arising in the ordinary course of business, some of which involve claims for damages. Many of these matters are covered by insurance, although they may nevertheless be subject to deductibles or retentions. Although the ultimate liability for these matters cannot be determined, based upon information currently available, we believe the resolution of such claims and litigation will not have a material adverse effect on our consolidated financial statements.

Environmental Matters—In connection with the ownership and operation of real estate, we may potentially be liable for costs and damages related to environmental matters. In addition, we may own or acquire certain properties that are subject to environmental remediation. Depending on the nature of the environmental matter, the seller of the property, a tenant of the property, and/or another third party may be responsible for environmental remediation costs related to a property. Additionally, in connection with the purchase of certain properties, the respective sellers and/or tenants may agree to indemnify us against future remediation costs. We also carry environmental liability insurance on our properties that provides limited coverage for any remediation liability and/or pollution liability for third-party bodily injury and/or property damage claims for which we may be liable. We are not aware of any environmental matters which we believe are reasonably likely to have a material effect on our consolidated financial statements.

Captive Insurance—Our captive insurance company, Silver Rock Insurance, Inc. (“Silver Rock”), provides general liability insurance, wind, reinsurance, and other coverage to us and certain related-party joint ventures. We capitalize Silver Rock in accordance with applicable regulatory requirements.

Silver Rock established annual premiums based on the past loss experience of the insured properties. An independent third party was engaged to perform an actuarial estimate of projected future claims, related deductibles, and projected future expenses necessary to fund associated risk management programs. Premiums paid to Silver Rock may be adjusted based on this estimate, and such premiums may be reimbursed by tenants pursuant to specific lease terms.

As of March 31, 2022, we had four letters of credit outstanding totaling approximately $9.0 million to provide security for our obligations under Silver Rock’s insurance and reinsurance contracts.

9. EQUITY

General—The holders of common stock are entitled to one vote per share on all matters voted on by stockholders, including one vote per nominee in the election of the Board. Our charter does not provide for cumulative voting in the election of directors.

At-the-Market Offering ("ATM")—On February 10, 2022, we and the Operating Partnership entered into a sales agreement relating to the potential sale of shares of common stock pursuant to a continuous offering program. In accordance with the terms of the sales agreement, we may offer and sell shares of our common stock having an aggregate offering price of up to $250 million from time to time through our sales agents, or, if applicable, as forward sellers. As of March 31, 2022, we have issued zero shares under the ATM program.

Reverse Stock Split—On July 2, 2021, we effected a one-for-three reverse stock split. Concurrent with the reverse split, the Operating Partnership enacted a one-for-three reverse split of its outstanding OP units. Neither the number of authorized shares nor the par value of the common stock were impacted. As a result of the reverse split, every three shares of our common stock or OP units were automatically combined and converted into one issued and outstanding share of common stock or OP unit rounded to the nearest 1/100th share. The reverse stock split impacted all common stock and OP units proportionately and had no impact on any stockholder's percentage ownership of common stock.

Class B Common Stock—On June 18, 2021, our stockholders approved Articles of Amendment that effected the Recapitalization, wherein each share of our common stock outstanding at the time the amendment became effective was converted into one share of a newly created class of Class B common stock.

Our Class B common stock was identical to our common stock, except that it was not listed on a national securities exchange. Per the terms of the Recapitalization, on January 18, 2022, each share of our Class B common stock automatically converted into one share of our listed common stock.

On May 5, 2022, we filed Articles Supplementary to our charter with the Maryland State Department of Assessments and Taxation in order to reclassify and designate all of the 350 million authorized shares of our Class B common stock, $0.01 par value per share, all of which were unissued at such time, as shares of our common stock, $0.01 par value per share.

Underwritten IPO—On July 19, 2021, we completed an underwritten IPO and issued 17.0 million shares of common stock at an offering price to the public of $28.00 per share. We used a portion of the net proceeds to reduce our leverage and used the remaining amount to fund external growth with property acquisitions and for other general corporate uses. As part of the underwritten IPO, underwriters were granted an option exercisable within 30 days from July 14, 2021 to purchase up to an additional 2.6 million shares of common stock at the underwritten IPO price, less underwriting discounts and commissions. On July 29, 2021, the underwriters exercised their option. The underwritten IPO, including the underwriters' overallotment election, resulted in gross proceeds of $547.4 million.

Distributions—Distributions paid to stockholders and OP unit holders of record subsequent to March 31, 2022 were as follows (dollars in thousands, excluding per share amounts):

Month	Date of Record	Date Distribution Paid	Monthly Distribution Rate	Cash Distribution
March	3/15/2022	4/1/2022	$ 0.09	$ 11,520
April	4/15/2022	5/2/2022	0.09	11,520

On May 4, 2022, our Board authorized 2022 distributions for May, June, and July of $0.09 per share to the stockholders of record at the close of business on May 16, 2022, June 15, 2022, and July 15, 2022, respectively. OP unit holders will receive distributions at the same rate as common stockholders, subject to certain withholdings.

Convertible Noncontrolling Interests—As of March 31, 2022 and December 31, 2021, we had approximately 14.5 million and 13.4 million outstanding OP units, respectively. Additionally, certain of our outstanding restricted share and performance share awards will result in the issuance of OP units upon vesting in future periods.

Under the terms of the Fourth Amended and Restated Agreement of Limited Partnership, OP unit holders may elect to cause the Operating Partnership to redeem their OP units. The Operating Partnership controls the form of the redemption, and may elect to redeem OP units for shares of our common stock, provided that the OP units have been outstanding for at least one year, or for cash. As the form of redemption for OP units is within our control, the OP units outstanding as of March 31, 2022 and December 31, 2021 are classified as Noncontrolling Interests within permanent equity on our consolidated balance sheets.

On January 18, 2022, we issued approximately 1.6 million OP units in full settlement of the earn-out liability (see note 12).

The table below is a summary of our OP unit activity for the three months ended March 31, 2022 and 2021 (dollars and shares in thousands):

	Three Months Ended March 31,	
	2022	2021
OP units converted into shares of common stock[1]	533	—
Distributions paid on OP units[2]	$ 4,104	$ 3,319

(1) Prior to the Recapitalization, OP units were converted to shares of common stock at a 1:1 ratio. From the Recapitalization through January 18, 2022, OP units were converted into shares of our Class B common stock at a 1:1 ratio. On January 18, 2022, each share of our Class B common stock automatically converted into one share of our listed common stock, and going forward, OP units will be converted into shares of our common stock at a 1:1 ratio.

(2) Distributions paid on OP units are included in Distributions to Noncontrolling Interests on the consolidated statements of equity and cash flows.

Estimated Value per Share—Prior to our underwritten IPO, on April 29, 2021, our Board increased the estimated value per share (“EVPS”) of our common stock to $31.65 from $26.25 based substantially on the estimated market value of our portfolio of real estate properties and our third-party investment management business as of March 31, 2021. We engaged a third-party valuation firm to provide a calculation of the range in EVPS of our common stock as of March 31, 2021, which reflected certain balance sheet assets and liabilities as of that date.

Dividend Reinvestment Plan and Share Repurchase Program (“SRP”)—On August 4, 2021, as a result of our underwritten IPO, our Board approved the termination of the DRIP and the SRP.

10. EARNINGS PER SHARE

Basic earnings per share (“EPS”) is computed by dividing Net Income Attributable to Stockholders by the weighted-average number of shares of common stock outstanding for the period. Diluted EPS reflects the potential dilution that could occur from share equivalent activity.

The following table provides a reconciliation of the numerator and denominator of the earnings per share calculations (in thousands, except per share amounts):

	Three Months Ended March 31,	
	2022	2021
Numerator:		
Net income attributable to stockholders - basic	$ 10,079	$ 103
Net income attributable to convertible OP units[1]	1,319	14
Net income - diluted	$ 11,398	$ 117
Denominator:		
Weighted-average shares - basic	113,571	93,490
OP units[1]	14,558	13,354
Dilutive restricted stock awards	374	151
Adjusted weighted-average shares - diluted	128,503	106,995
Earnings per common share:		
Basic and diluted income per share	$ 0.09	$ 0.00

(1) OP units include units that are convertible into common stock or cash, at the Operating Partnership's option. The Operating Partnership income or loss attributable to these OP units, which is included as a component of Net Income Attributable to Noncontrolling Interests on the consolidated statements of operations, has been added back in the numerator as these OP units were included in the denominator for all periods presented. OP units are allocated income on a consistent basis with the common stockholder and therefore have no dilutive impact to earnings per share of common stock.

11. RELATED PARTY TRANSACTIONS

Revenue—We have entered into agreements with the Managed Funds related to certain advisory, management, and administrative services we provide to their real estate assets in exchange for fees and reimbursement of certain expenses. Summarized below are amounts included in Fees and Management Income. The revenue includes the fees and reimbursements earned by us from the Managed Funds and other revenues that are not in the scope of ASC Topic 606, *Revenue from Contracts with Customers,* but that are included in this table for the purpose of disclosing all related party revenues (in thousands):

	Three Months Ended March 31,	
	2022	2021
Recurring fees[1]	$ 1,271	$ 1,125
Transactional revenue and reimbursements[2]	394	468
Insurance premiums[3]	796	693
Total fees and management income	$ 2,461	$ 2,286

(1) Recurring fees include asset management fees and property management fees.

(2) Transactional revenue includes items such as leasing commissions, construction management fees, and acquisition fees.

(3) Insurance premium income includes amounts for reinsurance from third parties not affiliated with us.

Tax Protection Agreement—Through our Operating Partnership, we are currently party to a tax protection agreement (the "2017 TPA") with certain partners that contributed property to our Operating Partnership on October 4, 2017, among them certain of our executive officers, including Jeffrey S. Edison, our Chairman and Chief Executive Officer, under which the Operating Partnership has agreed to indemnify such partners for tax liabilities that could accrue to them personally related to our potential disposition of certain properties within our portfolio. The 2017 TPA will expire on October 4, 2027. On July 19, 2021, we entered into an additional tax protection agreement (the "2021 TPA") with certain of our executive officers, including Mr. Edison. The 2021 TPA carries a term of four years and will become effective upon the expiration of the 2017 TPA. As of March 31, 2022, the potential "make-whole amount" on the estimated aggregate amount of built-in gain subject to protection under the agreements is approximately $143.3 million. The protection provided under the terms of the 2021 TPA will expire in 2031. We have not recorded any liability related to the 2017 TPA or the 2021 TPA on our consolidated balance sheets for any periods presented, nor recognized any expense since the inception of the 2017 TPA, owing to the fact that any potential liability under the agreements is controlled by us and we believe we will either (i) continue to own and operate the protected properties or (ii) be able to successfully complete tax-deferred exchanges under Section 1031 of the Internal Revenue Code of 1986, as amended (unless there is a change in applicable law) or complete other tax-efficient transactions to avoid any liability under the agreements.

Other Related Party Matters—We are the limited guarantor for up to $190 million, capped at $50 million in most instances, of debt for our NRP joint venture. As of March 31, 2022, the outstanding loan balance related to our NRP joint venture was $15.3 million. As of March 31, 2022, we were also the limited guarantor of a $175 million mortgage loan secured by GRP I properties. Our guaranty for both the NRP and GRP I debt is limited to being the non-recourse carveout guarantor and the environmental indemnitor. Further, in both cases, we are also party to an agreement with our institutional joint venture partners in which any potential liability under such guarantees will be apportioned between us and our applicable joint venture partner based on our respective ownership percentages in the applicable joint venture. We have no liability recorded on our consolidated balance sheets for either guaranty as of March 31, 2022 and December 31, 2021.

12. FAIR VALUE MEASUREMENTS

The following describes the methods we use to estimate the fair value of our financial and nonfinancial assets and liabilities:

Cash and Cash Equivalents, Restricted Cash, Accounts Receivable, and Accounts Payable—We consider the carrying values of these financial instruments to approximate fair value because of the short period of time between origination of the instruments and their expected realization.

Real Estate Investments—The purchase prices of the investment properties, including related lease intangible assets and liabilities, are allocated at estimated fair value based on Level 3 inputs, such as discount rates, capitalization rates, comparable sales, replacement costs, income and expense growth rates, and current market rents and allowances as determined by management.

Debt Obligations—We estimate the fair value of our revolving credit facility, term loans, secured portfolio of loans, and mortgages by discounting the future cash flows of each instrument at rates currently offered for similar debt instruments of comparable maturities by our lenders using Level 3 inputs. The discount rates used approximate current lending rates for loans or groups of loans with similar maturities and credit quality, assuming the debt is outstanding through maturity and considering the debt's collateral (if applicable). We have utilized market information, as available, or present value techniques to estimate the amounts required to be disclosed. We estimate the fair value of our senior unsecured notes by using quoted prices in active markets, which are considered Level 1 inputs.

The following is a summary of borrowings as of March 31, 2022 and December 31, 2021 (in thousands):

	March 31, 2022		December 31, 2021	
	Recorded Principal Balance[1]	Fair Value	Recorded Principal Balance[1]	Fair Value
Revolving credit facility	$ 46,000	$ 46,017	$ —	$ —
Term loans	943,949	955,934	943,127	955,919
Senior unsecured notes due 2031	342,488	307,339	342,320	344,099
Secured portfolio loan facilities	391,732	390,898	391,612	394,356
Mortgages[2]	152,039	157,036	214,663	221,741
Total	$ 1,876,208	$ 1,857,224	$ 1,891,722	$ 1,916,115

(1) As of March 31, 2022 and December 31, 2021, respectively, recorded principal balances include: (i) net deferred financing fees of $12.3 million and $13.2 million; (ii) assumed market debt adjustments of $1.5 million and $1.5 million; and (iii) notes payable discounts of $7.5 million and $7.7 million.

(2) Our finance lease liability is included in the mortgages line item, as presented.

Recurring and Nonrecurring Fair Value Measurements—Our marketable securities, earn-out liability, and interest rate swaps are measured and recognized at fair value on a recurring basis, while certain real estate assets and liabilities are measured and recognized at fair value as needed. Fair value measurements that occurred as of and during the three months ended March 31, 2022 and the year ended December 31, 2021 were as follows (in thousands):

	March 31, 2022			December 31, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Recurring						
Marketable securities	$ 5,189	$ —	$ —	$ 5,551	$ —	$ —
Derivative assets[1]	—	5,365	—	—	—	—
Derivative liabilities[2]	—	(2,217)	—	—	(24,096)	—
Earn-out liability	—	—	—	—	(52,436)	—
Nonrecurring						
Impaired real estate assets, net[3]	$ —	$ —	$ —	$ —	$ 24,000	$ —

(1) We record derivative assets in Other Assets, Net on our consolidated balance sheets.

(2) We record derivative liabilities in Derivative Liabilities on our consolidated balance sheets.

(3) The carrying value of impaired real estate assets may have subsequently increased or decreased after the measurement date due to capital improvements, depreciation, or sale.

Marketable Securities—We estimate the fair value of marketable securities using Level 1 inputs. We utilize unadjusted quoted prices for identical assets in active markets that we have the ability to access.

Derivative Instruments—As of March 31, 2022 and December 31, 2021, we had interest rate swaps that fixed LIBOR on portions of our unsecured term loan facilities.

All interest rate swap agreements are measured at fair value on a recurring basis. The valuation of these instruments is determined using widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatilities. The fair values of interest rate swaps are determined using the market standard methodology of netting the discounted future fixed cash receipts (or payments) and the discounted expected variable cash payments (or receipts). The variable cash payments (or receipts) are based on an expectation of future interest rates (forward curves) derived from observable market interest rate curves.

To comply with the provisions of ASC Topic 820, *Fair Value Measurement*, we incorporate credit valuation adjustments to appropriately reflect both our own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. In adjusting the fair value of our derivative contracts for the effect of nonperformance risk, we have considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts, and guarantees.

Although we determined that the significant inputs used to value our derivatives fell within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with our counterparties and our own credit risk utilize Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by us and our counterparties. However, as of March 31, 2022 and December 31, 2021, we have assessed the significance of the impact of the credit valuation adjustments on the overall valuation of our derivative positions and have determined that the credit valuation adjustments are not significant to the overall valuation of our derivatives. As a result, we have determined that our derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy.

Earn-out—As part of our acquisition of Phillips Edison Limited Partnership ("PELP") in 2017, an earn-out structure was established which gave PELP the opportunity to earn additional OP units based upon the potential achievement of certain performance targets subsequent to the acquisition. After the expiration of certain provisions in 2019, PELP was eligible to earn a minimum of 1.0 million and a maximum of approximately 1.7 million OP units as contingent consideration based on the timing and valuation of a liquidity event for PECO. Certain of these performance targets were tied to the post-underwritten IPO trading price of our common stock. The number of OP units awarded varied based on the highest volume weighted average price per share of our common stock over any 30 consecutive trading day period during the 180 days following the underwritten IPO commencement (the "liquidity event price per share"):

- if the liquidity event price per share was greater than or equal to $33.60, PELP would receive approximately 1.7 million OP units;
- if the liquidity event price per share was less than $33.60 but greater than or equal to $26.40, PELP would receive a number of OP units equal to (i) 1.0 million plus (ii) the product of (A) approximately 0.7 million and (B) the quotient obtained by dividing the liquidity event price per share in excess of $26.40 by $7.20; or
- if the liquidity event price per share was less than $26.40, PELP would receive 1.0 million OP units.

Prior to the second quarter of 2021, we estimated the fair value of this liability on a quarterly basis using the Monte Carlo method. Following our underwritten IPO, the only remaining variable for calculating final amounts to be paid under the earn-out agreement was the liquidity event price per share. On January 11, 2022, at the end of the 180-day period following our underwritten IPO commencement, we finalized the fair value of the earn-out liability and issued approximately 1.6 million OP units in full settlement of the liability with a value of $54.2 million. We recorded expense of $1.8 million and $16.0 million, respectively, for the three months ended March 31, 2022 and March 31, 2021 related to changes in the fair value of the earn-out liability in Other Expense, Net in the consolidated statements of operations.

Real Estate Asset Impairment—Our real estate assets are measured and recognized at fair value, less costs to sell for held-for-sale properties, on a nonrecurring basis dependent upon when we determine an impairment has occurred. During the three months ended March 31, 2021, we impaired assets that were under contract at a disposition price that was less than carrying value, or that had other operational impairment indicators. The valuation technique used for the fair value of all impaired real estate assets was the expected net sales proceeds, which we consider to be a Level 2 input in the fair value hierarchy. There were no impairment charges recorded during the three months ended March 31, 2022.

On a quarterly basis, we employ a multi-step approach to assess our real estate assets for possible impairment and record any impairment charges identified. The first step is the identification of potential triggering events, such as significant decreases in occupancy or the presence of large dark or vacant spaces. If we observe any of these indicators for a shopping center, we then perform an additional screen test consisting of a years-to-recover analysis to determine if we will recover the net book value of the property over its remaining economic life based upon net operating income ("NOI") as forecasted for the current year. In the event that the results of this first step indicate a triggering event for a center, we proceed to the second step, utilizing an undiscounted cash flow model for the center to identify potential impairment. If the undiscounted cash flows are less than the net book value of the center as of the balance sheet date, we record an impairment charge based on the fair value determined in the third step. In performing the third step, we utilize market data such as capitalization rates and sales price per square foot on comparable recent real estate transactions to estimate the fair value of the real estate assets. We also utilize expected net sales proceeds to estimate the fair value of any centers that are actively being marketed for sale.

In addition to these procedures, we also review undeveloped or unimproved land parcels that we own for evidence of impairment and record any impairment charges as necessary. Primary impairment triggers for these land parcels are changes to our plans or intentions with regards to such properties, or planned dispositions at prices that are less than the current carrying values.

We recorded the following expense upon impairment of real estate assets (in thousands):

	Three Months Ended March 31,	
	2022	2021
Impairment of real estate assets	$ —	$ 5,000

13. SUBSEQUENT EVENTS

In preparing the condensed and unaudited consolidated financial statements, we have evaluated subsequent events through the date of filing of this report on Form 10-Q for recognition and/or disclosure purposes. Based on this evaluation, we have determined that there were no events that have occurred that require recognition or disclosure, other than certain events and transactions that have been disclosed elsewhere in these consolidated financial statements.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our accompanying consolidated financial statements and notes thereto and the more detailed information contained in our 2021 Annual Report on Form 10-K, filed with the SEC on February 16, 2022. All references to “Notes” throughout this document refer to the footnotes to the consolidated financial statements in “Item 1. Financial Statements”. See also “Cautionary Note Regarding Forward-Looking Statements” below.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Quarterly Report on Form 10-Q of Phillips Edison & Company, Inc. (“we,” the “Company,” “our,” or “us”) other than historical facts may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the Private Securities Litigation Reform Act of 1995 (collectively with the Securities Act and the Exchange Act, the “Acts”). These forward-looking statements are based on current expectations, estimates, and projections about the industry and markets in which we operate, and beliefs of, and assumptions made by, management of our company and involve uncertainties that could significantly affect our financial results. We intend for all such forward-looking statements to be covered by the applicable safe harbor provisions for forward-looking statements contained in the Acts. Such forward-looking statements generally can be identified by the use of forward-looking terminology such as “may,” “will,” “can,” “expect,” “intend,” “anticipate,” “estimate,” “believe,” “continue,” “possible,” “initiatives,” “focus,” “seek,” “objective,” “goal,” “strategy,” “plan,” “potential,” “potentially,” “preparing,” “projected,” “future,” “long-term,” “once,” “should,” “could,” “would,” “might,” “uncertainty,” or other similar words. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date this report is filed with the SEC. Such statements include, but are not limited to: (a) statements about our plans, strategies, initiatives, and prospects; (b) statements about the COVID-19 pandemic; (c) statements about our underwritten incremental yields; and (d) statements about our future results of operations, capital expenditures, and liquidity. Such statements are subject to known and unknown risks and uncertainties, which could cause actual results to differ materially from those projected or anticipated, including, 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 our portfolio; (iii) vacancies, changes in market rental rates, and the need to periodically repair, renovate, and re-let space; (iv) competition from other available shopping centers and the attractiveness of properties in our portfolio to our tenants; (v) the financial stability of our tenants, including, without limitation, their ability to pay rent; (vi) our ability to pay down, refinance, restructure, or extend our indebtedness as it becomes due; (vii) increases in our borrowing costs as a result of changes in interest rates and other factors; (viii) potential liability for environmental matters; (ix) damage to our properties from catastrophic weather and other natural events, and the physical effects of climate change; (x) our ability and willingness to maintain our qualification as a REIT in light of economic, market, legal, tax, and other considerations; (xi) changes in tax, real estate, environmental, and zoning laws; (xii) information technology security breaches; (xiii) our corporate responsibility initiatives; (xiv) loss of key executives; (xv) the concentration of our portfolio in a limited number of industries, geographies, or investments; (xvi) the economic, political, and social impact of, and uncertainty relating to, the COVID-19 pandemic; (xvii) our ability to re-lease our properties on the same or better terms, or at all, in the event of non-renewal or in the event we exercise our right to replace an existing tenant; (xviii) the loss or bankruptcy of our tenants; (xix) to the extent we are seeking to dispose of properties, our ability to do so at attractive prices or at all; and (xx) the impact of inflation on us and on our tenants. 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 our 2021 Annual Report on Form 10-K, filed with the SEC on February 16, 2022, as updated from time to time in our periodic and/or current reports filed with the SEC, which are accessible on the SEC’s website at www.sec.gov. Therefore, such statements are not intended to be a guarantee of our performance in future periods.

Except as required by law, we do not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

KEY PERFORMANCE INDICATORS AND DEFINED TERMS

We use certain key performance indicators (“KPIs”), which include both financial and nonfinancial metrics, to measure the performance of our operations. We believe these KPIs, as well as the core concepts and terms defined below, allow our Board, management, and investors to analyze trends around our business strategy, financial condition, and results of operations in a manner that is focused on items unique to the retail real estate industry.

We do not consider our non-GAAP measures to be alternatives to measures required in accordance with GAAP. Certain non-GAAP measures should not be viewed as an alternative measure of our financial performance as they may not reflect the operations of our entire portfolio, and they may not 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. Additionally, certain non-GAAP measures should not be considered as an indication of our liquidity, nor as an indication of funds available to cover our cash needs, including our ability to fund distributions, and may not be a useful measure of the impact of long-term operating performance on value if we do not continue to operate our business in the manner currently contemplated. Accordingly, non-GAAP measures 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. Other REITs may use different methodologies for calculating similar non-GAAP measures, and accordingly, our non-GAAP measures may not be comparable to other REITs.

Our KPIs and terminology can be grouped into three key areas:

PORTFOLIO—Portfolio metrics help management to gauge the health of our centers overall and individually.

- Anchor space—We define an anchor space as a space greater than or equal to 10,000 square feet of gross leasable area (“GLA”).
- ABR—We use ABR to refer to the monthly contractual base rent at the end of the period multiplied by twelve months.
- ABR Per Square Foot (“PSF”)—This metric is calculated by dividing ABR by leased GLA. Increases in ABR PSF can be an indication of our ability to create rental rate growth in our centers, as well as an indication of demand for our spaces, which generally provides us with greater leverage during lease negotiations.
- GLA—We use GLA to refer to the total occupied and unoccupied square footage of a building that is available for tenants (whom we refer to as a “Neighbor” or our “Neighbors”) or other retailers to lease.
- Inline space—We define an inline space as a space containing less than 10,000 square feet of GLA.
- Leased Occupancy—This metric is calculated as the percentage of total GLA for which a lease has been signed regardless of whether the lease has commenced or the Neighbor has taken possession. High occupancy is an indicator of demand for our spaces, which generally provides us with greater leverage during lease negotiations.
- Underwritten incremental unlevered yield—This reflects the yield we target to generate from a project upon expected stabilization and is calculated as the estimated incremental NOI for a project at stabilization divided by its estimated net project investment. The estimated incremental NOI is the difference between the estimated annualized NOI we target to generate by project upon stabilization and the estimated annualized NOI without the planned improvements. Underwritten incremental unlevered yield does not include peripheral impacts, such as lease rollover risk or the impact on the long term value of the property upon sale or disposition. Actual incremental unlevered yields may vary from our underwritten incremental unlevered yield range based on the actual total cost to complete a project and its actual incremental NOI at stabilization.

LEASING—Leasing is a key driver of growth for our company.

- Comparable lease—We use this term to refer to a lease with consistent terms that is executed for substantially the same space that has been vacant less than twelve months.
- Comparable rent spread—This metric is calculated as the percentage increase or decrease in first-year ABR (excluding any free rent or escalations) on new or renewal leases (excluding options) where the lease was considered a comparable lease. This metric provides an indication of our ability to generate revenue growth through leasing activity.
- Cost of executing new leases—We use this term to refer to certain costs associated with new leasing, namely, leasing commissions, tenant improvement costs, and tenant concessions.
- Portfolio retention rate—This metric is calculated by dividing (i) total square feet of retained Neighbors with current period lease expirations by (ii) the total square feet of leases expiring during the period. The portfolio retention rate provides insight into our ability to retain Neighbors at our shopping centers as their leases approach expiration. Generally, the costs to retain an existing Neighbor are lower than costs to replace with a new Neighbor.
- Recovery rate—This metric is calculated by dividing (i) total recovery income by (ii) total recoverable expenses during the period. A high recovery rate is an indicator of our ability to recover certain property operating expenses and capital costs from our Neighbors.

FINANCIAL PERFORMANCE—In addition to financial metrics calculated in accordance with GAAP, such as net income or cash flows from operations, we utilize non-GAAP metrics to measure our operational and financial performance. See “Non-GAAP Measures” below for further discussion on the following metrics.

- Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization for Real Estate (“Adjusted EBITDA*re*”)—To arrive at Adjusted EBITDA*re*, we adjust EBITDA*re*, as defined below, to exclude certain recurring and non-recurring items including, but not limited to: (i) changes in the fair value of the earn-out liability; (ii) other impairment charges; (iii) amortization of basis differences in our investments in our unconsolidated joint ventures; (iv) transaction and acquisition expenses; and (v) realized performance income. We use EBITDA*re* and Adjusted EBITDA*re* as additional measures of operating performance which allow us to compare earnings independent of capital structure and evaluate debt leverage and fixed cost coverage.
- Core Funds From Operations (“FFO”)—To arrive at Core FFO, we adjust Nareit FFO Attributable to Stockholders and OP Unit Holders, as defined below, to exclude certain recurring and non-recurring items including, but not limited to: (i) depreciation and amortization of corporate assets; (ii) changes in the fair value of the earn-out liability; (iii) amortization of unconsolidated joint venture basis differences; (iv) gains or losses on the extinguishment or modification of debt and other; (v) other impairment charges; (vi) transaction and acquisition expenses; and (vii) realized performance income. We believe Nareit FFO provides insight into our operating performance as it excludes certain items that are not indicative of such performance. Core FFO provides further insight into the sustainability of our operating performance and provides an additional measure to compare our performance across reporting periods on a consistent basis by excluding items that may cause short-term fluctuations in net income (loss).
- EBITDA*re*—The National Association of Real Estate Investment Trusts (“Nareit”) defines EBITDA*re* 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 EBITDA*re* on the same basis.

- Equity Market Capitalization—We calculate equity market capitalization as the total dollar value of all outstanding shares using the closing price for the applicable date.
- Nareit FFO—Nareit defines FFO as net income (loss) computed in accordance with GAAP, excluding: (i) gains (or losses) from sales of property and gains (or losses) from change in control; (ii) depreciation and amortization related to real estate; (iii) impairment losses on real estate and impairments of in-substance real estate investments in investees that are driven by measurable decreases in the fair value of the depreciable real estate held by the unconsolidated partnerships and joint ventures; and (iv) adjustments for unconsolidated partnerships and joint ventures, calculated to reflect FFO on the same basis. We calculate Nareit FFO in a manner consistent with the Nareit definition.
- Net Debt—We calculate net debt as total debt, excluding discounts, market adjustments, and deferred financing expenses, less cash and cash equivalents.
- Net Debt to Adjusted EBITDA*re*—This ratio is calculated by dividing net debt by Adjusted EBITDA*re* (included on an annualized basis within the calculation). It provides insight into our leverage rate based on earnings and is not impacted by fluctuations in our equity price.
- Net Debt to Total Enterprise Value—This ratio is calculated by dividing net debt by total enterprise value, as defined below. It provides insight into our capital structure and usage of debt.
- NOI—We calculate NOI as total operating revenues, adjusted to exclude non-cash revenue items, less property operating expenses and real estate taxes. NOI provides insight 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).
- Same-Center—We use this term to refer to a property, or portfolio of properties, that have been owned and operational for the entirety of each reporting period (i.e., since January 1, 2021).
- Total Enterprise Value—We calculate total enterprise value as our net debt plus our equity market capitalization on a fully diluted basis.

OVERVIEW

We are a REIT and one of the nation’s largest owners and operators of omni-channel grocery-anchored shopping centers. Our portfolio primarily consists of neighborhood centers anchored by the #1 or #2 grocer tenants by sales within their respective formats by trade area. Our Neighbors are a mix of national, regional, and local retailers that primarily provide necessity-based goods and services.

As of March 31, 2022, we owned equity interests in 290 shopping centers, including 269 wholly-owned shopping centers and 21 shopping centers owned through two unconsolidated joint ventures, which comprised approximately 33.1 million square feet in 31 states. In addition to managing our shopping centers, our third-party investment management business provides comprehensive real estate management services to the Managed Funds.

PORTFOLIO AND LEASING STATISTICS—Below are statistical highlights of our wholly-owned portfolio as of March 31, 2022 and 2021 (dollars and square feet in thousands):

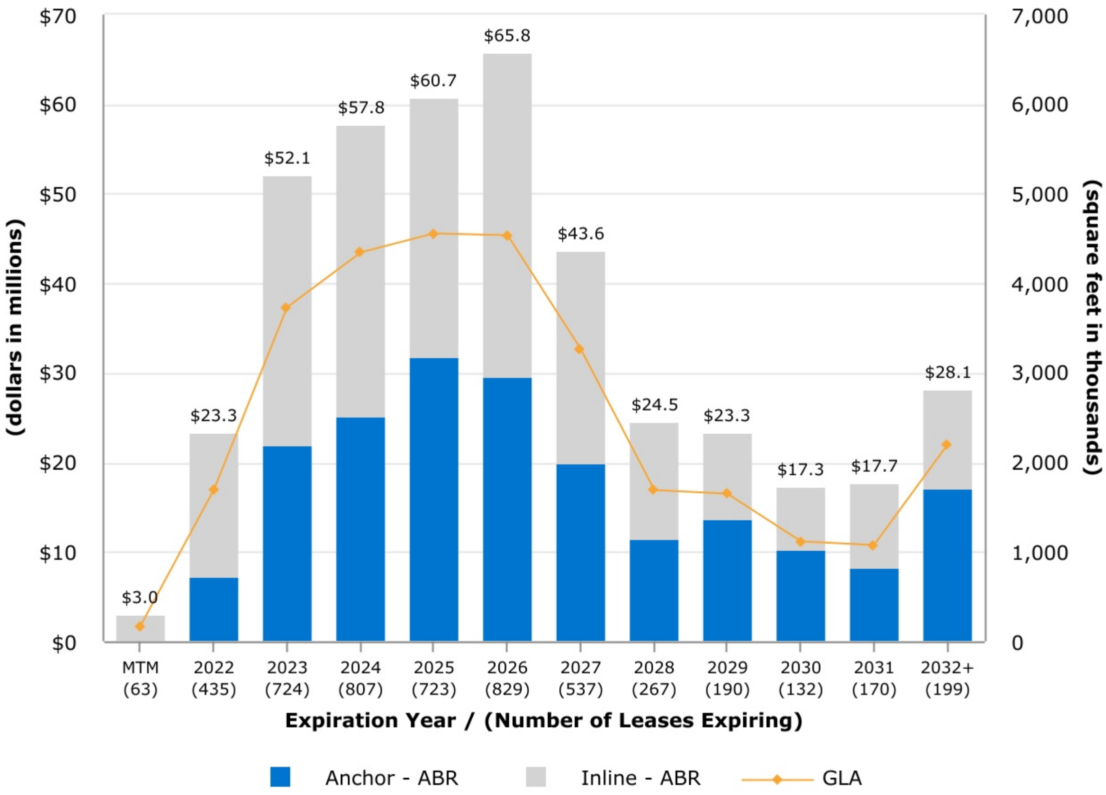
	March 31, 2022	March 31, 2021
Number of properties	269	278
Number of states	31	31
Total square feet	30,813	31,306
ABR	$ 412,518	$ 386,971
% ABR from omni-channel grocery-anchored shopping centers	97.3 %	96.4 %
Leased occupancy %:		
Total portfolio spaces	96.2 %	94.8 %
Anchor spaces	98.1 %	97.3 %
Inline spaces	92.6 %	89.8 %
Average remaining lease term (in years)[1]	4.5	4.6

[1] The average remaining lease term in years excludes future options to extend the term of the lease.

The following table details information for our unconsolidated joint ventures as of March 31, 2022, which is the basis for determining the prorated information included in the subsequent tables (dollars and square feet in thousands):

	March 31, 2022			
Joint Venture	Ownership Percentage	Number of Properties	ABR	GLA
Grocery Retail Partners I	14%	20	$ 30,090	2,210
Necessity Retail Partners	20%	1	2,270	116

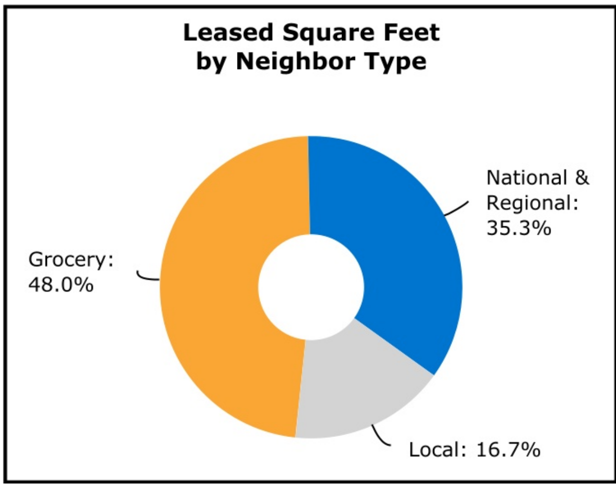
LEASE EXPIRATIONS—The following chart shows the aggregate scheduled lease expirations, excluding our Neighbors who are occupying space on a temporary basis, after March 31, 2022 for each of the next ten years and thereafter for our wholly-owned properties and the prorated portion of those owned through our unconsolidated joint ventures:

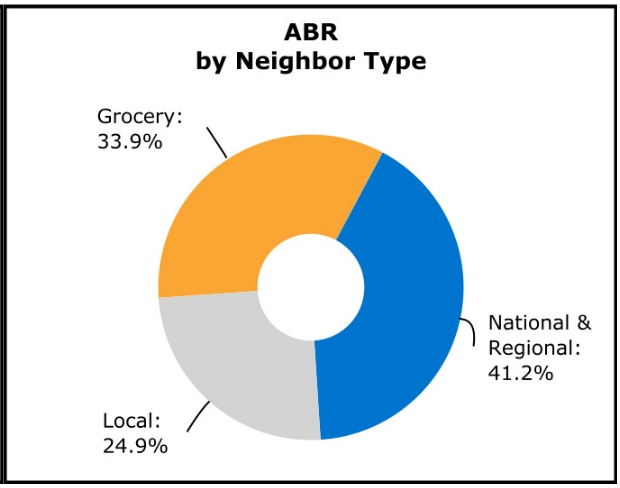


Our ability to create rental rate growth generally depends on our leverage during new and renewal lease negotiations with prospective and existing Neighbors, which typically occurs when occupancy at our centers is high or during periods of economic growth and recovery. Conversely, we may experience rental rate decline when occupancy at our centers is low or during periods of economic recession, as the leverage during new and renewal lease negotiations may shift to prospective and existing Neighbors.

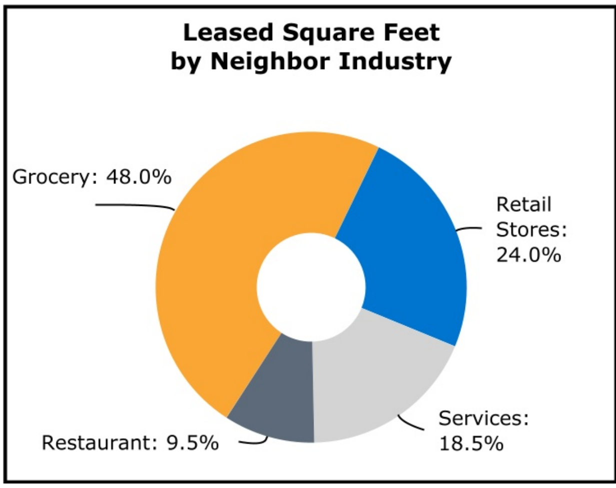
See “Results of Operations - Leasing Activity” below for further discussion of leasing activity.

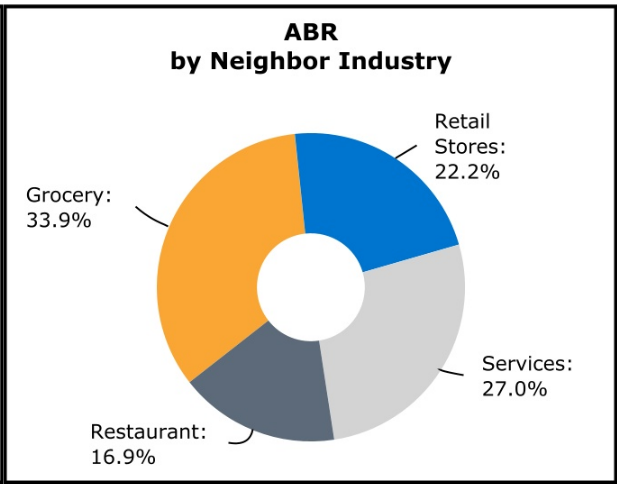
PORTFOLIO TENANCY—We define national Neighbors as those Neighbors that operate in at least three states. Regional Neighbors are defined as those Neighbors that have at least three locations in fewer than three states. The following charts present the composition of our portfolio, including our wholly-owned properties and the prorated portion of those owned through our unconsolidated joint ventures, by Neighbor type as of March 31, 2022:





The following charts present the composition of our portfolio by Neighbor industry as of March 31, 2022:





NECESSITY-BASED GOODS AND SERVICES—We define "Necessity-based goods and services" as goods and services that are indispensable, necessary, or common for day-to-day living, or that tend to be inelastic (i.e., those for which the demand does not change based on a consumer's income level). We estimate that approximately 72% of our ABR, including the pro rata portion attributable to properties owned through our unconsolidated joint ventures, is generated from Neighbors providing necessity-based goods and services.

TOP TWENTY NEIGHBORS—The following table presents our top twenty Neighbors by ABR, including our wholly-owned properties and the prorated portion of those owned through our unconsolidated joint ventures, as of March 31, 2022 (dollars and square feet in thousands):

Neighbor[1]	ABR	% of ABR	Leased Square Feet	% of Leased Square Feet	Number of Locations[2]
Kroger	$ 27,411	6.6 %	3,366	11.2 %	61
Publix	23,621	5.7 %	2,314	7.7 %	57
Albertsons	18,215	4.4 %	1,709	5.7 %	31
Ahold Delhaize	17,662	4.2 %	1,249	4.2 %	23
Walmart	8,933	2.1 %	1,770	5.9 %	13
Giant Eagle	7,732	1.9 %	828	2.8 %	12
Sprouts Farmers Market	6,494	1.6 %	421	1.4 %	14
TJX Companies	5,500	1.3 %	465	1.6 %	16
Raley's	3,884	0.9 %	253	0.8 %	4
Dollar Tree	3,265	0.8 %	329	1.1 %	35
SUPERVALU	3,244	0.8 %	336	1.1 %	5
Subway Group	2,516	0.6 %	99	0.3 %	70
Lowe's	2,469	0.6 %	369	1.3 %	4
Anytime Fitness, Inc.	2,366	0.6 %	150	0.5 %	31
Kohl's Corporation	2,241	0.5 %	365	1.2 %	4
Food 4 Less (PAQ)	2,215	0.5 %	119	0.4 %	2
Save Mart	2,174	0.5 %	258	0.9 %	5
Petco Animal Supplies, Inc.	2,136	0.5 %	127	0.4 %	11
Franchise Group, Inc.	2,084	0.5 %	145	0.5 %	24
United Parcel Service	2,013	0.5 %	79	0.3 %	62
Total	$ 146,175	35.1 %	14,751	49.3 %	484

(1) Neighbors are grouped by parent company and may represent multiple subsidiaries and banners.

(2) Number of locations excludes auxiliary leases with grocery anchors such as fuel stations, pharmacies, and liquor stores. Additionally, in the event that a parent company has multiple subsidiaries or banners in a single shopping center, those subsidiaries are included as one location.

RESULTS OF OPERATIONS

KNOWN TRENDS AND UNCERTAINTIES OF THE COVID-19 PANDEMIC—The COVID-19 pandemic resulted in reduced revenues beginning with the second quarter of 2020 and continued through early 2021. Our collections returned to pre-COVID levels during the second half of 2021 and have continued through the first quarter of 2022. We believe our collections have stabilized, which will reduce volatility in our earnings during 2022 as compared to 2021.

SUMMARY OF OPERATING ACTIVITIES FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021

	Three Months Ended March 31,		Favorable (Unfavorable) Change	
(Dollars in thousands)	2022	2021	$	%[1]
Revenues:				
Rental income	$ 138,748	$ 127,623	$ 11,125	8.7 %
Fees and management income	2,461	2,286	175	7.7 %
Other property income	954	472	482	102.1 %
Total revenues	142,163	130,381	11,782	9.0 %
Operating Expenses:				
Property operating	23,320	22,202	(1,118)	(5.0)%
Real estate taxes	17,491	16,573	(918)	(5.5)%
General and administrative	11,532	9,341	(2,191)	(23.5)%
Depreciation and amortization	57,226	55,341	(1,885)	(3.4)%
Impairment of real estate assets	—	5,000	5,000	NM
Total operating expenses	109,569	108,457	(1,112)	(1.0)%
Other:				
Interest expense, net	(18,199)	(20,063)	1,864	9.3 %
Gain on disposal of property, net	1,368	13,841	(12,473)	(90.1)%
Other expense, net	(4,365)	(15,585)	11,220	72.0 %
Net income	11,398	117	11,281	NM
Net income attributable to noncontrolling interests	(1,319)	(14)	(1,305)	NM
Net income attributable to stockholders	$ 10,079	$ 103	$ 9,976	NM

[1] Line items that result in a percent change that exceed certain limitations are considered not meaningful ("NM") and indicated as such.

Our basis for analyzing significant fluctuations in our results of operations generally includes review of the results of our same-center portfolio, non-same-center portfolio, and revenues and expenses from our management activities. We define our same-center portfolio as the 256 properties that were owned and operational prior to January 1, 2021. We define our non-same-center portfolio as those properties that were not fully owned and operational in both periods owing to real estate asset activity occurring after December 31, 2020, which includes 25 properties disposed of and twelve properties acquired. Below are explanations of the significant fluctuations in the results of operations for the three months ended March 31, 2022 and 2021:

Rental Income increased $11.1 million primarily as follows:

- $8.3 million increase related to our same-center portfolio as follows:
  - $6.0 million increase primarily due to a $0.37 increase in average minimum rent PSF and a 1.3% improvement in average occupancy owing largely to the strength of our leasing results during 2021;
  - $1.7 million increase owing largely to an increase in recoverable income attributed to an increase in real estate taxes and common area maintenance spending, as compared to 2021, as well as a 1.3% improvement in average occupancy; and
  - $0.6 million increase primarily due to the continued stabilization of collections from our Neighbors which resulted in a decrease in Neighbors we have identified as a credit risk and lower general reserves.
- $2.9 million increase primarily related to improving the quality of our portfolio through our acquisition and disposition activity.

Property Operating Expenses:

- The $1.1 million increase in property operating expenses was largely related to our same-center portfolio and corporate operating activities primarily as follows:
  - $0.7 million increase in recoverable expenses attributed to higher common area maintenance costs, as compared to 2021; and
  - $0.5 million increase primarily due to higher insurance expenses attributed to higher market rates and an increase in claims and claim development.

Real Estate Tax Expenses:

- The $0.9 million increase in real estate tax expenses is primarily due to higher real estate tax assessments on the value of our portfolio.

General and Administrative Expenses increased $2.2 million primarily as follows:

- $1.1 million increase in compensation expense owing largely to an increase in performance- and service-based compensation of approximately $0.4 million and $0.3 million, respectively;
- $0.7 million increase primarily due to an increase in directors and officers insurance as a result of our underwritten IPO; and
- $0.3 million increase primarily due to costs related to the conversion of our Class B common stock to common stock and other compliance related expenses owing largely to our common stock being listed on a publicly traded market.

Depreciation and Amortization:

- The $1.9 million increase in depreciation and amortization is primarily due to the execution of our growth strategy and investment in improvements to our Neighbor spaces.

Impairment of Real Estate Assets:

- The $5.0 million decrease in impairment of real estate assets was due to assets that were sold during 2021 at a disposition price that was less than the carrying value.

Interest Expense, Net:

- The $1.9 million decrease during the three months ended March 31, 2022 as compared to the same period in 2021 was primarily due to: (i) early repayments of debt outstanding in 2021; partially offset by (ii) higher average interest rates; and (iii) the issuance of $350 million aggregate principal amount of 2.625% senior notes in October 2021. Interest Expense, Net was comprised of the following (dollars in thousands):

	Three Months Ended March 31,	
	2022	2021
Interest on unsecured term loans and senior notes, net	$ 9,916	$ 10,633
Interest on secured debt	5,531	6,780
Interest on revolving credit facility, net	247	228
Non-cash amortization and other	1,605	1,731
Loss on extinguishment or modification of debt and other, net	900	691
Interest expense, net	$ 18,199	$ 20,063
Weighted-average interest rate as of end of period	3.2 %	3.0 %
Weighted-average term (in years) as of end of period	5.1	3.8

Gain on Disposal of Property, Net:

- The $12.5 million decrease was primarily related to the sale of two properties with a net gain of $1.4 million during the three months ended March 31, 2022, as compared to the sale of six properties and one outparcel with a net gain of $13.8 million during the three months ended March 31, 2021 (see Note 4).

Other Expense, Net:

- The $11.2 million decrease was primarily related to a lower charge in connection with the change in the fair value of our earn-out liability, which was settled in January 2022, partially offset by an increase in transaction and acquisition expenses owing largely to restricted stock units awarded at the time of our underwritten IPO. Other Expense, Net was comprised of the following (in thousands):

	Three Months Ended March 31,	
	2022	2021
Change in fair value of earn-out liability (see Note 12)	$ (1,809)	$ (16,000)
Equity in net (loss) income of unconsolidated joint ventures	(54)	714
Transaction and acquisition expenses	(2,045)	(141)
Federal, state, and local income tax expense	(97)	(166)
Other	(360)	8
Other expense, net	$ (4,365)	$ (15,585)

LEASING ACTIVITY—Below is a summary of leasing activity for our wholly-owned properties for the three months ended March 31, 2022 and 2021[1]:

	Total Deals		Inline Deals	
	2022	2021	2022	2021
New leases:				
Number of leases	92	153	88	147
Square footage (in thousands)	257	467	186	341
ABR (in thousands)	$ 4,941	$ 8,120	$ 4,321	$ 6,605
ABR PSF	$ 19.25	$ 17.39	$ 23.21	$ 19.34
Cost PSF of executing new leases	$ 28.90	$ 29.00	$ 33.40	$ 29.65
Number of comparable leases	34	70	33	70
Comparable rent spread	34.0 %	12.4 %	27.4 %	12.4 %
Weighted-average lease term (in years)	6.8	8.0	7.5	6.2
Renewals and options:				
Number of leases	152	163	146	147
Square footage (in thousands)	519	978	323	312
ABR (in thousands)	$ 9,247	$ 11,472	$ 7,302	$ 7,069
ABR PSF	$ 17.81	$ 11.73	$ 22.60	$ 22.67
ABR PSF prior to renewals	$ 16.02	$ 10.97	$ 19.95	$ 21.02
Percentage increase in ABR PSF	11.2 %	6.9 %	13.3 %	7.8 %
Cost PSF of executing renewals and options[2]	$ 0.63	$ 0.51	$ 0.88	$ 1.58
Number of comparable leases[3]	128	136	126	133
Comparable rent spread[3]	14.7 %	8.0 %	14.5 %	7.9 %
Weighted-average lease term (in years)	4.3	3.9	3.9	4.0
Portfolio retention rate	89.7 %	88.8 %	77.6 %	80.3 %

(1) PSF amounts may not recalculate exactly based on other amounts presented within the table due to rounding.

(2) During the third quarter of 2021, we refined our calculation of cost PSF of executing renewals and options to better align with actual costs incurred. Prior period amounts have been adjusted to reflect costs on the same basis.

(3) Excludes exercise of options.

NON-GAAP MEASURES

See "Key Performance Indicators and Defined Terms" above for additional information related to the following non-GAAP measures.

SAME-CENTER NOI—Same-Center NOI is presented as a supplemental measure of our performance, as it highlights operating trends such as occupancy levels, rental rates, and operating costs for our Same-Center portfolio. Other REITs may use different methodologies for calculating Same-Center NOI, and accordingly, our Same-Center NOI may not be comparable to other REITs. For the three months ended March 31, 2022 and 2021, Same-Center NOI represents the NOI for the 256 properties that were wholly-owned and operational for the entire portion of both comparable reporting periods.

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 properties that could materially impact our results from operations.

The table below presents our Same-Center NOI (dollars in thousands):

	Three Months Ended March 31,		Favorable (Unfavorable)	
	2022	2021	$ Change	% Change
Revenues:				
Rental income[1]	$ 94,626	$ 89,824	$ 4,802	
Tenant recovery income	31,481	30,172	1,309	
Reserves for uncollectibility[2]	(770)	(1,546)	776	
Other property income	747	462	285	
Total revenues	126,084	118,912	7,172	6.0 %
Operating expenses:				
Property operating expenses	19,813	18,751	(1,062)	
Real estate taxes	16,457	16,033	(424)	
Total operating expenses	36,270	34,784	(1,486)	(4.3)%
Total Same-Center NOI	$ 89,814	$ 84,128	$ 5,686	6.8 %

(1) Excludes straight-line rental income, net amortization of above- and below-market leases, and lease buyout income.

(2) Includes billings that will not be recognized as revenue until cash is collected or the Neighbor resumes regular payments and/or we deem it appropriate to resume recording revenue on an accrual basis, rather than on a cash basis.

SAME-CENTER NOI RECONCILIATION—Below is a reconciliation of Net Income to NOI and Same-Center NOI (in thousands):

	Three Months Ended March 31,	
	2022	2021
Net income	$ 11,398	$ 117
Adjusted to exclude:		
Fees and management income	(2,461)	(2,286)
Straight-line rental income[1]	(1,809)	(1,422)
Net amortization of above- and below-market leases	(1,002)	(838)
Lease buyout income	(1,965)	(797)
General and administrative expenses	11,532	9,341
Depreciation and amortization	57,226	55,341
Impairment of real estate assets	—	5,000
Interest expense, net	18,199	20,063
Gain on disposal of property, net	(1,368)	(13,841)
Other expense, net	4,365	15,585
Property operating expenses related to fees and management income	1,070	816
NOI for real estate investments	95,185	87,079
Less: Non-same-center NOI[2]	(5,371)	(2,951)
Total Same-Center NOI	$ 89,814	$ 84,128

(1) Includes straight-line rent adjustments for Neighbors for whom revenue is being recorded on a cash basis.

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

NAREIT FFO AND CORE FFO—Nareit FFO is a non-GAAP financial performance measure that is widely recognized as a measure of REIT operating performance. Core FFO is an additional financial performance measure used by us as Nareit FFO includes certain non-comparable items that affect our performance over time. We believe that Core FFO is helpful in assisting management and investors with assessing the sustainability of our operating performance in future periods.

Nareit FFO, Nareit FFO Attributable to Stockholders and OP Unit Holders, and Core FFO should not be considered alternatives to net income (loss) under GAAP, as an indication of our liquidity, nor as an indication of funds available to cover our cash needs, including our ability to fund distributions. Core FFO may not be a useful measure of the impact of long-term operating performance on value if we do not continue to operate our business plan in the manner currently contemplated.

Accordingly, Nareit FFO, Nareit FFO Attributable to Stockholders and OP Unit Holders, and Core FFO 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 Nareit FFO, Nareit FFO Attributable to Stockholders and OP Unit Holders, and Core FFO, as presented, may not be comparable to amounts calculated by other REITs.

The following table presents our calculation of Nareit FFO Attributable to Stockholders and OP Unit Holders and Core FFO (in thousands, except per share amounts):

	Three Months Ended March 31,	
	2022	2021
Calculation of Nareit FFO Attributable to Stockholders and OP Unit Holders		
Net income	$ 11,398	$ 117
Adjustments:		
Depreciation and amortization of real estate assets	56,320	54,341
Impairment of real estate assets	—	5,000
Gain on disposal of property, net	(1,368)	(13,841)
Adjustments related to unconsolidated joint ventures	705	(637)
Nareit FFO attributable to stockholders and OP unit holders	$ 67,055	$ 44,980
Calculation of Core FFO		
Nareit FFO attributable to stockholders and OP unit holders	$ 67,055	$ 44,980
Adjustments:		
Depreciation and amortization of corporate assets	906	1,000
Change in fair value of earn-out liability	1,809	16,000
Transaction and acquisition expenses	2,045	141
Loss on extinguishment or modification of debt and other, net	900	691
Amortization of unconsolidated joint venture basis differences	44	746
Realized performance income	(196)	—
Core FFO	$ 72,563	$ 63,558
Nareit FFO Attributable to Stockholders and OP Unit Holders/Core FFO per diluted share		
Weighted-average shares of common stock outstanding - diluted[1]	128,503	106,995
Nareit FFO attributable to stockholders and OP unit holders per share - diluted	$ 0.52	$ 0.42
Core FFO per share - diluted	$ 0.56	$ 0.59

[1] Restricted stock awards were dilutive to Nareit FFO Attributable to Stockholders and OP Unit Holders per share and Core FFO per share for the three months ended March 31, 2022 and 2021, and, accordingly, their impact was included in the weighted-average shares of common stock used in their respective per share calculations.

EBITDA*re* and ADJUSTED EBITDA*re*—We use EBITDA*re* and Adjusted EBITDA*re* 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.

EBITDA*re* and Adjusted EBITDA*re* 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, EBITDA*re* and Adjusted EBITDA*re* 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 EBITDA*re* and Adjusted EBITDA*re*, as presented, may not be comparable to amounts calculated by other REITs.

The following table presents our calculation of EBITDA*re* and Adjusted EBITDA*re* (in thousands):

	Three Months Ended March 31,		Year Ended December 31,
	2022	2021	2021
Calculation of EBITDA*re*			
Net income	$ 11,398	$ 117	$ 17,233
Adjustments:			
Depreciation and amortization	57,226	55,341	221,433
Interest expense, net	18,199	20,063	76,371
Gain on disposal of property, net	(1,368)	(13,841)	(30,421)
Impairment of real estate assets	—	5,000	6,754
Federal, state, and local tax expense	97	166	327
Adjustments related to unconsolidated joint ventures	1,019	1,132	1,431
EBITDA*re*	$ 86,571	$ 67,978	$ 293,128
Calculation of Adjusted EBITDA*re*			
EBITDA*re*	$ 86,571	$ 67,978	$ 293,128
Adjustments:			
Change in fair value of earn-out liability	1,809	16,000	30,436
Transaction and acquisition expenses	2,045	141	5,363
Amortization of unconsolidated joint venture basis differences	44	746	1,167
Realized performance income	(196)	—	(675)
Adjusted EBITDA*re*	$ 90,273	$ 84,865	$ 329,419

LIQUIDITY AND CAPITAL RESOURCES

GENERAL—Aside from standard operating expenses, we expect our principal cash demands to be for:

- investments in real estate;
- cash distributions to stockholders;
- redevelopment and repositioning projects;
- capital expenditures and leasing costs; and
- principal and interest payments on our outstanding indebtedness.

We expect our primary sources of liquidity to be:

- operating cash flows;
- proceeds received from the disposition of properties;
- borrowings from our unsecured revolving credit facility and proceeds from debt financings;
- proceeds from any ATM offering activities;
- distributions received from our unconsolidated joint ventures; and
- available, unrestricted cash and cash equivalents.

At this time, we believe our current sources of liquidity are sufficient to meet our short- and long-term cash demands.

IMPACT OF THE UNDERWRITTEN IPO—On July 19, 2021, we closed our underwritten IPO, from which we received gross proceeds of $547.4 million. The underwritten IPO has allowed us access to forms of capital not previously available to us as follows:

- In October 2021, we settled the registered offering of $350 million aggregate principal amount of 2.625% senior notes, which resulted in gross proceeds of $345.4 million.
- In February 2022, we filed an automatically effective shelf registration statement on Form S-3 providing for the public offering and sale, from time to time, by us of our preferred stock, common stock, debt securities, depository shares, warrants, right, units, and guarantees of debt securities and by the Operating Partnership of its debt securities, in each case in unlimited amounts.
- In connection with our February 2022 Form S-3 filing, we commenced the ATM through which we may offer and sell shares of our common stock having an aggregate offering price of up to $250 million. We will continue to evaluate the market for conditions favorable for using the ATM.

DEBT—The following table summarizes information about our debt as of March 31, 2022 and December 31, 2021 (dollars in thousands):

	March 31, 2022	December 31, 2021
Total debt obligations, gross	$ 1,897,567	$ 1,914,082
Weighted-average interest rate	3.2 %	3.3 %
Weighted-average term (in years)	5.1	5.2
Revolving credit facility capacity(1)	$ 500,000	$ 500,000
Revolving credit facility availability(2)	444,947	489,329

(1) The revolving credit facility matures in January 2026 and includes additional options to extend the maturity to January 2027 with its execution being subject to compliance with certain terms included in the loan agreement.

(2) Net of any outstanding balance and letters of credit.

The 2.625% senior notes issued by the Operating Partnership pursuant to an effective registration statement in October 2021 were, and debt securities of the Operating Partnership registered under our automatically effective shelf registration statement on Form S-3 filed in February 2022 will be, fully and unconditionally guaranteed by us. At March 31, 2022, the Operating Partnership had issued and outstanding its 2.625% senior notes. The obligations of the Operating Partnership to pay principal, premiums, if any, and interest on the 2.625% senior notes are fully and unconditionally guaranteed by us on a senior basis. As a result of the amendments to SEC Rule 3-10 of Regulation S-X, subsidiary issuers of obligations guaranteed by the parent are not required to provide separate financial statements, provided that: (i) the subsidiary obligor is consolidated into the parent company's consolidated financial statements; (ii) the parent guarantee is "full and unconditional"; and (iii) subject to certain exceptions as set forth below, the alternative disclosure required by Rule 13-01 of Regulation S-X is provided, which includes narrative disclosure and summarized financial information. We meet the conditions of this requirement and thus, are not presenting separate financial statements. Furthermore, as permitted under Rule 13-01(a)(4)(vi) of Regulation S-X, we have excluded the summarized financial information for the Operating Partnership because the assets, liabilities, and results of operations of the Operating Partnership are not materially different than the corresponding in our consolidated financial statements, and management believes such summarized financial information would be repetitive and would not provide incremental value to investors.

FINANCIAL LEVERAGE RATIOS—We believe our net debt to Adjusted EBITDA*re*, net debt to total enterprise value, and debt covenant compliance as of March 31, 2022 allow us access to future borrowings as needed in the near term. The following table presents our calculation of net debt and total enterprise value, inclusive of our prorated portion of net debt and cash and cash equivalents owned through our unconsolidated joint ventures, as of March 31, 2022 and December 31, 2021 (in thousands):

	March 31, 2022	December 31, 2021
Net debt:		
Total debt, excluding discounts, market adjustments, and deferred financing expenses	$ 1,924,988	$ 1,941,504
Less: Cash and cash equivalents	5,507	93,109
Total net debt	$ 1,919,481	$ 1,848,395
Enterprise value:		
Net debt	$ 1,919,481	$ 1,848,395
Total equity market capitalization(1)(2)	4,414,266	4,182,996
Total enterprise value	$ 6,333,747	$ 6,031,391

(1) Total equity market capitalization is calculated as diluted shares multiplied by the closing market price per share, which includes 128.4 million and 126.6 million diluted shares as of March 31, 2022 and December 31, 2021, respectively, and the closing market price per share of $34.39 and $33.04 as of March 31, 2022 and December 31, 2021, respectively.

(2) Fully diluted shares include common stock and OP units as of March 31, 2022 and Class B common stock, common stock, and OP units as of December 31, 2021.

The following table presents our calculation of net debt to Adjusted EBITDA*re* and net debt to total enterprise value as of March 31, 2022 and December 31, 2021 (dollars in thousands):

	March 31, 2022	December 31, 2021
Net debt to Adjusted EBITDA*re* - annualized:		
Net debt	$ 1,919,481	$ 1,848,395
Adjusted EBITDA*re* - annualized[1]	334,827	329,419
Net debt to Adjusted EBITDA*re* - annualized	5.7x	5.6x
Net debt to total enterprise value:		
Net debt	$ 1,919,481	$ 1,848,395
Total enterprise value	6,333,747	6,031,391
Net debt to total enterprise value	30.3%	30.6%

(1) Adjusted EBITDA*re* is based on a trailing twelve month period. See "Non-GAAP Measures - EBITDA*re* and Adjusted EBITDA*re*" above for a reconciliation to Net Income.

CAPITAL EXPENDITURES AND REDEVELOPMENT ACTIVITY—We make capital expenditures during the course of normal operations, including maintenance capital expenditures and tenant improvements, as well as value-enhancing anchor space repositioning and redevelopment, ground-up outparcel development, and other accretive projects.

During the three months ended March 31, 2022 and 2021, we had capital spend of $18.6 million and $13.5 million, respectively. Below is a summary of our capital spending activity, excluding leasing commissions, on a cash basis (in thousands):

	Three Months Ended March 31,	
	2022	2021
Capital expenditures for real estate:		
Capital improvements	$ 1,797	$ 848
Tenant improvements	7,260	3,741
Redevelopment and development	7,994	8,098
Total capital expenditures for real estate	17,051	12,687
Corporate asset capital expenditures	918	439
Capitalized indirect costs[1]	639	411
Total capital spending activity	$ 18,608	$ 13,537

(1) Amount includes internal salaries and related benefits of personnel who work directly on capital projects as well as capitalized interest expense.

We anticipate that obligations related to capital improvements, as well as redevelopment and development, in 2022 can be met with cash flows from operations, cash flows from dispositions, or borrowings on our unsecured revolving credit facility.

Generally, we expect our development and redevelopment projects to stabilize within 24 months. Our underwritten incremental unlevered yields on development and redevelopment projects are expected to range between 10%-12%. Our current in process projects represent an estimated total investment of $48.3 million. Actual incremental unlevered yields may vary from our underwritten incremental unlevered yield range based on the actual total cost to complete a project and its actual incremental annual NOI at stabilization. See "Key Performance Indicators and Defined Terms" above for further information.

ACQUISITION ACTIVITY—We are actively monitoring the commercial real estate market for properties that have future growth potential, are located in attractive demographic markets, and support our business objectives. We expect to continue to make strategic acquisitions during the remainder of 2022. The following table highlights our property acquisitions (dollars in thousands):

	Three Months Ended March 31,	
	2022	2021
Number of properties acquired	3	2
Number of outparcels acquired[1]	—	2
Contract price	$ 100,400	$ 39,605
Total price of acquisitions[2]	101,440	39,850

(1) Outparcels acquired are adjacent to shopping centers that we own.

(2) Total price of acquisitions includes closing costs and credits.

DISPOSITION ACTIVITY—We continually evaluate our portfolio of assets for opportunities to make strategic dispositions of assets that no longer meet our growth and investment objectives or assets that have stabilized in order to capture their value. The following table highlights our property dispositions (dollars in thousands):

	Three Months Ended March 31,	
	2022	2021
Number of properties sold	2	6
Number of outparcels sold[(1)]	—	1
Contract price	$ 13,325	$ 60,563
Proceeds from sale of real estate, net[(2)]	12,770	58,356
Gain on sale of property, net[(3)]	1,368	14,355

(1) During the three months ended March 31, 2021, the one outparcel sale included the only remaining portion of a property we previously owned; therefore, the sale resulted in a reduction in our total property count.

(2) Total proceeds from sale of real estate, net includes closing costs and credits.

(3) During the three months ended March 31, 2021, Gain on Disposal of Property, Net on the consolidated statements of operations includes miscellaneous write-off activity, which is not included in gain on sale of property, net, presented above.

DISTRIBUTIONS—We paid 2022 monthly distributions of $0.09 per share, or $1.08 annualized, for the months of January, February, March, and April. On May 4, 2022, our Board authorized 2022 distributions for May, June, and July of $0.09 per share to the stockholders of record at the close of business on May 16, 2022, June 15, 2022, and July 15, 2022, respectively. OP unit holders will receive distributions at the same rate as common stockholders, subject to certain withholdings.

To maintain our qualification as a REIT, we must make aggregate annual distributions to our stockholders of at least 90% of our REIT taxable income (which is computed without regard to the dividends paid deduction or net capital gain, and which does not necessarily equal net income or loss as calculated in accordance with GAAP). We generally will not be subject to U.S. federal income tax on the income that we distribute to our stockholders each year due to meeting the REIT qualification requirements. However, we may be subject to certain state and local taxes on our income, property, or net worth and to federal income and excise taxes on our undistributed income.

We have not established a minimum distribution level, and our charter does not require that we make distributions to our stockholders.

CASH FLOW ACTIVITIES—As of March 31, 2022, we had cash and cash equivalents and restricted cash of $17.5 million, a net cash decrease of $98.1 million during the three months ended March 31, 2022.

Below is a summary of our cash flow activity (dollars in thousands):

	Three Months Ended March 31,			
	2022	2021	$ Change	% Change
Net cash provided by operating activities	$ 60,221	$ 48,751	$ 11,470	23.5 %
Net cash (used in) provided by investing activities	(106,497)	4,690	(111,187)	NM
Net cash used in financing activities	(51,784)	(123,125)	71,341	(57.9)%

OPERATING ACTIVITIES—Our net cash provided by operating activities was primarily impacted by the following:

- ***Property operations and working capital***—Most of our operating cash comes from rental and tenant recovery income and is offset by property operating expenses, real estate taxes, and general and administrative costs. The increase in property operations was primarily due to a $5.7 million, or 6.8%, improvement in same center NOI as compared to the same period in 2021, and the execution of our external growth strategy. During the three months ended March 31, 2022, we had a net cash outlay of $11.0 million from changes in working capital as compared to a net cash outlay of $15.3 million during the same period in 2021. This change was primarily driven by the timing of real estate tax payments and higher accrued interest in connection with the registered offering of $350 million aggregate principal amount of 2.625% senior notes, partially offset by higher bonus payments and lower prepaid rent.

- ***Fee and management income***—We also generate operating cash from our third-party investment management business, pursuant to various management and advisory agreements between us and the Managed Funds. Our fee and management income was $2.5 million for the three months ended March 31, 2022, which increased $0.2 million as compared to the same period in 2021.

- ***Cash paid for interest***—During the three months ended March 31, 2022, we paid $14.8 million for interest, a decrease of $4.0 million over the same period in 2021, primarily due to our debt activity in 2021, including early repayments of debt outstanding and lower average interest rates as a result of refinancing activities.

INVESTING ACTIVITIES—Our net cash (used in) provided by investing activities was primarily impacted by the following:

- ***Real estate acquisitions***—During the three months ended March 31, 2022, our acquisitions resulted in a total cash outlay of $101.4 million, as compared to a total cash outlay of $39.9 million during the same period in 2021.

- ***Real estate dispositions***—During the three months ended March 31, 2022, our dispositions resulted in a net cash inflow of $12.8 million, as compared to a net cash inflow of $58.4 million during the same period in 2021.

- ***Capital expenditures***—We invest capital into leasing our properties and maintaining or improving the condition of our properties. During the three months ended March 31, 2022, we paid $18.6 million for capital expenditures, an increase of $5.1 million over the same period in 2021, primarily due to an increase in tenant improvements owing largely to our leasing volume during 2022 and 2021.
- ***Return of investment in unconsolidated joint ventures***—During the three months ended March 31, 2022, we had a return of investment in unconsolidated joint ventures of $0.8 million. During the three months ended March 31, 2021, we had a return of investment in unconsolidated joint ventures of $2.7 million.

FINANCING ACTIVITIES—Our net cash used in financing activities was primarily impacted by the following:

- ***Debt borrowings and payments***—During the three months ended March 31, 2022, we had $16.5 million in net repayment of debt primarily as a result of early repayments of mortgage loans, partially offset by borrowings on our revolving credit facility. During the three months ended March 31, 2021, we had net payments of $16.5 million, primarily as a result of early repayments of mortgage loans.
- ***Distributions to stockholders and OP unit holders***—Cash used for distributions to common stockholders and OP unit holders increased $6.4 million for the three months ended March 31, 2022 as compared to the same period in 2021, primarily due to an increase in shares of common stock outstanding as a result of our underwritten IPO.
- ***Share repurchases***—Cash outflows for share repurchases decreased by $77.8 million for the three months ended March 31, 2022 as compared to the same period in 2021, primarily as a result of a tender offer, which was settled in January 2021.

CRITICAL ACCOUNTING ESTIMATES

“Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Estimates” of our 2021 Annual Report on Form 10-K, filed with the SEC on February 16, 2022, contains a description of our critical accounting estimates, including those relating to the valuation of real estate assets and rental income. There have been no significant changes to our critical accounting policies during 2022.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes from the quantitative and qualitative disclosures about market risk disclosed in “Part II, Item 7A. Quantitative and Qualitative Disclosures about Market Risk” of our 2021 Annual Report on Form 10-K filed with the SEC on February 16, 2022.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Principal Executive Officer and Principal Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of March 31, 2022. Based on that evaluation, our Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) were effective as of March 31, 2022.

Changes in Internal Control over Financial Reporting

During the quarter ended March 31, 2022, there were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

w PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we are party to legal proceedings, which arise in the ordinary course of our business. We are not currently involved in any legal proceedings for which we are not covered by our liability insurance or the outcome is reasonably likely to have a material impact on our results of operations or financial condition, nor are we aware of any such legal proceedings contemplated by governmental authorities.

ITEM 1A. RISK FACTORS

There have been no material changes to our risk factors and other risks and uncertainties as described in “Part I, Item 1A. Risk Factors” of our 2021 Annual Report on Form 10-K filed with the SEC on February 16, 2022.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

UNREGISTERED SALE OF SECURITIES—During the three months ended March 31, 2022, we issued an aggregate of approximately 533,000 shares of common stock in redemption of approximately 533,000 OP units. These shares of common stock were issued in reliance on an exemption from registration under Section 4(a)(2) of the Securities Act of 1933, as amended. We relied on the exemption under Section 4(a)(2) based upon factual representations received from the limited partners who received the shares of common stock.

SHARE REPURCHASES—We do not have a publicly announced repurchase plan in effect. The table below summarizes other repurchases of our common stock made during the three months ended March 31, 2022:

Period	Total Number of Shares Repurchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of a Publicly Announced Plan or Program	Approximate Dollar Value of Shares That May Yet Be Repurchased Under the Program
January 2022[(1)]	28,294	$ 32.91	—	N/A
February 2022	—	—	—	N/A
March 2022[(1)]	1,492	32.02	—	N/A

(1) Represents common shares surrendered to us to satisfy statutory minimum tax withholding obligations associated with the vesting of restricted stock awards under our equity-based compensation plan which were repurchased at an aggregate purchase price of approximately $1.0 million (average price of $32.86 per share).

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

The information set forth below is included herein for purposes of providing the disclosure required under “Item 5.03 - Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year” of Form 8-K.

On May 5, 2022, we filed Articles Supplementary to our charter with the Maryland State Department of Assessments and Taxation in order to reclassify and designate all of the 350,000,000 authorized shares of our Class B common stock, $0.01 par value per share, all of which were unissued at such time, as shares of our common stock, $0.01 par value per share. The foregoing description is not complete and is subject to, and qualified in its entirety by, the complete text of the Articles Supplementary, which is filed as an exhibit to this Quarterly Report on Form 10-Q and incorporated by reference herein.

ITEM 6. EXHIBITS

Ex.		Description	Reference
3.1	*	Fifth Articles of Amendment and Restatement of Phillips Edison & Company, Inc., as amended	
3.2		Fifth Amended and Restated Bylaws of Phillips Edison & Company, Inc.	Form 8-K, filed July 19, 2021, Exhibit 3.1
10.1		Form of Performance LTIP Unit Award Agreement (2022)	Form 8-K, filed March 4, 2022, Exhibit 10.1
10.2		Form of Performance LTIP Unit Award Agreement (2022 - Murphy)	Form 8-K, filed March 4, 2022, Exhibit 10.2
10.3		Form of Time-Based LTIP Unit Award Agreement (2022)	Form 8-K, filed March 4, 2022, Exhibit 10.3
10.4		Form of Time-Based LTIP Unit Award Agreement (2022 - Murphy)	Form 8-K, filed March 4, 2022, Exhibit 10.4
22.1	*	List of Issuers of Guaranteed Securities	
31.1	*	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	
31.2	*	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	
32.1	*	Certification of Principal Executive Officer pursuant to 18 U.S.C. 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002	
32.2	*	Certification of Principal Financial Officer pursuant to 18 U.S.C. 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002	
101.INS		Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	
101.SCH		Inline XBRL Taxonomy Extension Schema Document	
101.CAL		Inline XBRL Taxonomy Extension Calculation Linkbase Document	
101.DEF		Inline XBRL Taxonomy Definition Linkbase Document	
101.LAB		Inline XBRL Taxonomy Extension Label Linkbase Document	
101.PRE		Inline XBRL Taxonomy Extension Presentation Linkbase Document	
104		Cover Page Interactive Data File (formatted as inline XBRL and contained in exhibit 101)	

*Filed herewith

SIGNATURES

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

PHILLIPS EDISON & COMPANY, INC.

Date: May 5, 2022	By:	*/s/ Jeffrey S. Edison* **Jeffrey S. Edison** *Chairman of the Board and Chief Executive Officer (Principal Executive Officer)*
Date: May 5, 2022	By:	*/s/ John P. Caulfield* **John P. Caulfield** *Executive Vice President, Chief Financial Officer, and Treasurer (Principal Financial Officer)*

Exhibit 3.1

FIFTH ARTICLES OF AMENDMENT AND RESTATEMENT

OF
PHILLIPS EDISON & COMPANY, INC.

FIRST: Phillips Edison & Company, Inc., a Maryland corporation, desires to amend and restate its charter as currently in effect and as hereinafter amended.

SECOND: The following provisions are all the provisions of the charter currently in effect and as hereinafter amended:

ARTICLE I
NAME

The name of the corporation is Phillips Edison & Company, Inc. (the "Corporation").

ARTICLE II
PURPOSE

The purposes for which the Corporation is formed are to engage in any lawful act or activity (including, without limitation or obligation, qualifying as a real estate investment trust ("REIT") under Sections 856 through 860, or any successor sections, of the Internal Revenue Code of 1986, as amended (the "Code")), for which corporations may be organized under the Maryland General Corporation Law (the "MGCL") and the general laws of the State of Maryland as now or hereafter in force.

ARTICLE III
PRINCIPAL OFFICE IN STATE AND RESIDENT AGENT

The name and address of the resident agent for service of process of the Corporation in the State of Maryland is The Corporation Trust Incorporated, 2405 York Road Suite 201, Lutherville Timonium, Maryland 21093-2264. The address of the Corporation's principal office in the State of Maryland is c/o The Corporation Trust Incorporated, 2405 York Road Suite 201, Lutherville Timonium, Maryland 21093-2264. The Corporation may have such other offices and places of business within or outside the State of Maryland as the board may from time to time determine.

ARTICLE IV
STOCK

Section 4.1. Authorized Shares. The Corporation has authority to issue 1,010,000,000 shares of stock, consisting of 1,000,000,000 shares of common stock, $0.01 par value per share ("Common Stock"), and 10,000,000 shares of preferred stock, $0.01 par value per share ("Preferred Stock"). The aggregate par value of all authorized shares of stock having par value is $10,100,000. If shares of one class are classified or reclassified into shares of another class pursuant to this Article IV, the number of authorized shares of the former class shall be automatically decreased and the number of shares of the latter class shall be automatically increased, in each case by the number of shares so classified or reclassified, so that the aggregate number of shares of stock of all classes that the Corporation has authority to issue shall not be more than the total number of shares of stock set forth in the first sentence of this paragraph. The board of directors, with the approval of a majority of the directors and without any action by the stockholders of the Corporation, may amend the charter from time to time to increase or decrease the aggregate number of shares of stock or the number of shares of any class or series of stock that the Corporation has the authority to issue.

Section 4.2. Common Stock. Subject to the provisions of Article V and except as may otherwise be specified in the terms of any class or series of Common Stock, each share of Common Stock shall entitle the holder thereof to one vote. The board of directors may reclassify any unissued shares of Common Stock from time to time in one or more classes or series of stock.

Section 4.3. Preferred Stock. The board of directors may classify any unissued shares of Preferred Stock and reclassify any previously classified but unissued shares of Preferred Stock of any series from time to time in one or more series of stock.

Section 4.4. Classified or Reclassified Shares. Prior to the issuance of classified or reclassified shares of any class or series, the board of directors by resolution shall: (a) designate that class or series to distinguish it from all other classes and series of stock of the Corporation; (b) specify the number of shares to be included in the class or series; (c) set or change, subject to the provisions of Article V and subject to the express terms of any class or series of stock of the Corporation outstanding at the time, the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms and conditions of redemption for each class or series; and (d) cause the Corporation to file articles supplementary with the Maryland State Department of Assessments and Taxation. Any of the terms of any class or series of stock set or changed pursuant to clause (c) of this Section 4.4 may be made dependent upon facts or events ascertainable outside the charter (including determinations by the board of directors or other facts or events within the control of the Corporation) and may vary among holders thereof, provided that the manner in which such facts, events or variations shall operate upon the terms of such class or series of stock is clearly and expressly set forth in the articles supplementary filed with the Maryland State Department of Assessments and Taxation.

Section 4.5. Charter and Bylaws. The rights of all stockholders and the terms of all shares of stock are subject to the provisions of the charter and the bylaws.

Section 4.6. No Preemptive Rights. Except as may be provided by the board of directors in setting the terms of classified or reclassified shares of stock pursuant to Section 4.4 or as may otherwise be provided by contract approved by the board of directors, no holder of shares of stock of any class or series shall have any preemptive right to subscribe to or purchase any additional shares of any class or series, or any bonds or convertible securities of any nature.

Section 4.7. Issuance of Shares Without Certificates. Unless otherwise provided by the board of directors, the Corporation shall not issue stock certificates. The Corporation shall continue to treat the holder of uncertificated stock registered on its stock ledger as the owner of the shares noted therein until the new owner delivers a properly executed form provided by the Corporation for that purpose. With respect to any shares of stock that are issued without certificates, information regarding restrictions on the transferability of such shares that would otherwise be required by the MGCL to appear on the stock certificates will instead be furnished to stockholders upon request and without charge.

ARTICLE V
RESTRICTION ON TRANSFER AND OWNERSHIP OF SHARES

Section 5.1. Definitions. As used in this Article V, the following terms shall have the following meanings:

Aggregate Stock Ownership Limit. 9.8% in value of the aggregate of the outstanding shares of Capital Stock. The value of the outstanding shares of Capital Stock shall be determined by the board of directors in good faith, which determination shall be conclusive for all purposes hereof.

Beneficial Ownership. Ownership of Capital Stock by a Person, whether the interest in the shares of Capital Stock is held directly or indirectly (including by a nominee), and shall include interests that would be treated as owned through the application of Section 544 of the Code, as modified by Section 856(h)(1)(B) of the Code (except where expressly provided otherwise). The terms “Beneficial Owner,” “Beneficially Owns,” “Beneficially Owning” and “Beneficially Owned” shall have the correlative meanings.

Business Day. Any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in New York City are authorized or required by law, regulation or executive order to close.

Capital Stock. All classes or series of stock of the Corporation, including, without limitation, Common Stock and Preferred Stock.

Charitable Beneficiary. One or more beneficiaries of the Trust as determined pursuant to Section 5.3.6, provided that each such organization must be described in Section 501(c)(3) of the Code and contributions to each such organization must be eligible for deduction under each of Sections 170(b)(1)(A), 2055 and 2522 of the Code.

Common Stock Ownership Limit. 9.8% (in value or in number of shares, whichever is more restrictive) of the aggregate of the outstanding shares of Common Stock of the Corporation. The number and value of outstanding shares of Common Stock of the Corporation shall be determined by the board of directors in good faith, which determination shall be conclusive for all purposes hereof.

Constructive Ownership. Ownership of Capital Stock by a Person, whether the interest in the shares of Capital Stock is held directly or indirectly (including by a nominee), and shall include interests that would be treated as owned through the application of Section 318(a) of the Code, as modified by Section 856(d)(5) of the Code. The terms “Constructive Owner,” “Constructively Owns,” “Constructively Owning” and “Constructively Owned” shall have the correlative meanings.

Excepted Holder. A stockholder of the Corporation for whom an Excepted Holder Limit is created by the board of directors pursuant to Section 5.2.7.

Excepted Holder Limit. The percentage limit established by the board of directors pursuant to Section 5.2.7 provided that the affected Excepted Holder agrees to comply with the requirements, if any, established by the board of directors pursuant to Section 5.2.7, and subject to adjustment pursuant to Section 5.2.8.

Exchange Act. The Securities Exchange Act of 1934, as amended.

Initial Date. The date upon which shares of Common Stock are first issued in the initial public offering of Common Stock registered on Registration Statement No. 333-164313 on Form S-11.

Market Price. With respect to any class or series of outstanding shares of Capital Stock, the Closing Price for such Capital Stock on such date. The "Closing Price" on any date shall mean the last sale price for such Capital Stock, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, for such Capital Stock, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the principal national securities exchange on which such Capital Stock is listed or admitted to trading or, if such Capital Stock is not listed or admitted to trading on any national securities exchange, the last quoted price, or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by FINRA's OTC Bulletin Board service or, if such system is no longer in use, the principal other automated quotation system that may then be in use or, if such Capital Stock is not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in such Capital Stock selected by the board of directors or, in the event that no trading price is available for such Capital Stock, the fair market value of the Capital Stock, as determined in good faith by the board of directors.

Person. An individual, corporation, association, partnership, limited liability company, estate, trust (including a trust qualified under Sections 401(a) or 501(c)(17) of the Code), a portion of a trust permanently set aside for or to be used exclusively for the purposes described in Section 642(c) of the Code, private foundation within the meaning of Section 509(a) of the Code, joint stock company, or other legal entity and also includes a "group" as that term is used for purposes of Rule 13d-5(b) or Section 13(d)(3) of the Exchange Act, as amended, and a group to which an Excepted Holder Limit applies.

Prohibited Owner. With respect to any purported Transfer, any Person who but for the provisions of Section 5.2.1 would Beneficially Own or Constructively Own shares of Capital Stock and, if appropriate in the context, shall also mean any Person who would have been the record owner of the shares that the Prohibited Owner would have so owned.

Restriction Termination Date. The first day on which the Corporation determines pursuant to Section 6.2 that it is no longer in the best interests of the Corporation to attempt to, or continue to, qualify as a REIT or that compliance with the restrictions and limitations on Beneficial Ownership, Constructive Ownership and Transfers of shares of Capital Stock set forth herein is no longer required in order for the Corporation to qualify as a REIT.

Transfer. Any issuance, sale, transfer, gift, assignment, devise or other disposition, as well as any other event that causes any Person to acquire Beneficial Ownership or Constructive Ownership, of Capital Stock or the right to vote or receive distributions on Capital Stock, or any agreement to take any such actions or cause any such events, including (a) the granting or exercise of any option (or any disposition of any option), (b) any disposition of any securities or rights convertible into or exchangeable for Capital Stock or any interest in Capital Stock or any exercise of any such conversion or exchange right and (c) Transfers of interests in other entities that result in changes in Beneficial Ownership or Constructive Ownership of Capital Stock; in each case, whether voluntary or involuntary, whether owned of record, Constructively Owned or Beneficially Owned and whether by operation of law or otherwise. The terms "Transferring" and "Transferred" shall have the correlative meanings.

Trust. Any trust provided for in Section 5.3.1.

Trustee. The Person unaffiliated with the Corporation and a Prohibited Owner that is appointed by the Corporation to serve as trustee of the Trust.

Section 5.2. Capital Stock.

Section 5.2.1. Ownership Limitations. During the period commencing on the Initial Date and prior to the Restriction Termination Date:

(a) Basic Restrictions.

(i) (1) No Person, other than an Excepted Holder, shall Beneficially Own or Constructively Own shares of Capital Stock in excess of the Aggregate Stock Ownership Limit, (2) no Person, other than an Excepted Holder, shall Beneficially Own or Constructively Own shares of Common Stock in excess of the Common Stock Ownership Limit and (3) no Excepted Holder shall Beneficially Own or Constructively Own shares of Capital Stock in excess of the Excepted Holder Limit for such Excepted Holder.

(ii) No Person shall Beneficially Own or Constructively Own shares of Capital Stock to the extent that such Beneficial Ownership or Constructive Ownership of Capital Stock would result in the Corporation (1) being "closely held" within the meaning of Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year), or (2) otherwise failing to qualify as a REIT; provided, however, that Section 5.2.1(a)(ii)(1) shall not apply any period prior to the second year for which the Corporation has elected to be taxable as a REIT.

(iii) No Person shall Beneficially Own or Constructively Own shares of Capital Stock to the extent that such Beneficial Ownership or Constructive Ownership would cause any income of the Corporation that would otherwise qualify as "rents from real property" for purposes of Section 856(d) of the Code to fail to qualify as such (including, but not limited to, as a result of causing any entity that the Corporation intends to treat as an "eligible independent contractor" within the meaning of Section 856(d)(9)(A) of the Code to fail to qualify as such).

(iv) Any Transfer of shares of Capital Stock that, if effective, would result in the Capital Stock being Beneficially Owned by less than 100 Persons (determined under the principles of Section 856(a)(5) of the Code) shall be void ab initio, and the intended transferee shall acquire no rights in such shares of Capital Stock; provided, however, that (1) this Section 5.2.1(a)(iii) shall not apply to a Transfer of shares of Capital Stock occurring in the Corporation's first taxable year for which a REIT election is made and (2) the board of directors may waive this Section 5.2.1(a)(iii) if, in the opinion of the board of directors, such Transfer would not adversely affect the Corporation's ability to qualify as a REIT.

(b) Transfer in Trust. If any Transfer of shares of Capital Stock occurs that, if effective, would result in any Person Beneficially Owning or Constructively Owning shares of Capital Stock in violation of Section 5.2.1(a)(i) or Section 5.2.1(a)(ii),

(i) then that number of shares of Capital Stock the Beneficial Ownership or Constructive Ownership of which otherwise would cause such Person to violate Section 5.2.1(a)(i) or Section 5.2.1(a)(ii) (rounded to the nearest whole share) shall be automatically transferred to a Trust for the benefit of a Charitable Beneficiary, as described in Section 5.3, effective as of the close of business on the Business Day prior to the date of such Transfer and such Person shall acquire no rights in such shares; provided, however,

(ii) if the transfer to the Trust described in clause (i) of this sentence would not be effective for any reason to prevent the violation of Section 5.2.1(a)(i) or Section 5.2.1(a)(ii), then the Transfer of that number of shares of Capital Stock that otherwise would cause any Person to violate Section 5.2.1(a)(i) or Section 5.2.1(a)(ii) shall be void ab initio and the intended transferee shall acquire no rights in such shares of Capital Stock.

Section 5.2.2. Remedies for Breach. If the board of directors shall at any time determine in good faith that a Transfer or other event has taken place that results in a violation of Section 5.2.1(a) or that a Person intends to acquire or has attempted to acquire Beneficial Ownership or Constructive Ownership of any shares of Capital Stock in violation of Section 5.2.1(a) (whether or not such violation is intended), the board of directors or a committee thereof shall take such action as it deems advisable to refuse to give effect to or to prevent such Transfer or other event, including, without limitation, causing the Corporation to redeem shares, refusing to give effect to such Transfer on the books of the Corporation or instituting proceedings to enjoin such Transfer or other event; provided, however, that any Transfers or attempted Transfers or other events in violation of Section 5.2.1(a) shall automatically result in the transfer to the Trust described above and, where applicable, such Transfer (or other event) shall be void ab initio as provided above irrespective of any action (or non-action) by the board of directors.

Section 5.2.3. Notice of Restricted Transfer. Any Person who acquires or attempts or intends to acquire Beneficial Ownership or Constructive Ownership of shares of Capital Stock that will or may violate Section 5.2.1(a) or any Person who would have owned shares of Capital Stock that resulted in a transfer to the Trust pursuant to the provisions of Section 5.2.1(b) shall immediately give written notice to the Corporation of such event or, in the case of such a proposed or attempted transaction, give at least 15 days prior written notice and shall provide to the Corporation such other information as the Corporation may request in order to determine the effect, if any, of such Transfer on the Corporation's status as a REIT.

Section 5.2.4. Owners Required to Provide Information. Prior to the Restriction Termination Date:

(a) every owner of 5% or more (or such higher percentage as required by the Code or the Treasury Regulations promulgated thereunder) of the outstanding shares of Capital Stock, within 30 days after the end of each taxable year, shall give written notice to the Corporation stating the name and address of such owner, the number of shares of Capital Stock and other shares of the Capital Stock Beneficially Owned and a description of the manner in which such shares are held. Each such owner shall provide to the Corporation such additional information as the Corporation may request in order to determine the effect, if any, of such Beneficial Ownership on the Corporation's status as a REIT and to ensure compliance with the Aggregate Stock Ownership Limit.

(b) each Person who is a Beneficial Owner or Constructive Owner of Capital Stock and each Person (including the stockholder of record) who is holding Capital Stock for a Beneficial Owner or Constructive Owner shall provide to the Corporation such information as the Corporation may request, in good faith, in order to determine the Corporation's status as a REIT and to comply with requirements of any taxing authority or governmental authority or to determine such compliance.

Section 5.2.5. Remedies Not Limited. Subject to Section 6.2, nothing contained in this Section 5.2 shall limit the authority of the board of directors to take such other action as it deems necessary or advisable to protect the Corporation and the interests of its stockholders in preserving the Corporation's status as a REIT.

Section 5.2.6. Ambiguity. In the case of an ambiguity in the application of any of the provisions of this Section 5.2, Section 5.3 or any definition contained in Section 5.1, the board of directors shall have the power to determine the application of the provisions of this Section 5.2 or Section 5.3 with respect to any situation based on the facts known to it. In the event Section 5.2 or Section 5.3 requires an action by the board of directors and the charter fails to provide specific guidance with respect to such action, the board of directors shall have the power to determine the action to be taken so long as such action is not contrary to the provisions of Sections 5.1, 5.2 or 5.3.

Section 5.2.7. Exceptions.

(a) Subject to Section 5.2.1(a)(ii), the board of directors, in its sole discretion, may exempt (prospectively or retroactively) a Person from the Aggregate Stock Ownership Limit and the Common Stock Ownership Limit, as the case may be, and may establish or increase an Excepted Holder Limit for such Person. The board of directors may determine only to establish or increase an Excepted Holder Limit for such Person if:

(i) the board of directors obtains such representations and undertakings from such Person as are reasonably necessary to ascertain that no Person's Beneficial Ownership or Constructive Ownership of such shares of Capital Stock will violate Section 5.2.1(a)(ii);

(ii) such Person does not and represents that it will not own, actually or Constructively, an interest in a tenant of the Corporation (or a tenant of any entity owned or controlled by the Corporation) that would cause the Corporation to own, actually or Constructively, an interest in such tenant that would cause any income of the Corporation that would otherwise qualify as "rents from real property" for purposes of Section 856(d) of the Code to fail to qualify as such and the board of directors obtains such representations and undertakings from such Person as are reasonably necessary to ascertain this fact (for this purpose, a tenant from whom the Corporation (or an entity owned or controlled by the Corporation) derives (and is expected to continue to derive) a sufficiently small amount of revenue such that, in the opinion of the board of directors, rent from such tenant would not adversely affect the Corporation's ability to qualify as a REIT shall not be treated as a tenant of the Corporation); and

(iii) such Person agrees that any violation or attempted violation of such representations or undertakings (or other action which is contrary to the restrictions contained in Sections 5.2.1 through 5.2.6) will result in such shares of Capital Stock being automatically transferred to a Trust in accordance with Section 5.2.1(b) and Section 5.3.

(b) Prior to granting any exception pursuant to Section 5.2.7(a), the board of directors may require a ruling from the Internal Revenue Service or an opinion of counsel, in either case, in form and substance satisfactory to the board of directors in its sole discretion, as it may deem necessary or advisable in order to determine or ensure the Corporation's status as a REIT. Notwithstanding the receipt of any ruling or opinion, the board of directors may impose such conditions or restrictions as it deems appropriate in connection with granting such exception.

(c) Subject to Section 5.2.1(a)(ii), an underwriter which participates in a public offering or a private placement of Capital Stock (or securities convertible into or exchangeable for Capital Stock) may Beneficially Own or Constructively Own shares of Capital Stock (or securities convertible into or exchangeable for Capital Stock) in excess of the Aggregate Stock Ownership Limit, the Common Stock Ownership Limit or both such limits, but only to the extent necessary to facilitate such public offering or private placement.

(d) The board of directors may only reduce the Excepted Holder Limit for an Excepted Holder: (i) with the written consent of such Excepted Holder at any time or (ii) pursuant to the terms and conditions of the agreements and undertakings entered into with such Excepted Holder in connection with the establishment of the Excepted Holder Limit for that Excepted Holder. No Excepted Holder Limit shall be reduced to a percentage that is less than the Common Stock Ownership Limit.

Section 5.2.8. Increase or Decrease in Aggregate Stock Ownership Limit and Common Stock Ownership Limit. Subject to Section 5.2.1(a)(ii), the board of directors may from time to time increase the Common Stock Ownership Limit and the Aggregate Stock Ownership Limit for one or more Persons and decrease the Common Stock Ownership Limit and the Aggregate Stock Ownership Limit for all other Persons; provided, however, that the decreased Common Stock Ownership Limit and/or Aggregate Stock Ownership Limit will not be effective for any Person whose percentage ownership in shares of Capital Stock is in excess of such decreased Common Stock Ownership Limit and/or Aggregate Stock Ownership Limit until such time as such Person's percentage of shares of Capital Stock equals or falls below the decreased Common Stock Ownership Limit and/or Aggregate Stock Ownership Limit, but any further acquisition of shares of Capital Stock in excess of such percentage ownership of shares of Capital Stock will be in violation of the Common Stock Ownership Limit and/or Aggregate Stock Ownership Limit and, provided further, that the new Common Stock Ownership Limit and/or Aggregate Stock Ownership Limit would not allow five or fewer Persons to Beneficially Own more than 49.9% in value of the outstanding shares of Capital Stock.

Section 5.2.9. Legend. Should the Corporation issue stock certificates, each certificate for shares of Capital Stock shall bear substantially the following legend:

The shares represented by this certificate are subject to restrictions on Beneficial Ownership, Constructive Ownership and Transfer for the purpose of the Corporation's maintenance of its status as a real estate investment trust (a "REIT") under the Internal Revenue Code of 1986, as amended (the "Code"). Subject to certain further restrictions and except as expressly provided in the Corporation's charter: (a) no Person may Beneficially Own or Constructively Own shares of the Corporation's Common Stock in excess of 9.8% (in value or number of shares) of the outstanding shares of Common Stock of the Corporation unless such Person is an Excepted Holder (in which case the Excepted Holder Limit for such Excepted Holder shall be applicable); (b) no Person may Beneficially Own or Constructively Own shares of Capital Stock of the Corporation in excess of 9.8% of the value of the total outstanding shares of Capital Stock of the Corporation, unless such Person is an Excepted Holder (in which case the Excepted Holder Limit for such Excepted Holder shall be applicable); (c) no Person may Beneficially Own or Constructively Own Capital Stock that would result in the Corporation being "closely held" under Section 856(h) of the Code or otherwise cause the Corporation to fail to qualify as a REIT; (d) no Person may Beneficially Own or Constructively Own shares of Capital Stock that would cause any income of the Corporation that would otherwise qualify as "rents from real property" for purposes of Section 856(d) of the Code to fail to qualify as such (including, but not limited to, as a result of causing any entity that the Corporation intends to treat as an "eligible independent contractor" within the meaning of Section 856(d)(9)(A) of the Code to fail to qualify as such); and (e) other than as provided in the Corporation's charter, no Person may Transfer shares of Capital Stock if such Transfer would result in the Capital Stock of the Corporation being owned by fewer than 100 Persons. Any Person who Beneficially Owns or Constructively Owns or attempts to Beneficially Own or Constructively Own shares of Capital Stock that causes or will cause a Person to Beneficially Own or Constructively Own shares of Capital Stock in excess or in violation of the above limitations must immediately notify the Corporation or, in the case of a proposed or attempted transaction, give at least 15 days prior written notice and provide to the Corporation such other information as the Corporation may request in order to determine the effect, if any, of such Transfer on the Corporation's status as a REIT. If any of the restrictions on Transfer or ownership are violated, the shares of Capital Stock represented hereby will be automatically transferred to a Trustee of a Trust for the benefit of one or more Charitable Beneficiaries or, upon the occurrence of certain events, attempted Transfers in violation of the restrictions described above may be void <u>ab initio</u>. In addition, the Corporation may redeem shares of Capital Stock upon the terms and conditions specified by the board of directors in its sole discretion if the board of directors determines that ownership or a Transfer or other event may violate the restrictions described above.

All capitalized terms in this legend have the meanings defined in the charter of the Corporation, as the same may be amended from time to time, a copy of which, including the restrictions on Transfer and ownership, will be furnished to each holder of Capital Stock of the Corporation on request and without charge.

Instead of the foregoing legend, the certificate may state that the Corporation will furnish a full statement about certain restrictions on transferability to a stockholder on request and without charge. Such statement shall also be sent on request and without charge to stockholders who are issued shares without a certificate.

Section 5.3. <u>Transfer of Capital Stock in Trust</u>.

Section 5.3.1. <u>Ownership in Trust</u>. Upon any purported Transfer or other event described in Section 5.2.1(b) that would result in a transfer of shares of Capital Stock to a Trust, such shares of Capital Stock shall be deemed to have been transferred to the Trustee as trustee of a Trust for the exclusive benefit of one or more Charitable Beneficiaries. Such transfer to the Trustee shall be deemed to be effective as of the close of business on the Business Day prior to the purported Transfer or other event that results in the transfer to the Trust pursuant to Section 5.2.1(b). The Trustee shall be appointed by the Corporation and shall be a Person unaffiliated with the Corporation and any Prohibited Owner. Each Charitable Beneficiary shall be designated by the Corporation as provided in Section 5.3.6.

Section 5.3.2. <u>Status of Shares Held by the Trustee</u>. Shares of Capital Stock held by the Trustee shall be issued and outstanding shares of Capital Stock of the Corporation. The Prohibited Owner shall have no rights in the shares held by the Trustee. The Prohibited Owner shall not benefit economically from ownership of any shares held in trust by the Trustee and shall have no rights to dividends or other distributions attributable to the shares held in the Trust.

Section 5.3.3. <u>Distributions and Voting Rights</u>. The Trustee shall have all voting rights and rights to distributions with respect to shares of Capital Stock held in the Trust, which rights shall be exercised for the exclusive benefit of the Charitable Beneficiary. Any distribution paid prior to the discovery by the Corporation that the shares of Capital Stock have been transferred to the Trustee shall be paid by the recipient of such distribution to the Trustee upon demand, and any distribution authorized but unpaid shall be paid when due to the Trustee. Any distribution so paid to the Trustee shall be held in trust for the Charitable Beneficiary. The Prohibited Owner shall have no voting rights with respect to shares held in the Trust, and, subject to Maryland law, effective as of the date that the shares of Capital Stock have been transferred to the Trustee, the Trustee shall have the authority with respect to the shares held in the Trust (at the Trustee's sole discretion) (a) to rescind as void any vote cast by a Prohibited Owner prior to the discovery by the Corporation that the shares of Capital Stock have been transferred to the Trustee and (b) to recast such vote in accordance with the desires of the Trustee acting for the benefit of the Charitable Beneficiary; provided, however, that if the Corporation has already taken irreversible corporate action, then the Trustee shall not have the authority to rescind and recast such vote. Notwithstanding the provisions of this Article V, until the Corporation has received notification that shares of Capital Stock have been transferred into a Trust, the Corporation shall be entitled to rely on its share transfer and other stockholder records for purposes of preparing lists of stockholders entitled to vote at meetings, determining the validity and authority of proxies and otherwise conducting votes of stockholders.

Section 5.3.4. Sale of Shares by Trustee. Within 20 days of receiving notice from the Corporation that shares of Capital Stock have been transferred to the Trust, the Trustee of the Trust shall sell the shares held in the Trust to a Person, designated by the Trustee, whose ownership of the shares will not violate the ownership limitations set forth in Section 5.2.1(a). Upon such sale, the interest of the Charitable Beneficiary in the shares sold shall terminate and the Trustee shall distribute the net proceeds of the sale to the Prohibited Owner and to the Charitable Beneficiary as provided in this Section 5.3.4. The Prohibited Owner shall receive the lesser of (a) the price paid by the Prohibited Owner for the shares or, if the Prohibited Owner did not give value for the shares in connection with the event causing the shares to be held in the Trust (*e.g.*, in the case of a gift, devise or other such transaction), the Market Price of the shares on the day of the event causing the shares to be held in the Trust or (b) the price per share received by the Trustee from the sale or other disposition of the shares held in the Trust. The Trustee may reduce the amount payable to the Prohibited Owner by the amount of distributions which have been paid to the Prohibited Owner and are owed by the Prohibited Owner to the Trustee pursuant to Section 5.3.3 of this Article V. Any net sale proceeds in excess of the amount payable to the Prohibited Owner shall be immediately paid to the Charitable Beneficiary. If, prior to the discovery by the Corporation that shares of Capital Stock have been transferred to the Trustee, such shares are sold by a Prohibited Owner, then (i) such shares shall be deemed to have been sold on behalf of the Trust and (ii) to the extent that the Prohibited Owner received an amount for such shares that exceeds the amount that such Prohibited Owner was entitled to receive pursuant to this Section 5.3.4, such excess shall be paid to the Trustee upon demand.

Section 5.3.5. Purchase Right in Stock Transferred to the Trustee. Shares of Capital Stock transferred to the Trustee shall be deemed to have been offered for sale to the Corporation, or its designee, at a price per share equal to the lesser of (a) the price per share in the transaction that resulted in such transfer to the Trust (or, in the case of a devise or gift, the Market Price at the time of such devise or gift) or (b) the Market Price on the date the Corporation, or its designee, accepts such offer. The Corporation shall have the right to accept such offer until the Trustee has sold the shares held in the Trust pursuant to Section 5.3.4. Upon such a sale to the Corporation, the interest of the Charitable Beneficiary in the shares sold shall terminate and the Trustee shall distribute the net proceeds of the sale to the Prohibited Owner. The Corporation may reduce the amount payable to the Prohibited Owner by the amount of distributions which have been paid to the Prohibited Owner and are owed by the Prohibited Owner to the Trustee pursuant to Section 5.3.3 of this Article V. The Corporation may pay the amount of such reduction to the Trustee for the benefit of the Charitable Beneficiary.

Section 5.3.6. Designation of Charitable Beneficiaries. By written notice to the Trustee, the Corporation shall designate one or more nonprofit organizations to be the Charitable Beneficiary of the interest in the Trust such that (a) the shares of Capital Stock held in the Trust would not violate the restrictions set forth in Section 5.2.1(a) in the hands of such Charitable Beneficiary and (b) each such organization must be described in Section 501(c)(3) of the Code and contributions to each such organization must be eligible for deduction under each of Sections 170(b)(1)(A), 2055 and 2522 of the Code.

Section 5.4. Settlement. Nothing in this Article V shall preclude the settlement of any transaction entered into through the facilities of any national securities exchange or automated inter-dealer quotation system. The fact that the settlement of any transaction is so permitted shall not negate the effect of any other provision of this Article V and any transferee in such a transaction shall be subject to all of the provisions and limitations set forth in this Article V.

Section 5.5. Enforcement. The Corporation is authorized specifically to seek equitable relief, including injunctive relief, to enforce the provisions of this Article V.

Section 5.6. Non-Waiver. No delay or failure on the part of the Corporation or the board of directors in exercising any right hereunder shall operate as a waiver of any right of the Corporation or the board of directors, as the case may be, except to the extent specifically waived in writing.

Section 5.7. Tender Offers. If any Person makes a tender offer, including, without limitation, a "mini-tender" offer, such Person must comply with all of the provisions set forth in Regulation 14D of the Securities Exchange Act, including, without limitation, disclosure and notice requirements, which would be applicable if the tender offer was for more than 5% of the outstanding securities of the Corporation, provided, however, that such documents are not required to be filed with the Securities and Exchange Commission. In addition, any such Person must provide notice to the Corporation at least 10 Business Days prior to initiating any such tender offer. If any Person initiates a tender offer without complying with the provisions set forth above (a "Non-Compliant Tender Offer"), the Corporation, in its sole discretion, shall have the right to redeem such non-compliant Person's shares of Capital Stock and any shares of Capital Stock acquired in such tender offer (collectively, the "Tendered Shares") at the lesser of (i) with respect to Common Stock, the price then being paid per share of Common Stock purchased in the Corporation's latest offering of Common Stock at full purchase price (not discounted for commission reductions nor for reductions in sale price permitted pursuant to the distribution reinvestment plan), (ii) the fair market value of the shares as determined by an independent valuation obtained by the Corporation or (iii) the lowest tender offer price offered in such Non-Compliant Tender Offer. The Corporation may purchase such Tendered Shares upon delivery of the purchase price to the Person initiating such Non-Compliant Tender Offer, and, upon such delivery, the Corporation may instruct any transfer agent to transfer such purchased shares to the Corporation. In addition, any Person who makes a Non-Compliant Tender Offer shall be responsible for all expenses incurred by the Corporation in connection with the enforcement of the provisions of this Section 5.7, including, without limitation, expenses incurred in connection with the review of all documents related to such tender offer and expenses incurred in connection with any purchase of Tendered Shares by the Corporation. The Corporation maintains the right to offset any such expenses against the dollar amount to be paid by the Corporation for the purchase of Tendered Shares pursuant to this Section 5.7. In addition to the remedies provided herein, the Corporation may seek injunctive relief, including, without limitation, a temporary or permanent restraining order, in connection with any Non-Compliant Tender Offer. This Section 5.7 shall be of no force or effect with respect to Capital Stock that is then admitted for trading on any securities exchange registered as a national securities exchange under Section 6 of the Exchange Act.

ARTICLE VI
PROVISIONS FOR DEFINING, LIMITING AND REGULATING CERTAIN POWERS OF THE CORPORATION AND OF THE STOCKHOLDERS AND DIRECTORS

Section 6.1. Number of Directors. The number of directors of the Corporation may be increased or decreased from time to time pursuant to the bylaws but shall never be less than three (3) or more than fifteen (15). So long as a class of the Corporation's stock is listed for trading on a national securities exchange, a majority of directors shall be "independent" in accordance with the rules and regulations of such exchange. If a class of the Corporation's stock is not listed for trading on a national securities exchange, a majority of the directors shall be independent in accordance with the rules and regulations of the New York Stock Exchange.

Section 6.2. REIT Qualification. If the Corporation elects to qualify for federal income tax treatment as a REIT, the board of directors shall use its reasonable best efforts to take such actions as are necessary or appropriate to preserve the status of the Corporation as a REIT; however, if the board of directors determines that it is no longer in the best interests of the Corporation to continue to be qualified as a REIT, the board of directors may revoke or otherwise terminate the Corporation's REIT election pursuant to Section 856(g) of the Code. The board of directors also may determine that compliance with any restriction or limitation on ownership and transfers of Capital Stock set forth in Article V is no longer required for REIT qualification.

Section 6.3 Authorization by Board of Stock Issuance. The board of directors may authorize the issuance from time to time of shares of Capital Stock of any class or series, whether now or hereafter authorized, or securities or rights convertible into shares of Capital Stock of any class or series, whether now or hereafter authorized, for such consideration as the board of directors may deem advisable (or without consideration in the case of a stock split or stock dividend), subject to such restrictions or limitations, if any, as may be set forth in the charter or the bylaws.

Section 6.4. Determinations by the Board. The determination as to any of the following matters, made in good faith by or pursuant to the direction of the board of directors consistent with this charter or any shares of Capital Stock, shall be final and conclusive and shall be binding upon the Corporation and every holder of shares of its Capital Stock: (a) the amount of the net income of the Corporation for any period and the amount of assets at any time legally available for the payment of dividends, redemption of its Capital Stock or the payment of other distributions on its Capital Stock; (b) the amount of paid-in surplus, net assets, other surplus, annual or other cash flow, funds from operations, net profit, net assets in excess of capital, undivided profits or excess of profits over losses on sales of assets; (c) the amount, purpose, time of creation, increase or decrease, alteration or cancellation of any reserves or charges and the propriety thereof (whether or not any obligation or liability for which such reserves or charges shall have been created shall have been paid or discharged); (d) the fair value, or any sale, bid or asked price to be applied in determining the fair value, of any asset owned or held by the Corporation or any shares of Capital Stock; (e) any matters relating to the acquisition, holding and disposition of any assets by the Corporation; (f) any interpretation of the terms, preferences, conversion or other rights, voting powers or rights, restrictions, limitations as to dividends or other distributions, qualifications or terms or conditions of redemption of any class or series of shares of Capital Stock; (g) the number of shares of Capital Stock of any class or series of the Corporation; or (h) any other matter relating to the business and affairs of the Corporation or required or permitted by applicable law, the charter or bylaws or otherwise to be determined by the board of directors; provided, however, that any determination by the board of directors as to any of the preceding matters shall not render invalid or improper any action taken or omitted prior to such determination and no director shall be liable for making or failing to make such a determination.

Section 6.5. Tax on Disqualified Organizations. To the extent that the Corporation incurs any tax pursuant to Section 860E(e)(6) of the Code as the result of any "excess inclusion" income (within the meaning of Section 860E of the Code) of the Corporation that is allocable to a stockholder that is a "disqualified organization" (as defined in Section 860E(e)(5) of the Code), the board of directors may, in its sole discretion, cause the Corporation to allocate such tax solely to the stock held by such disqualified organization in the manner described in Treasury Regulation Section 1.860E-2(b)(4), by reducing from one or more distributions paid to such stockholder the tax incurred by the Corporation pursuant to Section 860E(e)(6) as a result of such stockholder's stock ownership.

Section 6.6. Indemnification. The Corporation shall indemnify, to the fullest extent permitted by Maryland law, as applicable from time to time, its present and former directors and officers, whether serving or having served, the Corporation or at its request any other entity, for any threatened, pending or completed action, suit or proceeding (whether civil, criminal, administrative or investigative) relating to any action alleged to have been taken or omitted in such capacity as a director or officer. The Corporation shall pay or reimburse all reasonable expenses incurred by a present or former director or officer, whether serving or having served, the Corporation or at its request any other entity, in connection with any threatened, pending or completed action, suit or proceeding (whether civil, criminal, administrative or investigative) in which the present or former director or officer is a party, in advance of the final disposition of the proceeding, to the fullest extent permitted by, and in accordance with the applicable requirements of, Maryland law, as applicable from time to time. The Corporation may indemnify any other persons, including a person who served a predecessor of the Corporation as an officer or director, permitted to be indemnified by Maryland law as applicable from time to time, if and to the extent indemnification is authorized and determined to be appropriate, in each case in accordance with applicable law. No amendment of the charter of the Corporation or repeal of any of its provisions shall limit or eliminate any of the benefits provided to directors and officers under this Section 6.6 in respect of any act or omission that occurred prior to such amendment or repeal.

Section 6.7. Extraordinary Actions. Notwithstanding any provision of law permitting or requiring any action to be taken or approved by the affirmative vote of the holders of shares entitled to cast a greater number of votes, any such action shall be effective and valid if taken or approved by the affirmative vote of holders of shares entitled to cast a majority of all the votes entitled to be cast on the matter.

Section 6.8. Rights of Objecting Stockholders. Holders of shares of Capital Stock shall not be entitled to exercise any rights of an objecting stockholder provided for under Title 3, Subtitle 2 of the MGCL unless the board, upon the affirmative vote of a majority of the entire board, shall determine that such rights shall apply, with respect to all or any classes or series of Capital Stock, to a particular transaction or all transactions occurring after the date of such determination in connection with which holders of such shares of Capital Stock would otherwise be entitled to exercise such rights.

Section 6.9. Limitation of Director and Officer Liability. To the maximum extent that Maryland law in effect from time to time permits limitation of the liability of directors and officers of a corporation, no director or officer of the Corporation shall be liable to the Corporation or its stockholders for money damages. Neither the amendment nor repeal of this Section 6.10, nor the adoption or amendment of any other provision of the charter or bylaws inconsistent with this Section 6.10, shall apply to or affect in any respect the applicability of the preceding sentence with respect to any act or failure to act that occurred prior to such amendment, repeal or adoption.

ARTICLE VII
AMENDMENT

The Corporation reserves the right from time to time to make any amendment to the charter, now or hereafter authorized by law, including any amendment altering the terms or contract rights, as expressly set forth in the charter, of any shares of outstanding Capital Stock.

ARTICLE VIII
GOVERNING LAW

The rights of all parties and the validity, construction and effect of every provision hereof shall be subject to and construed according to the laws of the State of Maryland without regard to conflicts of laws provisions thereof.

THIRD: The amendment and restatement of the charter of the Corporation as hereinabove set forth has been duly advised and approved by a majority of the entire board of directors and approved by the stockholders of the Corporation as required by law.

FOURTH: The current address of the principal office of the Corporation is as set forth in Article III of the foregoing amendment and restatement of the charter.

FIFTH: The name and address of the Corporation's current resident agent are as set forth in Article III of the foregoing amendment and restatement of the charter.

SIXTH: The number of directors of the Corporation and the names of those currently in office are as set forth in Section 6.1 of the foregoing amendment and restatement of the charter.

SEVENTH: The undersigned officer acknowledges the foregoing amendment and restatement of the charter to be the corporate act of the Corporation and as to all matters and facts required to be verified under oath, the undersigned officer acknowledges that to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties of perjury.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Phillips Edison & Company, Inc., has caused the foregoing amendment and restatement of the charter to be signed in its name and on its behalf by its Chief Executive Officer and attested to by its Secretary on this 4th day of August 2020.

ATTEST:

PHILLIPS EDISON & COMPANY, INC.

By: /s/ Tanya E. Brady
Name: Tanya E. Brady
Title: General Counsel and Secretary

By: /s/Jeffrey S. Edison
Name: Jeffrey S. Edison
Title: Chairman and Chief Executive Officer

PHILLIPS EDISON & COMPANY, INC.

ARTICLES SUPPLEMENTARY

Phillips Edison & Company, Inc., a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: Under a power contained in Section 4.2 of Article IV of the charter of the Corporation (the "Charter"), the Board of Directors of the Corporation (the "Board"), by duly adopted resolutions, reclassified and designated 350,000,000 authorized but unissued shares of common stock, $0.01 par value per share (the "Common Stock"), of the Corporation as 350,000,000 shares of Class B Common Stock, $0.01 par value per share (the "Class B Common Stock"). There has been no increase in the authorized shares of stock of the Corporation effected by these Articles Supplementary.

SECOND: Except as set forth in the immediately following sentence, the Class B Common Stock shall have identical preferences, rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, and terms and conditions of redemption as the Common Stock and all provisions of the Charter applicable to the Common Stock, including, without limitation, the provisions of Articles IV and V, shall apply to the Class B Common Stock. Upon the six-month anniversary of the listing of the Common Stock for trading on a national securities exchange or such earlier date or dates as shall be approved by the Board and announced publicly by the Corporation with respect to all or any portion of the outstanding shares of Class B Common Stock, each share of Class B Common Stock or of such portion of Class B Common Stock, as the case may be, shall automatically and without any action on the part of the holder thereof convert into one share of Common Stock.

THIRD: A description of the Common Stock is contained in the Charter.

FOURTH: The Class B Common Stock has been reclassified and designated by the Board under the authority contained in the Charter.

FIFTH: These Articles Supplementary have been approved by the Board in the manner and by the vote required by law.

SIXTH: These Articles Supplementary shall become effective at 12:02 p.m. Eastern Time on July 2, 2021.

SEVENTH: The undersigned acknowledges these Articles Supplementary to be the corporate act of the Corporation and as to all matters or facts required to be verified under oath, the undersigned acknowledges that to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

[The remainder of this page has been left blank intentionally.]

IN WITNESS WHEREOF, the Company has caused these Articles Supplementary to be executed in its name and on its behalf by its Chairman and Chief Executive Officer and attested by its General Counsel and Secretary on this 2nd day of July, 2021.

ATTEST:	PHILLIPS EDISON & COMPANY, INC.
By: /s/ Tanya E. Brady	By: /s/Jeffrey S. Edison
Name: Tanya E. Brady	Name: Jeffrey S. Edison
Title: General Counsel and Secretary	Title: Chairman and Chief Executive Officer

PHILLIPS EDISON & COMPANY, INC.

ARTICLES SUPPLEMENTARY

Phillips Edison & Company, Inc., a Maryland corporation (the “Company”), hereby certifies to the State Department of Assessments and Taxation of Maryland, that:

FIRST: Under a power contained in Section 3-802(c) of the Maryland General Corporation Law (the “MGCL”), the Company, by resolution of its Board of Directors (the “Board of Directors”), (i) elected to be subject to Section 3-804(c) of the MGCL and (ii) prohibited the Company from electing to be subject to Section 3-803 of the MGCL as provided herein.

SECOND: The resolution referred to above provides that the Company is prohibited from electing to be subject to the provisions of Section 3-803 of the MGCL and that the foregoing prohibition may be repealed, in whole or in part, only if such repeal is approved by the stockholders of the Company by the affirmative vote of at least a majority of the votes cast on the matter by stockholders entitled to vote generally in the election of directors.

THIRD: The election to (i) be subject to Section 3-804(c) of the MGCL and (ii) prohibit the Company from becoming subject to Section 3-803 of the MGCL without the stockholder approval referenced above has been approved by the Board of Directors in the manner and by the vote required by law.

FOURTH: The undersigned officer acknowledges these Articles Supplementary to be the act of the Company and, as to all matters or facts required to be verified under oath, the undersigned officer acknowledges that, to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Company has caused these Articles Supplementary to be executed in its name and on its behalf by its Chairman and Chief Executive Officer and attested by its General Counsel and Secretary on this 16th day of July, 2021.

ATTEST:	PHILLIPS EDISON & COMPANY, INC.
By: /s/ Tanya E. Brady	By: /s/Jeffrey S. Edison
Name: Tanya E. Brady	Name: Jeffrey S. Edison
Title: General Counsel and Secretary	Title: Chairman and Chief Executive Officer

PHILLIPS EDISON & COMPANY, INC.

ARTICLES SUPPLEMENTARY

Phillips Edison & Company, Inc., a Maryland corporation (the “Corporation”), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: Under a power contained in Section 4.2 of Article IV of the charter of the Corporation (the “Charter”), the Board of Directors of the Corporation (the “Board”), by duly adopted resolutions, reclassified and designated all of the 350,000,000 authorized shares of Class B Common Stock, $0.01 par value per share (the “Class B Common Stock”), of the Corporation, all of which are currently unissued, as shares of common stock, $0.01 par value per share (the “Common Stock”), having the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, and terms and conditions of redemption of the Common Stock as set forth in the Charter. There has been no increase in the authorized shares of stock of the Corporation effected by these Articles Supplementary.

SECOND: The Class B Common Stock has been reclassified and designated by the Board under the authority contained in the Charter.

THIRD: These Articles Supplementary have been approved by the Board in the manner and by the vote required by law.

FOURTH: The undersigned acknowledges these Articles Supplementary to be the corporate act of the Corporation and as to all matters or facts required to be verified under oath, the undersigned acknowledges that to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Corporation has caused these Articles Supplementary to be signed in its name and on its behalf by its Chairman and Chief Executive Officer and attested to by its General Counsel, Executive Vice President & Secretary on this 5th day of May, 2022.

ATTEST:	PHILLIPS EDISON & COMPANY, INC.
By: /s/ Tanya E. Brady	By: /s/Jeffrey S. Edison
Name: Tanya E. Brady	Name: Jeffrey S. Edison
Title: General Counsel, Executive Vice President & Secretary	Title: Chairman and Chief Executive Officer

Exhibit 22.1

List of Issuers of Guaranteed Securities

As of March 31, 2022, the following subsidiary was the issuer of the Senior Notes due 2031 guaranteed by Phillips Edison and Company, Inc.

Name of Subsidiary	Jurisdiction of Organization
Phillips Edison Grocery Center Operating Partnership I, L.P.	Delaware

Exhibit 31.1

Certification pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Jeffrey S. Edison, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Phillips Edison & Company, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2022

/s/ Jeffrey S. Edison

Jeffrey S. Edison
Chairman of the Board and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, John P. Caulfield, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Phillips Edison & Company, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2022

/s/ John P. Caulfield

John P. Caulfield
Executive Vice President, Chief Financial Officer, and Treasurer
(Principal Financial Officer)

Exhibit 32.1

Certification pursuant to 18 U.S.C. Section 1350,
as Adopted pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Phillips Edison & Company, Inc. (the "Registrant") for the quarter ended March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Jeffrey S. Edison, Chief Executive Officer of the Registrant, hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge and belief:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Date: May 5, 2022

/s/ Jeffrey S. Edison

Jeffrey S. Edison
Chairman of the Board and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

Certification pursuant to 18 U.S.C. Section 1350,
as Adopted pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Phillips Edison & Company, Inc. (the “Registrant”) for the quarter ended March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned, John P. Caulfield, Chief Financial Officer of the Registrant, hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge and belief:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Date: May 5, 2022

/s/ John P. Caulfield

John P. Caulfield
Executive Vice President, Chief Financial Officer, and Treasurer
(Principal Financial Officer)