



Phillips Edison & Company and Northwestern Mutual Enter into Joint Venture

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CINCINNATI--(BUSINESS WIRE)-- [Phillips Edison & Company, Inc.](#) ("PECO" or the "Company"), an internally-managed real estate investment trust ("REIT") and one of the nation's largest owners and operators of grocery-anchored shopping centers, and Northwestern Mutual, [one of the largest commercial real estate mortgage and equity investors in the nation](#), have entered into a joint venture to create Grocery Retail Partners I ("GRP I"). Northwestern Mutual will invest in 17 high-quality, grocery-anchored shopping centers currently owned and operated by PECO across eight states.

Under the terms of GRP I, Northwestern Mutual will acquire an 85% interest in the 17-center portfolio which is currently valued at \$368 million. PECO will maintain 15% ownership in the portfolio while providing asset management and property management services for the joint venture.

The proceeds from GRP I will be deployed by PECO to delever its balance sheet, fund redevelopment projects, and further expand its portfolio of grocery-anchored centers.

"Entering into this joint venture with Northwestern Mutual, one of the country's largest and most experienced commercial real estate investors, is a compelling illustration of the continued strength in grocery-anchored real estate," commented Jeff Edison, Chairman and Chief Executive Officer of PECO. "We are thrilled to be forming a relationship with such a well-respected partner in Northwestern Mutual, and believe this further validates our position as the leading fully-integrated operator of grocery-anchored real estate. Additionally, this joint venture provides PECO with capital to strengthen our balance sheet, further expand our portfolio, and ultimately drive shareholder value."

Rob Francour, portfolio director of commercial real estate acquisitions at Northwestern Mutual added: "This joint venture with PECO creates an opportunity to invest in a portfolio of necessity-based retail real estate currently managed by one of the leading operators in the sector. We're confident these assets will produce consistent cash flow that complements our current commercial real estate portfolio."

In addition to this partnership, Phillips Edison Grocery Center REIT III, Inc. ("PECO III"), which is currently sponsored and managed by PECO, has entered into a separate joint venture with Northwestern Mutual to create Grocery Retail Partners II ("GRP II").

Under the terms of GRP II, Northwestern Mutual will acquire a 90% interest, valued at approximately \$46.5 million, in three grocery-anchored shopping centers currently owned by PECO III across three states. PECO III will maintain a 10% ownership interest in the assets while PECO will continue to provide asset management and property management services.

Holliday Fenoglio Fowler, LP ("HFF") acted as exclusive financial advisor to PECO and PECO III for these joint ventures. The aggregate value of the joint ventures represents the largest shopping center real estate transaction to-date in 2018.

About Phillips Edison & Company, Inc.

Phillips Edison & Company, Inc., an internally-managed REIT, is one of the nation's largest owners and operators of grocery-anchored shopping centers. Its diversified portfolio of well-occupied neighborhood shopping centers has a mix of national and regional retailers selling necessity-based goods and services, in strong demographic markets throughout the United States. As of June 30, 2018, the Company manages 342 shopping centers - 235 of which it owns directly comprising approximately 26.3 million square feet located in 32 states. The Company's proven, vertically-integrated operating platform allows it to effectively and efficiently acquire, lease and manage its properties, resulting in a history of strong operating results and great shopping experiences. For more information, please visit www.phillipsedison.com.

About Northwestern Mutual

[Northwestern Mutual](#) has been helping families and businesses achieve financial security for more than 160 years. Through a distinctive, whole-picture planning approach, we empower our clients to make the most of every single day and plan for important moments in their future. We combine the expertise of our financial professionals with a personalized digital experience to help our clients navigate their financial lives every day. With \$265.0 billion in assets, \$28.1 billion in revenues, and more than \$1.8 trillion worth of life insurance protection in force, Northwestern Mutual delivers financial security to more than 4.5 million people who rely on us for life, disability income and long-term care insurance, annuities, brokerage and advisory services, trust services, and discretionary portfolio management solutions. The company manages more than \$125 billion of client assets through its wealth management and investment services. Northwestern Mutual ranks 97 on the 2017 FORTUNE 500 and is recognized by FORTUNE® as one of the "World's Most Admired" life insurance companies in 2018.

Northwestern Mutual is the marketing name for The Northwestern Mutual Life Insurance Company (NM), Milwaukee, WI (life and disability insurance, annuities, and life insurance with long-term care benefits) and its subsidiaries. Northwestern Mutual and its subsidiaries offer a comprehensive approach to financial security solutions including: life insurance, long-term care insurance, disability income insurance, annuities, life insurance with long-term care benefits, investment products, and advisory products and services. Subsidiaries include Northwestern Mutual Investment Services, LLC (NMIS) (securities), broker-dealer, registered investment adviser, member FINRA and SIPC; the Northwestern Mutual Wealth Management Company® (NMWMC) (fiduciary and fee-based financial planning services), federal savings bank; and Northwestern Long-Term Care Insurance Company (NLTC) (long-term care insurance).

Forward-Looking Statements

Certain statements contained in this press release may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We intend for all such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act and Section 21E of the Exchange Act, as applicable. Such statements include, in particular, statements about PECO's plans, strategies, and prospects and are subject to certain risks and uncertainties, as well as known and unknown risks, which could cause actual results to differ materially from those projected or anticipated. Therefore, such statements are not intended to be a guarantee of PECO's performance in future periods. Such forward-looking statements can generally be identified by our use of forward-looking terminology such as "will," "expect," "anticipate," "continue," or other similar words. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. PECO makes no representation or warranty (express or implied) about the accuracy of any such forward-looking statements contained in this release, and does not intend, and undertakes no obligation, to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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