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## Retail Value Inc. Reports Third Quarter 2019 Operating Results

BEACHWOOD, OHIO, November 5, 2019 - Retail Value Inc. (NYSE: RVI) today announced operating results for the quarter ended September 30, 2019.

### Results for the Quarter

- Third quarter net income attributable to common shareholders was \$72.3 million, or \$3.79 per diluted share as compared to net income of \$6.0 million, or \$0.32 per share, in the year ago-period. The year-over-year increase in net income is primarily attributable to the hurricane insurance settlement.
- Third quarter operating funds from operations attributable to common shareholders (“Operating FFO” or “OFFO”) was \$23.1 million, or \$1.21 per diluted share, compared to \$25.2 million, or \$1.37 per diluted share, in the year ago-period. The year-over-year decrease in OFFO is primarily attributable to the impact of asset sales.
- Sold two shopping centers for an aggregate sales price of \$54.6 million.
- Settled insurance claim from damage incurred on the 12 Puerto Rico assets from Hurricane Maria; received an incremental \$70.5 million related to the property insurance claims and \$7.0 million related to the business interruption claim of which \$5.7 million was recorded as income. Including these final payments, SITE Centers and RVI received total insurance payments amounting to \$185.8 million. Management expects to use proceeds from the settlement to complete all necessary remaining hurricane-related repairs.
- Payment of \$17.0 million of the \$34 million payable to SITE Centers Corp.
- The Continental U.S. leased rate was 91.4% as compared to 92.2% at June 30, 2019 due to lease expirations and tenant bankruptcies.
- The Puerto Rico leased rate was 83.8% as compared to 84.6% at June 30, 2019 due to lease terminations and tenant bankruptcies.

### Key Quarterly Operating Results

The following metrics are as of September 30, 2019:

	Continental U.S.	Puerto Rico
Shopping Center Count	17	12
Gross Leasable Area (thousands)	7,202	4,431
Base Rent PSF	\$13.63	\$19.94
Leased Rate	91.4%	83.8%
Commenced Rate	91.2%	82.3%
NOI (millions)	\$19.8	\$21.6

### About RVI

RVI is an independent publicly traded company trading under the ticker symbol “RVI” on the New York Stock Exchange. RVI holds assets in the continental U.S. and Puerto Rico and is managed by one or more subsidiaries of SITE Centers Corp. RVI focuses on realizing value in its business through operations and sales of its assets. Additional information about RVI is available at [www.retailvalueinc.com](http://www.retailvalueinc.com).

### Non-GAAP Measures

Funds from Operations (“FFO”) is a supplemental non-GAAP financial measure used as a standard in the real estate industry and is a widely accepted measure of real estate investment trust (“REIT”) performance. Management believes that both FFO and Operating FFO provide additional indicators of the financial performance of a REIT. The Company also believes that FFO and Operating FFO more appropriately measure the core operations of the Company and provide benchmarks to its peer group.

In December 2018, the National Association of Real Estate Investment Trusts (“NAREIT”) issued *NAREIT Funds From Operations White Paper - 2018 Restatement* (“the 2018 FFO White Paper”). The purpose of the 2018 FFO White Paper was not to change the fundamental definition of FFO but to clarify existing guidance and to consolidate into a single document, alerts and policy bulletins issued by NAREIT since the last FFO white paper was issued in 2002. The 2018 FFO White Paper was effective starting with first quarter 2019 reporting. The Company did not report any changes in the calculation of FFO in 2019 related to the clarification in the 2018 FFO White Paper.

FFO is generally defined and calculated by the Company as net income (loss) (computed in accordance with GAAP) adjusted to exclude (i) gains and losses from disposition of real estate property and related investments, which are presented net of taxes, if any, (ii) impairment charges on real estate property and related investments and (iii) certain non-cash items. These non-cash items principally include real property depreciation and amortization of intangibles. The Company’s calculation of FFO is consistent with the definition of FFO provided by NAREIT. The Company calculates Operating FFO by excluding certain non-operating charges and income. Operating FFO is useful to investors as the Company removes non-comparable charges and income to analyze the results of its operations and assess performance of the core operating real estate portfolio. Other real estate companies may calculate FFO and Operating FFO in a different manner.

The Company also uses net operating income (“NOI”), a non-GAAP financial measure, as a supplemental performance measure. NOI is calculated as property revenues less property-related expenses. The Company believes NOI provides useful information to investors regarding the Company’s financial condition and results of operations because it reflects only those income and expense items that are incurred at the property level and, when compared across periods, reflects the impact on operations from trends in occupancy rates, rental rates, operating costs and acquisition and disposition activity on an unleveraged basis.

FFO, Operating FFO and NOI do not represent cash generated from operating activities in accordance with GAAP, are not necessarily indicative of cash available to fund cash needs and should not be considered as alternatives to net income computed in accordance with GAAP as indicators of the Company’s operating performance or as alternatives to cash flow as a measure of liquidity. Reconciliations of these non-GAAP measures to their most directly comparable GAAP measures are included in this release and the accompanying financial supplement.

#### **Safe Harbor**

RVI considers portions of the information in this press release to be forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, both as amended, with respect to the Company’s expectation for future periods. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that its expectations will be achieved. For this purpose, any statements contained herein that are not historical fact may be deemed to be forward-looking statements. There are a number of important factors that could cause our results to differ materially from those indicated by such forward-looking statements, including, among other factors, the ability to execute our strategy as an independent, publicly traded company. Other risks and uncertainties that could cause our results to differ materially from those indicated by such forward-looking statements include our ability to sell assets on commercially reasonable terms; our ability to complete dispositions of assets under contract; the success of our asset sale strategy; property damage, expenses related thereto and other business and economic consequences (including the potential loss of rental revenues) resulting from extreme weather conditions in locations where we own properties, and the ability to estimate accurately the amounts thereof; sufficiency and timing of any insurance recovery payments related to damages from extreme weather conditions; local conditions such as supply of space or a reduction in demand for real estate in the area; competition from other available space; dependence on rental income from real property; the loss of, significant downsizing of or bankruptcy of a major tenant and the impact of any such event on rental income from other tenants at our properties; our ability to secure equity or debt financing on commercially acceptable terms or at all; our ability to enter into definitive agreements with regard to our financing arrangements and our ability to satisfy conditions to the completion of these arrangements; unforeseen changes to the Puerto Rican economy and government; the ability to secure and maintain management services provided to us, including pursuant to our external management agreement with one or more subsidiaries of SITE Centers; and our ability to maintain our REIT status. For additional factors that could cause the results of the Company to differ materially from those indicated in the forward-looking statements, please refer to the Company’s most recent reports on Form 10-K and Form 10-Q. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof.

**Retail Value Inc.**  
**Income Statement**

in thousands, except per share

	<b>3Q19</b>	<b>3Q19</b>	<b>Total</b>	<b>Total</b>
	<b>Continental U.S.</b>	<b>Puerto Rico</b>	<b>3Q19</b>	<b>9M19</b>
<b>Revenues (1):</b>				
Rental income (2)	\$29,816	\$24,475	\$54,291	\$174,736
Other property revenues	41	853	894	945
Business interruption income	0	5,675	5,675	7,675
	29,857	31,003	60,860	183,356
<b>Expenses:</b>				
Operating and maintenance (3)	4,456	8,038	12,495	39,393
Real estate taxes	5,571	1,329	6,900	21,579
	10,027	9,367	19,395	60,972
<b>Net operating income (4)</b>	<b>19,830</b>	<b>21,636</b>	<b>41,465</b>	<b>122,384</b>
<b>Other income (expense):</b>				
Asset management fees			(2,428)	(8,068)
Interest expense			(9,381)	(34,201)
Depreciation and amortization			(17,676)	(55,409)
General and administrative			(1,111)	(3,054)
Impairment charges			(19,790)	(32,990)
Hurricane property insurance income, net			72,602	76,233
Debt extinguishment costs, net			(1,949)	(19,358)
Transaction costs			(19)	(37)
Other expense, net			0	(850)
Gain on disposition of real estate, net (5)			10,483	41,648
Income before other items			72,196	86,298
Tax expense			72	(423)
<b>Net income</b>			<b>\$72,268</b>	<b>\$85,875</b>
<b>Weighted average shares – Basic &amp; Diluted – EPS</b>			<b>19,052</b>	<b>18,993</b>
<b>Earnings per common share – Basic &amp; Diluted</b>			<b>\$3.79</b>	<b>\$4.52</b>
<b>Revenue items:</b>				
(1) Lost revenue related to hurricane	\$0	(\$169)	(\$169)	(\$2,946)
(2) Minimum rents	20,423	13,876	34,299	110,978
Ground lease minimum rents	1,379	1,791	3,170	10,313
Percentage and overage rent	234	191	425	2,942
Recoveries	7,854	5,715	13,569	42,650
Lease termination fees	33	830	863	940
Ancillary and other rental income	268	1,928	2,196	6,871
Bad debt	(375)	144	(231)	42
(3) <b>Operating expenses:</b>				
Property management fees	(1,227)	(1,449)	(2,676)	(8,671)
(4) NOI from assets sold			(90)	8,522
(5) SITE Centers disposition fees			546	3,160

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**Reconciliation: Net Income to FFO and Operating FFO**  
**and Other Financial Information**

in thousands, except per share

	<b>3Q19</b>	<b>9M19</b>
<b>Net income attributable to Common Shareholders</b>	<b>\$72,268</b>	<b>\$85,875</b>
Depreciation and amortization of real estate	17,650	55,331
Impairment of real estate	19,790	32,990
Gain on disposition of real estate, net	(10,483)	(41,648)
<b>FFO attributable to Common Shareholders</b>	<b>\$99,225</b>	<b>\$132,548</b>
Hurricane activity, net (1)	(78,108)	(80,962)
Debt extinguishment, transaction, other, net	1,968	20,245
Total non-operating items, net	(76,140)	(60,717)
<b>Operating FFO attributable to Common Shareholders</b>	<b>\$23,085</b>	<b>\$71,831</b>
<b>Weighted average shares and units – Basic &amp; Diluted – FFO &amp; OFFO</b>	<b>19,052</b>	<b>18,993</b>
<b>FFO per share – Basic &amp; Diluted</b>	<b>\$5.20</b>	<b>\$6.98</b>
<b>Operating FFO per share – Basic &amp; Diluted</b>	<b>\$1.21</b>	<b>\$3.78</b>
<b>Common stock dividends declared, per share</b>	<b>N/A</b>	<b>N/A</b>
<b>Certain non-cash items:</b>		
Straight-line rent	(665)	(1,114)
Straight-line fixed CAM	145	446
Loan cost amortization	(1,097)	(3,694)
Non-real estate depreciation expense	(26)	(78)
<b>Capital expenditures:</b>		
Maintenance capital expenditures	414	721
Tenant allowances and landlord work	2,850	7,969
Leasing commissions - SITE Centers	366	1,811
Leasing commissions - external	290	671
Hurricane restorations	11,709	52,152
<b>(1) Hurricane activity, net:</b>		
Lost tenant revenue	169	2,946
Hurricane property insurance income, net	(72,602)	(76,233)
Business interruption income	(5,675)	(7,675)
	(78,108)	(80,962)

**Retail Value Inc.**  
**Balance Sheet**

\$ in thousands

	<b>At Period End</b>	
	<b>3Q19</b>	<b>4Q18</b>
<b>Assets:</b>		
Land	\$539,069	\$622,827
Buildings	1,407,000	1,629,862
Fixtures and tenant improvements	152,496	172,679
	2,098,565	2,425,368
Depreciation	(662,728)	(704,401)
	1,435,837	1,720,967
Construction in progress and land	26,961	26,070
Real estate, net	1,462,798	1,747,037
Cash	71,322	44,565
Restricted cash (1)	99,152	66,634
Receivables and straight-line (2)	24,247	31,426
Property insurance receivable	0	29,422
Intangible assets, net (3)	20,841	31,882
Other assets, net	7,702	11,678
<b>Total Assets</b>	<b>1,686,062</b>	<b>1,962,644</b>
<b>Liabilities and Equity:</b>		
Secured debt	654,723	967,569
Payable to SITE	16,668	33,985
Dividends payable	0	24,005
Other liabilities (4)	58,437	84,832
<b>Total Liabilities</b>	<b>729,828</b>	<b>1,110,391</b>
<b>Redeemable preferred equity</b>		
	<b>190,000</b>	<b>190,000</b>
Common shares	1,905	1,846
Paid-in capital	692,966	675,566
Distributions in excess of net income	71,378	(15,153)
Common shares in treasury at cost	(15)	(6)
<b>Total Equity</b>	<b>766,234</b>	<b>662,253</b>
<b>Total Liabilities and Equity</b>	<b>\$1,686,062</b>	<b>\$1,962,644</b>
(1) Asset sale proceeds	0	26,969
Other escrows	99,152	39,665
(2) Straight-line rents receivable	15,879	18,757
(3) Operating lease right of use assets (related to adoption of Topic 842)	1,763	0
(4) Operating lease liabilities (related to adoption of Topic 842)	2,890	0
Below-market leases, net	20,465	33,914