

Retail Value Inc.

Quarterly Financial Supplement

For the period ended December 31, 2019

rvi

Retail Value Inc.
Table of Contents

Section	Page
Earnings Release & Financial Statements	
Press Release	1-5
Company Summary	
Portfolio Summary	6
Top 35 Tenants	7
Lease Expirations	8
Investments	
Dispositions	9
Debt Summary	
Capital Structure	10
Shopping Center Summary	
Property List	11
Reporting Policies and Other	
Notable Accounting and Supplemental Policies	12
Non-GAAP Measures	13-14

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, our ability to sell assets on commercially reasonable terms; our ability to complete dispositions of assets under contract; property damage, expenses related thereto and other business and economic consequences (including the potential loss of rental revenues) resulting from extreme weather conditions and natural disasters 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 and natural disasters; local conditions such as an increase in the supply of, or a reduction in demand for, retail real estate in the area; the impact of e-commerce; 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; impairment charges; 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; changes with respect 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.
3300 Enterprise Parkway
Beachwood, OH 44122
216-755-5500



For additional information:
Christa Vesny, EVP and
Chief Financial Officer

Retail Value Inc. Reports Fourth Quarter 2019 Operating Results

BEACHWOOD, OHIO, March 2, 2020 - Retail Value Inc. (NYSE: RVI) today announced operating results for the quarter ended December 31, 2019.

Results for the Quarter

- Fourth quarter net loss attributable to common shareholders was \$39.1 million, or \$2.06 per diluted share as compared to net income of \$2.9 million, or \$0.15 per share, in the year ago-period. The year-over-year decrease in net income is primarily attributable to impairment charges.
- Fourth quarter operating funds from operations attributable to common shareholders (“Operating FFO” or “OFFO”) was \$24.1 million, or \$1.27 per diluted share, compared to \$25.0 million, or \$1.36 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 one shopping center for an aggregate sales price of \$19.2 million.
- Payment of \$16.6 million payable to SITE Centers Corp.
- The Continental U.S. leased rate was 90.6% as compared to 91.4% at September 30, 2019 due to lease expirations and tenant bankruptcies.
- The Puerto Rico leased rate was 84.7% as compared to 83.8% at September 30, 2019 due to a new anchor lease.

Significant Full Year Activity and 2020 Activity

- Net income attributable to common shareholders for the year ended December 31, 2019, was \$46.7 million, or \$2.46 per diluted share. Generated Operating FFO of \$5.05 per diluted share for the full year 2019.
- Sold 10 shopping centers and two outparcels for an aggregate sales price of \$335.2 million.
- In January and February 2020, sold three shopping centers for an aggregate sales price of \$155.6 million.

Key Quarterly Operating Results

The following metrics are as of December 31, 2019:

	Continental U.S.	Puerto Rico
Shopping Center Count	16	12
Gross Leasable Area (thousands)	7,017	4,431
Base Rent PSF	\$13.54	\$19.93
Leased Rate	90.6%	84.7%
Commenced Rate	90.2%	82.7%
NOI-Quarter (millions)	\$19.8	\$16.3

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.

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, our ability to sell assets on commercially reasonable terms; our ability to complete dispositions of assets under contract; property damage, expenses related thereto and other business and economic consequences (including the potential loss of rental revenues) resulting from extreme weather conditions and natural disasters 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 and natural disasters; local conditions such as an increase in the supply of, or a reduction in demand for, retail real estate in the area; the impact of e-commerce; 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; impairment charges; 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; changes with respect 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

	4Q19	4Q19	Total	Total
	Continental U.S.	Puerto Rico	4Q19	12M19
Revenues (1):				
Rental income (2)	\$29,965	\$25,627	\$55,592	\$230,328
Other property revenues	38	109	147	1,092
Business interruption income	0	0	0	7,675
	<u>30,003</u>	<u>25,736</u>	<u>55,739</u>	<u>239,095</u>
Expenses:				
Operating and maintenance (3)	5,334	8,237	13,571	52,964
Real estate taxes	4,909	1,205	6,114	27,693
	<u>10,243</u>	<u>9,442</u>	<u>19,685</u>	<u>80,657</u>
Net operating income (4)	19,760	16,294	36,054	158,438
Other income (expense):				
Asset management fees			(2,429)	(10,497)
Interest expense, net			(8,473)	(42,674)
Depreciation and amortization			(19,189)	(74,598)
General and administrative			(899)	(3,953)
Impairment charges			(47,080)	(80,070)
Hurricane property insurance income, net			3,159	79,391
Debt extinguishment costs, net			(21)	(19,379)
Transaction costs			0	(37)
Other expense, net			0	(850)
(Loss) gain on disposition of real estate, net (5)			(166)	41,482
(Loss) income before other items			<u>(39,044)</u>	<u>47,253</u>
Tax expense			(82)	(504)
Net (loss) income			(\$39,126)	\$46,749
Weighted average shares – Basic & Diluted – EPS			19,052	19,008
Earnings per common share – Basic & Diluted			(\$2.06)	\$2.46
Revenue items:				
(1) Lost revenue related to hurricane	\$0	\$0	\$0	(\$2,946)
(2) Minimum rents	20,486	14,466	34,952	145,930
Ground lease minimum rents	1,365	1,926	3,291	13,604
Percentage and overage rent	(9)	645	636	3,578
Recoveries	7,556	5,804	13,360	56,010
Lease termination fees	142	0	142	1,082
Ancillary and other rental income	381	2,822	3,203	10,074
Bad debt	44	(36)	8	50
(3) Operating expenses:				
Property management fees	(1,241)	(1,448)	(2,689)	(11,360)
(4) NOI from assets sold			561	10,247
(5) SITE Centers disposition fees			192	3,352

Retail Value Inc.
Reconciliation: Net Income to FFO and Operating FFO
and Other Financial Information

in thousands, except per share

	4Q19	12M19
Net income attributable to Common Shareholders	(\$39,126)	\$46,749
Depreciation and amortization of real estate	19,165	74,496
Impairment of real estate	47,080	80,070
Gain on disposition of real estate, net	166	(41,482)
FFO attributable to Common Shareholders	\$27,285	\$159,833
Hurricane activity, net (1)	(3,159)	(84,120)
Debt extinguishment, transaction, other, net	21	20,266
Total non-operating items, net	(3,138)	(63,854)
Operating FFO attributable to Common Shareholders	\$24,147	\$95,979
Weighted average shares and units – Basic & Diluted – FFO & OFFO	19,052	19,008
FFO per share – Basic & Diluted	\$1.43	\$8.41
Operating FFO per share – Basic & Diluted	\$1.27	\$5.05
Common stock dividends declared, per share	\$2.05	\$2.05
Certain non-cash items:		
Straight-line rent	(194)	(1,308)
Straight-line fixed CAM	135	580
Loan cost amortization	(1,134)	(4,828)
Non-real estate depreciation expense	(23)	(101)
Capital expenditures:		
Maintenance capital expenditures	233	953
Tenant allowances and landlord work	2,723	10,692
Leasing commissions - SITE Centers	1,340	3,151
Leasing commissions - external	37	708
Hurricane restorations	10,249	62,401
(1) Hurricane activity, net:		
Lost tenant revenue	0	2,946
Hurricane property insurance income, net	(3,159)	(79,391)
Business interruption income	0	(7,675)
	(3,159)	(84,120)

Retail Value Inc.
Balance Sheet

\$ in thousands

	At Period End	
	4Q19	4Q18
Assets:		
Land	\$522,393	\$622,827
Buildings	1,380,984	1,629,862
Fixtures and tenant improvements	152,426	172,679
	2,055,803	2,425,368
Depreciation	(670,509)	(704,401)
	1,385,294	1,720,967
Construction in progress and land	2,017	26,070
Real estate, net	1,387,311	1,747,037
Cash	71,048	44,565
Restricted cash (1)	112,246	66,634
Receivables and straight-line (2)	25,195	31,426
Property insurance receivable	0	29,422
Intangible assets, net (3)	19,573	31,882
Other assets, net	11,314	11,678
Total Assets	1,626,687	1,962,644
 Liabilities and Equity:		
Secured debt	655,833	967,569
Payable to SITE	105	33,985
Dividends payable	39,057	24,005
Other liabilities (4)	53,789	84,832
Total Liabilities	748,784	1,110,391
Redeemable preferred equity	190,000	190,000
Common shares	1,905	1,846
Paid-in capital	692,871	675,566
Distributions in excess of net income	(6,857)	(15,153)
Common shares in treasury at cost	(16)	(6)
Total Equity	687,903	662,253
Total Liabilities and Equity	\$1,626,687	\$1,962,644
(1) Asset sale proceeds	17,388	26,969
Other escrows	94,858	39,665
(2) Straight-line rents receivable	15,563	18,757
(3) Operating lease right of use assets (related to adoption of Topic 842)	1,714	0
(4) Operating lease liabilities (related to adoption of Topic 842)	2,835	0
Below-market leases, net	20,042	33,914

Retail Value Inc.
Portfolio Summary

GLA in thousands

	12/31/2019	9/30/2019	6/30/2019	3/31/2019	12/31/2018	9/30/2018
Shopping Center Count						
Operating Centers	28	29	31	35	38	42
Continental U.S.	16	17	19	23	26	30
Puerto Rico	12	12	12	12	12	12
Gross Leasable Area (GLA)						
Owned and Ground Lease	11,448	11,633	12,135	13,145	14,023	14,830
Continental U.S.	7,017	7,202	7,704	8,717	9,592	10,399
Puerto Rico	4,431	4,431	4,431	4,428	4,431	4,431
Unowned	1,789	2,014	2,205	2,700	2,869	3,277

Quarterly Operational Overview

Continental U.S.

Base Rent PSF	\$13.54	\$13.63	\$13.52	\$13.55	\$13.42	\$13.50
Leased Rate	90.6%	91.4%	92.2%	92.2%	92.9%	93.1%
Leased Rate < 10K SF	78.4%	80.0%	82.8%	83.7%	84.1%	85.6%
Leased Rate > 10K SF	93.5%	94.2%	94.6%	94.5%	95.1%	95.1%

Puerto Rico

Base Rent PSF	\$19.93	\$19.94	\$20.62	\$20.59	\$20.66	\$20.65
Leased Rate	84.7%	83.8%	84.6%	85.3%	87.0%	87.0%
Leased Rate < 10K SF	78.7%	77.1%	77.7%	76.8%	78.4%	78.5%
Leased Rate > 10K SF	87.5%	87.0%	87.9%	89.3%	91.0%	91.0%

Operational Statistics

% of Aggregate Property NOI - Continental U.S.	54.8%	47.8%	58.4%	60.9%	60.3%	62.8%
% of Aggregate Property NOI Puerto Rico	45.2%	52.2%	41.6%	39.1%	39.7%	37.2%

Puerto Rico

Revenues:

Minimum rents	16,356	15,810	15,979	15,930	16,126	15,413
Percentage rent	645	191	383	1,157	959	239
Recoveries	5,804	5,715	5,622	5,607	5,741	5,038
Lease termination fees and ancillary income	2,822	2,758	1,835	1,906	2,208	1,858
Other property revenues	109	854	(5)	19	0	11
Business interruption income	0	5,675	2,000	0	2,000	2,404
	25,736	31,003	25,814	24,619	27,034	24,963

Expenses:

Operating and maintenance	8,237	8,038	7,844	7,548	8,047	6,972
Real estate taxes	1,205	1,329	1,198	1,198	1,268	1,118
	9,442	9,367	9,042	8,746	9,315	8,090

Net operating income	16,294	21,636	16,772	15,873	17,719	16,873
-----------------------------	---------------	---------------	---------------	---------------	---------------	---------------

Retail Value Inc. Top 35 Tenants

\$ and GLA in thousands

Tenant	Number of Units	Base Rent	% of Total	Owned GLA	% of Total	Credit Ratings (S&P/Moody's/Fitch)
1 Walmart (1)	10	\$8,571	5.8%	1,381	12.1%	AA/Aa2/AA
2 Bed Bath & Beyond (2)	13	5,288	3.5%	496	4.3%	BB/Baa3/NR
3 PetSmart	13	4,346	2.9%	241	2.1%	B-/B3/NR
4 TJX Companies (3)	12	4,324	2.9%	370	3.2%	A+/A2/NR
5 Kohl's	5	3,661	2.5%	458	4.0%	BBB/Baa2/BBB
6 Best Buy	6	3,613	2.4%	244	2.1%	BBB/Baa1/NR
7 Gap (4)	10	2,923	2.0%	154	1.3%	BB/Baa2/NR
8 Rainbow Apparel	24	2,649	1.8%	117	1.0%	NR
9 Foot Locker	14	2,337	1.6%	59	0.5%	BB+/Ba1/NR
10 Michaels	7	2,229	1.5%	164	1.4%	B+/NR/NR
11 AMC Theatres	1	2,203	1.5%	92	0.8%	B/B2/NR
12 Cinemark	2	2,143	1.4%	136	1.2%	BB/NR/NR
13 Claro	17	2,126	1.4%	26	0.2%	A-/A3/A-
14 Office Depot	5	1,948	1.3%	105	0.9%	B/Ba3/NR
15 Burlington	4	1,913	1.3%	235	2.1%	BB+/NR/BB+
16 Dick's Sporting Goods	3	1,874	1.3%	139	1.2%	NR
17 Lowe's	2	1,824	1.2%	256	2.2%	BBB+/Baa1/NR
18 Ulta	6	1,668	1.1%	67	0.6%	NR
19 Yum! Brands	14	1,605	1.1%	31	0.3%	BB/Ba2/NR
20 JC Penney	3	1,581	1.1%	281	2.5%	CCC/Caa1/CCC+
21 Sears (5)	3	1,520	1.0%	281	2.5%	NR
22 BJ's Wholesale Club	1	1,456	1.0%	115	1.0%	B+/NR/NR
23 Jo-Ann	3	1,439	1.0%	113	1.0%	B-/B2/NR
24 Walgreens	3	1,405	0.9%	41	0.4%	BBB/Baa2/BBB
25 Ross Stores	5	1,397	0.9%	140	1.2%	A-/A2/NR
26 AT&T	16	1,397	0.9%	29	0.3%	BBB/Baa2/A-
27 Sprint	12	1,395	0.9%	27	0.2%	B/B2/B+
28 Hobby Lobby	3	1,366	0.9%	179	1.6%	NR
29 Caribbean Cinemas	3	1,287	0.9%	141	1.2%	NR
30 Home Depot	1	1,283	0.9%	114	1.0%	A/A2/A
31 T-Mobile	10	1,254	0.8%	21	0.2%	BB+/NR/NR
32 Econo	3	1,239	0.8%	168	1.5%	NR
33 Ponderosa Steakhouse	7	1,228	0.8%	38	0.3%	NR
34 Journeys	10	1,214	0.8%	20	0.2%	NR
35 Dave & Buster's	1	1,182	0.8%	40	0.3%	NR
Top 35 Total	252	\$78,888	52.9%	6,519	56.9%	
Total Portfolio		\$149,036	100.0%	11,448	100.0%	

⁽¹⁾ Walmart (8) / Sam's Club (2)

⁽²⁾ Bed Bath (11) / World Market (1) / CTS (1)

⁽³⁾ T.J. Maxx (6) / Marshalls (5) / HomeGoods (1)

⁽⁴⁾ Gap (1) / Old Navy (9)

⁽⁵⁾ Sears (1) / Kmart (2)

Retail Value Inc.
Lease Expirations

\$ and GLA in thousands

Assumes no exercise of lease options

Year	Greater than 10K SF					Less than 10K SF					Total				
	# of Leases	Expiring SF	ABR	Rent PSF	% of ABR > 10K	# of Leases	Expiring SF	ABR	Rent PSF	% of ABR < 10K	# of Leases	Expiring SF	ABR	Rent PSF	% of ABR Total
MTM	1	10	\$82	\$8.20	0.1%	46	108	\$3,852	\$35.67	6.5%	47	118	\$3,934	\$33.34	2.9%
2020	8	334	3,465	\$10.37	4.5%	162	354	11,582	\$32.72	19.5%	170	688	15,047	\$21.87	11.1%
2021	22	909	11,403	\$12.54	15.0%	124	304	9,079	\$29.87	15.3%	146	1,213	20,482	\$16.89	15.1%
2022	43	1,541	16,219	\$10.52	21.3%	110	248	8,914	\$35.94	15.0%	153	1,789	25,133	\$14.05	18.5%
2023	24	986	10,469	\$10.62	13.7%	75	220	6,909	\$31.40	11.6%	99	1,206	17,378	\$14.41	12.8%
2024	29	1,211	12,485	\$10.31	16.4%	94	315	8,729	\$27.71	14.7%	123	1,526	21,214	\$13.90	15.6%
2025	27	799	9,373	\$11.73	12.3%	38	147	4,365	\$29.69	7.3%	65	946	13,738	\$14.52	10.1%
2026	4	90	1,133	\$12.59	1.5%	28	85	3,027	\$35.61	5.1%	32	175	4,160	\$23.77	3.1%
2027	7	148	1,286	\$8.69	1.7%	10	27	1,029	\$38.11	1.7%	17	175	2,315	\$13.23	1.7%
2028	5	188	2,156	\$11.47	2.8%	7	19	420	\$22.11	0.7%	12	207	2,576	\$12.44	1.9%
2029	3	199	3,170	\$15.93	4.2%	9	34	824	\$24.24	1.4%	12	233	3,994	\$17.14	2.9%
Thereafter	6	419	4,958	\$11.83	6.5%	6	32	778	\$24.31	1.3%	12	451	5,736	\$12.72	4.2%
Total	179	6,834	\$76,199	\$11.15	100.0%	709	1,893	\$59,508	\$31.44	100.0%	888	8,727	\$135,707	\$15.55	100.0%

Assumes all lease options are exercised

Year	Greater than 10K SF					Less than 10K SF					Total				
	# of Leases	Expiring SF	ABR	Rent PSF	% of ABR > 10K	# of Leases	Expiring SF	ABR	Rent PSF	% of ABR < 10K	# of Leases	Expiring SF	ABR	Rent PSF	% of ABR Total
MTM	0	0	\$0	\$0.00	0.0%	44	105	\$3,613	\$34.41	6.1%	44	105	\$3,613	\$34.41	2.7%
2020	1	13	203	\$15.62	0.3%	143	300	10,362	\$34.54	17.4%	144	313	10,565	\$33.75	7.8%
2021	3	85	1,067	\$12.55	1.4%	97	218	6,868	\$31.50	11.5%	100	303	7,935	\$26.19	5.8%
2022	11	186	2,300	\$12.37	3.0%	92	195	7,262	\$37.24	12.2%	103	381	9,562	\$25.10	7.0%
2023	3	71	1,104	\$15.55	1.4%	57	135	4,685	\$34.70	7.9%	60	206	5,789	\$28.10	4.3%
2024	4	136	1,708	\$12.56	2.2%	62	193	5,620	\$29.12	9.4%	66	329	7,328	\$22.27	5.4%
2025	5	143	2,264	\$15.83	3.0%	35	106	3,269	\$30.84	5.5%	40	249	5,533	\$22.22	4.1%
2026	2	41	390	\$9.51	0.5%	33	81	3,107	\$38.36	5.2%	35	122	3,497	\$28.66	2.6%
2027	5	144	1,934	\$13.43	2.5%	15	32	1,376	\$43.00	2.3%	20	176	3,310	\$18.81	2.4%
2028	3	49	917	\$18.71	1.2%	16	65	1,810	\$27.85	3.0%	19	114	2,727	\$23.92	2.0%
2029	1	21	40	\$1.90	0.1%	21	67	1,732	\$25.85	2.9%	22	88	1,772	\$20.14	1.3%
Thereafter	141	5,945	64,272	\$10.81	84.3%	94	396	9,804	\$24.76	16.5%	235	6,341	74,076	\$11.68	54.6%
Total	179	6,834	\$76,199	\$11.15	100.0%	709	1,893	\$59,508	\$31.44	100.0%	888	8,727	\$135,707	\$15.55	100.0%

Note: Excludes ground leases

Retail Value Inc.
Dispositions

\$ and GLA in thousands

	Property Name	City, State	Owned GLA	Price	Allocated Loan Amount (1)
04/17/18	Silver Spring Square (pre spin)	Mechanicsburg, PA	343	\$80,810	\$65,730
06/27/18	The Walk at Highwoods Preserve (pre spin)	Tampa, FL	138	25,025	18,250
07/06/18	Tequesta Shoppes	Tequesta, FL	110	14,333	11,400
07/10/18	Lake Walden Square	Plant City, FL	245	29,000	25,170
08/01/18	East Lloyd Commons	Evansville, IN	160	23,000	16,780
08/13/18	Grandville Marketplace	Grandville, MI	224	16,700	16,500
08/29/18	Brandon Boulevard Shoppes	Valrico, FL	86	14,650	11,120
09/14/18	Gresham Station	Gresham, OR	342	64,500	54,140
10/18/18	Palm Valley Pavilions	Goodyear, AZ	233	44,800	42,170
11/13/18	I-Drive Value Center	Orlando, FL	186	26,157	23,290
11/20/18	Douglasville Pavilion	Douglasville, GA	266	35,120	28,120
12/14/18	Kyle Crossing	Kyle, TX	121	27,600	22,690
	Total 2018		2,454	\$401,695	\$335,360
02/08/19	Millenia Plaza	Orlando, FL	412	\$56,400	\$47,130
02/27/19	Homestead Pavilion (TD Bank)	Homestead, FL	4	4,091	2,490
03/01/19	West Allis Center (Chick-Fil-A)	Milwaukee, WI	5	2,211	1,680
03/04/19	Lowe's Home Improvement	Hendersonville, TN	129	16,058	10,700
03/26/19	Midway Marketplace	St. Paul, MN	324	31,210	20,400
04/05/19	Mariner Square	Spring Hill, FL	194	17,000	11,300
05/23/19	Shoppers World of Brookfield	Brookfield, WI	203	19,450	15,200
05/31/19	Homestead Pavilion	Homestead, FL	295	62,250	42,100
06/13/19	Beaver Creek Crossings	Apex, NC	321	52,750	34,300
08/07/19	Harbison Court	Columbia, SC	242	36,500	19,800
08/09/19	West Allis Center	West Allis, WI	259	18,100	11,000
12/19/19	Marketplace at Towne Centre	Mesquite, TX	180	19,150	16,500
	Total 2019		2,568	\$335,170	\$232,600
01/15/20	Newnan Crossing S.C. Parcel (excluding Lowe's)	Newnan, GA	92	\$11,600	\$5,660
02/19/20	Hamilton Commons	Mays Landing, NJ	403	60,000	50,800
02/26/20	Tuscon Spectrum	Tucson, AZ	717	84,000	69,300
	Total 2020 YTD		1,212	\$155,600	\$125,760

(1) Represents portion of CMBS loan balance allocated to specific asset. Not equivalent to amount of debt repaid when specific asset was sold.

Retail Value Inc.
Capital Structure

\$, shares and units in thousands, except per share

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Capital Structure		
Market Value Per Share	\$36.80	\$25.59
Common Shares Outstanding	19,052	18,465
Common Shares Equity	\$701,119	\$472,517
Redeemable Preferred Equity	\$190,000	\$190,000
Bank Debt	\$0	\$0
Mortgage Debt	\$674,331	\$988,609
Less: Cash (including restricted cash)	<u>\$183,294</u>	<u>\$111,199</u>
Net Debt	\$491,037	\$877,410
Total Market Capitalization	\$1,382,155	\$1,539,927

Debt Detail

	<u>December 31, 2019</u>	<u>Maturity Date (1)</u>	<u>Contractual Interest Rate (2)</u>
Bank Debt (3)			
Unsecured Revolver (\$30m)	\$0	09/22	L + 105
Mortgage Debt (3)			
Mortgage Debt - Class A	\$219,431		
Mortgage Debt - Class B	\$101,200		
Mortgage Debt - Class C	\$308,400		
Mortgage Debt - Class HRR	<u>\$45,300</u>		
Total Mortgage Debt (4)	\$674,331	03/24	L + 268
Debt Subtotal	\$674,331		
Unamortized Loan Costs, Net	<u>(\$18,498)</u>		
Total Debt	\$655,833		
Rate Type			
Fixed	\$0	0.0 years	0.00%
Variable	<u>\$674,331</u>	<u>4.2 years</u>	<u>4.44%</u>
	\$674,331	4.2 years	4.44%

Mortgage Debt Yield

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Adjusted Net Cash Flow (5)	\$90,381	\$99,639
Mortgage Loan Balance (6)	<u>\$656,943</u>	<u>\$961,640</u>
Debt Yield	13.76%	10.36%

- (1) Assumes borrower extension options are exercised.
(2) L = LIBOR; as of December 31, 2019 1M LIBOR 1.76%.
(3) Excludes loan fees and unamortized loan costs.
(4) LIBOR subject to a 3.0% cap.
(5) As defined in mortgage loan agreement. Reflects December sale of Marketplace at Towne Centre.
(6) Balance reflects January 2020 paydown of \$17.4 million related to the sale of Marketplace at Towne Centre.

**Retail Value Inc.
Property List**

#	Center	MSA	Location	ST	Owned GLA	Total GLA	ABR PSF	Anchor Tenants
1	Tucson Spectrum	Tucson, AZ	Tucson	AZ	717	970	\$13.79	Bed Bath & Beyond, Best Buy, Food City, Harkins Theatres, Home Depot (U), JCPenney, LA Fitness, Marshalls, Michaels, OfficeMax, Old Navy, Party City, PetSmart, Ross Dress for Less, Target (U)
2	Newnan Crossing	Atlanta-Sandy Springs-Roswell, GA	Newnan	GA	223	453	\$9.00	Hobby Lobby, Lowe's, Walmart (U)
3	Green Ridge Square	Grand Rapids-Wyoming, MI	Grand Rapids	MI	216	407	\$12.49	Bed Bath & Beyond, Best Buy, Michaels, Target (U)
4	Riverdale Village	Minneapolis-St. Paul-Bloomington, MN-WI	Coon Rapids	MN	788	968	\$15.70	Bed Bath & Beyond, Best Buy, Costco (U), Dick's Sporting Goods, DSW, JCPenney, Jo-Ann, Kohl's, Old Navy, T.J. Maxx
5	Maple Grove Crossing	Minneapolis-St. Paul-Bloomington, MN-WI	Maple Grove	MN	262	350	\$13.50	Barnes & Noble, Bed Bath & Beyond, Cub Foods (U), Kohl's, Michaels
6	Crossroads Center	Gulfport-Biloxi-Pascagoula, MS	Gulfport	MS	555	591	\$11.95	Academy Sports, Barnes & Noble, Belk, Burke's Outlet, Cinemark, Michaels, Ross Dress for Less, T.J. Maxx
7	Big Oaks Crossing	Tupelo, MS	Tupelo	MS	348	348	\$6.47	Jo-Ann, Sam's Club, Walmart
8	Seabrook Commons	Boston-Cambridge-Newton, MA-NH	Seabrook	NH	175	393	\$17.80	Dick's Sporting Goods, Walmart (U)
9	Hamilton Commons	Atlantic City-Hammonton, NJ	Mays Landing	NJ	403	403	\$16.46	Bed Bath & Beyond, Big Lots, Hobby Lobby, Marshalls, Regal Cinemas, Ross Dress for Less
10	Wrangleboro Consumer Square	Atlantic City-Hammonton, NJ	Mays Landing	NJ	840	840	\$13.73	Best Buy, BJ's Wholesale Club, Books-A-Million, Burlington, Christmas Tree Shops, Dick's Sporting Goods, Kohl's, Michaels, PetSmart, Staples, Target
11	Great Northern Plaza	Cleveland-Elyria, OH	North Olmsted	OH	630	669	\$14.18	Bed Bath & Beyond, Best Buy, Big Lots, Burlington, DSW, Home Depot, Jo-Ann, K&G Fashion Superstore, Marc's, PetSmart
12	Uptown Solon	Cleveland-Elyria, OH	Solon	OH	182	182	\$15.54	Bed Bath & Beyond
13	Peach Street Marketplace	Erie, PA	Erie	PA	721	1,001	\$10.59	Bed Bath & Beyond, Best Buy (U), Burlington, Cinemark, Hobby Lobby, Home Depot (U), Kohl's, Lowe's, Marshalls, PetSmart, Target (U)
14	Noble Town Center	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	Jenkintown	PA	168	168	\$14.08	Bed Bath & Beyond, PetSmart, Ross Dress for Less, Stein Mart
15	Willowbrook Plaza	Houston-The Woodlands-Sugar Land, TX	Houston	TX	385	393	\$15.97	AMC Theatres, Bed Bath & Beyond, Bel Furniture, buybuy BABY, Cost Plus World Market
16	Marketplace of Brown Deer	Milwaukee-Waukesha-West Allis, WI	Brown Deer	WI	405	405	\$9.31	Bob's Discount Furniture, Burlington, Michaels, OfficeMax, Pick 'n Save, Ross Dress for Less, T.J. Maxx
17	Plaza Isabela	Aguadilla-Isabela, PR	Isabela	PR	259	259	\$14.64	Selectos Supermarket, Walmart
18	Plaza Fajardo	Fajardo, PR	Fajardo	PR	274	274	\$15.73	Econo, Walmart
19	Plaza Walmart	Guayama, PR	Guayama	PR	164	164	\$8.63	Walmart
20	Plaza del Atlántico	San Juan-Carolina-Caguas, PR	Arecibo	PR	223	223	\$11.43	Capri, Kmart
21	Plaza del Sol	San Juan-Carolina-Caguas, PR	Bayamon	PR	598	710	\$31.07	Bed Bath & Beyond, Caribbean Cinemas, Dave & Buster's, H & M, Home Depot (U), Old Navy, Pep Boys, Walmart
22	Plaza Río Hondo	San Juan-Carolina-Caguas, PR	Bayamon	PR	555	555	\$25.37	Best Buy, Caribbean Cinemas, Kmart, Marshalls Mega Store, Pueblo, T.J. Maxx
23	Plaza Escorial	San Juan-Carolina-Caguas, PR	Carolina	PR	525	636	\$15.57	Caribbean Cinemas, Home Depot (U), OfficeMax, Old Navy, Sam's Club, Walmart
24	Plaza Cayey	San Juan-Carolina-Caguas, PR	Cayey	PR	313	339	\$9.03	Caribbean Cinemas (U), Pep Boys, Walmart
25	Plaza del Norte	San Juan-Carolina-Caguas, PR	Hatillo	PR	682	699	\$19.03	Econo Supermarket, Caribbean Cinemas, JCPenney, OfficeMax, Rooms To Go, Sears, T.J. Maxx
26	Plaza Palma Real	San Juan-Carolina-Caguas, PR	Humacao	PR	451	451	\$13.96	Capri, Marshalls, Pep Boys, Walmart
27	Señorial Plaza	San Juan-Carolina-Caguas, PR	Rio Piedras	PR	202	202	\$17.65	Pueblo
28	Plaza Vega Baja	San Juan-Carolina-Caguas, PR	Vega Baja	PR	185	185	\$11.37	Econo
			Total		11,448	13,237		

Note: (U) indicates unowned. Anchors include tenants greater than 20K SF

Retail Value Inc.
Notable Accounting and Supplemental Policies

The information contained in the Quarterly Financial Supplement does not purport to disclose all items required by the accounting principles generally accepted in the United States of America (“GAAP”) and is unaudited information. The Company’s Quarterly Financial Supplement should be read in conjunction with the Company’s Form 10-K and Form 10-Q.

Rental Income (Revenues)

- Percentage and overage rents are recognized after the tenants’ reported sales have exceeded the applicable sales breakpoint.
- Tenant reimbursements are recognized in the period in which the expenses are incurred.
- Lease termination fees are recognized upon termination of a tenant’s lease when the Company has no further obligations under the lease.

General and Administrative Expenses

- Property management services’ direct compensation is reflected in operating and maintenance expenses.

Deferred Financing Costs

- Costs incurred in obtaining term financing are included as a reduction of the related debt liability and costs incurred related to the revolving credit facilities are included in other assets on the consolidated balance sheets. All costs are amortized on a straight-line basis over the term of the related debt agreement; such amortization is reflected as interest expense in the consolidated income statements.

Real Estate

- Real estate assets are stated at cost less accumulated depreciation, which, in the opinion of management, is not in excess of the individual property's estimated undiscounted future cash flows, including estimated proceeds from disposition.
- Construction in progress includes expansions and re-tenanting.
- Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	20 to 31.5 years
Building Improvements	5 to 20 years
Furniture/Fixtures/ Tenant Improvements	Shorter of economic life or lease terms

Capitalization

- Expenditures for maintenance and repairs are charged to operations as incurred. Renovations and expenditures that improve or extend the life of the asset are capitalized.
- The Company capitalizes interest on funds used for the construction or expansion of shopping centers. Capitalization of interest ceases when construction activities are completed and the property is available for occupancy by tenants.
- Interest expense incurred during construction is capitalized and depreciated over the building life.

Gains on Sales of Real Estate

- Gains on sales of real estate generally related to the sale of outlots and land adjacent to existing shopping centers are recognized at closing when the earnings process is deemed to be complete.

Retail Value Inc.
Non-GAAP Measures

FFO and Operating FFO

The Company believes that Funds from Operations (“FFO”) and Operating FFO, both non-GAAP financial measures, provide additional and useful means to assess the financial performance of REITs. FFO and Operating FFO are frequently used by the real estate industry, as well as securities analysts, investors and other interested parties, to evaluate the performance of REITs. 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

FFO excludes GAAP historical cost depreciation and amortization of real estate and real estate investments, which assume that the value of real estate assets diminishes ratably over time. Historically, however, real estate values have risen or fallen with market conditions, and many companies use different depreciable lives and methods. Because FFO excludes depreciation and amortization unique to real estate and gains and losses from depreciable property dispositions, it can provide a performance measure that, when compared year over year, reflects the impact on operations from trends in occupancy rates, rental rates, operating costs, interest costs and acquisition, disposition and development activities. This provides a perspective of the Company’s financial performance not immediately apparent from net income determined in accordance with GAAP.

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 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 believes that certain charges and income recorded in its operating results are not comparable or reflective of its core operating performance. Operating FFO is useful to investors as the Company removes non-comparable charges, income and gains to analyze the results of its operations and assess performance of the core operating real estate portfolio. As a result, the Company also computes Operating FFO and discusses it with the users of its financial statements, in addition to other measures such as net income (loss) determined in accordance with GAAP and FFO. Operating FFO is generally defined and calculated by the Company as FFO excluding certain charges and income that management believes are not comparable and indicative of the results of the Company’s operating real estate portfolio. Such adjustments include gains/losses on the early extinguishment of debt, net hurricane-related activity and transaction costs. The disclosure of these adjustments is regularly requested by users of the Company’s financial statements.

The adjustment for these charges and income may not be comparable to how other REITs or real estate companies calculate their results of operations, and the Company’s calculation of Operating FFO differs from NAREIT’s definition of FFO. Additionally, the Company provides no assurances that these charges and income are non-recurring. These charges and income could be reasonably expected to recur in future results of operations.

These measures of performance are used by the Company for several business purposes and by other REITs. The Company uses FFO and/or Operating FFO in part (i) as a disclosure to improve the understanding of the Company’s operating results among the investing public, (ii) as a measure of a real estate asset’s performance and (iii) to compare the Company’s performance to that of other publicly traded shopping center REITs. For the reasons described above, management believes that FFO and Operating FFO provide the Company and investors with an important indicator of the Company’s operating performance. They provide recognized measures of performance other than GAAP net income, which may include non-cash items (often significant). Other real estate companies may calculate FFO and Operating FFO in a different manner.

Retail Value Inc.
Non-GAAP Measures

Management recognizes the limitations of FFO and Operating FFO when compared to GAAP's net income. FFO and Operating FFO do not represent amounts available for dividends, capital replacement or expansion, debt service obligations or other commitments and uncertainties. Management does not use FFO or Operating FFO as an indicator of the Company's cash obligations and funding requirements for future commitments, acquisitions or development activities. Neither FFO nor Operating FFO represents cash generated from operating activities in accordance with GAAP, and neither is necessarily indicative of cash available to fund cash needs. Neither FFO nor Operating FFO should be considered an alternative to net income (computed in accordance with GAAP) or as an alternative to cash flow as a measure of liquidity. FFO and Operating FFO are simply used as additional indicators of the Company's operating performance. The Company believes that to further understand its performance, FFO and Operating FFO should be compared with the Company's reported net income (loss) and considered in addition to cash flows determined in accordance with GAAP, as presented in its condensed consolidated financial statements. Reconciliations of these measures to their most directly comparable GAAP measure of net income (loss) have been provided herein.

Net Operating Income ("NOI")

The Company uses NOI, which is 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.

Retail Value Inc.

3300 Enterprise Pkwy. | Beachwood, OH 44122 | P. 216.755.5500 | F. 216.755.1500
www.retailvalueinc.com