

Retail Value Inc.

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For additional information:

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Retail Value Inc. Reports Fourth Quarter 2021 Operating Results

BEACHWOOD, OHIO, February 25, 2022 – Retail Value Inc. (NYSE: RVI) today announced operating results for the quarter and year ended December 31, 2021.

Financial Results for the Quarter

- Fourth quarter 2021 net income attributable to common shareholders was \$27.7 million, or \$1.31 per diluted share, as compared to net loss of \$9.5 million, or \$0.48 per diluted share, in the year-ago period. The period-over-period increase in net income is primarily attributable to higher gain on disposition of real estate, lower impairment charges and lower interest expense due to the debt repayment partly offset by the impact of asset sales.
- Fourth quarter 2021 operating funds from operations attributable to common shareholders (“Operating FFO” or “OFFO”) was a loss of \$0.1 million, or \$0.00 per diluted share, compared to income of \$14.8 million, or \$0.75 per diluted share, in the year-ago period. The period-over-period decrease in OFFO is primarily attributable to the impact of asset sales and lower interest expense. Fourth quarter results included \$0.5 million of net revenue related to prior periods primarily from cash basis tenants.

Financial Results for the Year

- Net loss attributable to common shareholders for the year ended December 31, 2021 was \$17.7 million, or \$0.84 per diluted share which compares to net loss of \$93.6 million, or \$4.72 per diluted share for the full year 2020.
- Generated Operating FFO of \$52.1 million, or \$2.48 per diluted share for the full year of 2021, which compares to \$61.8 million, or \$3.12 per diluted share for the full year 2020.

Significant Fourth Quarter and Recent Transaction Activity

- In October 2021, the Company sold a portfolio of five assets in the continental U.S. for a gross sale price of \$264.0 million.
- In October 2021, the Company paid a distribution on the Company’s Series A Preferred Shares (the “RVI Preferred Shares”) in the aggregate amount of \$190.0 million.
- In October 2021, the Company paid a cash dividend of \$22.04 per common share (\$465.4 million in the aggregate).
- In December 2021, the Company sold Green Ridge Square in Grand Rapids, Michigan and Willowbrook Plaza in Houston, Texas for an aggregate sales price of \$60.4 million.
- In December 2021, the Company repurchased all of the outstanding RVI Preferred Shares from SITE Centers Corp. (“SITE Centers”) for an aggregate purchase price of \$1.00.
- On December 15, 2021, the Company entered into an External Management Agreement with affiliates of SITE Centers which specifies the responsibilities and fees applicable to managing the Company’s remaining property (Crossroads Centers located in Gulfport, Mississippi, which is subject to a ground lease) and administering a wind-up of the Company’s operations. The External Management Agreement took effect on January 1, 2022.
- In January 2022, the Company paid a cash dividend of \$3.27 per common share (\$69.1 million in the aggregate).

Significant Full-Year Activity

- Sold 21 shopping centers for an aggregate gross sales price of \$933.6 million.
- Repaid the outstanding balance on the Company’s mortgage loan. Upon repayment of the mortgage loan, the Company’s Revolving Credit Agreement also terminated.
- The sale of the Puerto Rico assets is reflected as “discontinued operations” on the Company’s financial statements on a retrospective basis.

Key Fourth Quarter Operating Results

The operating metrics as of December 31, 2021, for the Company's remaining property (Crossroads Center in Gulfport, Mississippi, which is subject to a ground lease) are as follows:

Gross Leasable Area - Owned (thousands)	555
Annualized Base Rent PSF	\$13.47
Leased Rate	92.1%
Commenced Rate	91.2%

Impact of the COVID-19 Pandemic

- At December 31, 2021, the balance sheet reflects \$0.5 million of net deferred rents outstanding for tenants with payment plans that are not accounted for on the cash basis. This includes balances due from tenants at sold properties.

About RVI

RVI is an independent publicly traded company trading under the ticker symbol "RVI" on the New York Stock Exchange. RVI owns one property in the continental U.S. 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.

FFO is generally defined and calculated by the Company as net income (loss) (computed in accordance with generally accepted accounting principles in the United States ("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 herein.

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 impact of the COVID-19 pandemic on our ability to manage our properties and finance our operations and on tenants' ability to operate their businesses, generate sales and meet their financial obligations, including the obligation to pay rent; our ability to sell the remaining property on commercially

reasonable terms; 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 affecting our remaining property, 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 remaining property; impairment charges; 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 report on Form 10-K. The impacts of the COVID-19 pandemic may also exacerbate the risks described therein, any of which could have a material effect on the Company. 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

	<u>4Q21</u>	<u>4Q20</u>	<u>12M21</u>	<u>12M20</u>
Revenues:				
Rental income (1)	\$5,382	\$17,124	\$55,603	\$81,781
Straight-line rent (1)	0	194	0	(1,089)
Other property revenues	17	14	55	45
	<u>5,399</u>	<u>17,332</u>	<u>55,658</u>	<u>80,737</u>
Expenses:				
Operating and maintenance	801	2,513	7,286	11,460
Property Management fees	674	850	2,750	3,899
Real estate taxes	404	3,079	8,966	15,957
	<u>1,879</u>	<u>6,442</u>	<u>19,002</u>	<u>31,316</u>
Net operating income (1)	3,520	10,890	36,656	49,421
Other income (expense):				
Asset management fees	(731)	(997)	(3,156)	(4,630)
Interest expense, net	0	(3,537)	(7,899)	(18,334)
Depreciation and amortization	(1,090)	(5,666)	(17,217)	(28,395)
General and administrative	(582)	(751)	(3,577)	(3,612)
Impairment charges	0	(10,910)	(1,573)	(54,370)
Debt extinguishment costs, net	0	(1,456)	(6,307)	(5,873)
Other income, net	0	0	0	0
Gain on disposition of real estate, net	27,714	1,754	29,596	23,710
Income (loss) before other items	<u>28,831</u>	<u>(10,673)</u>	<u>26,523</u>	<u>(42,083)</u>
Tax benefit (expense)	45	(674)	(148)	(858)
Income (loss) from continuing operations	<u>28,876</u>	<u>(11,347)</u>	<u>26,375</u>	<u>(42,941)</u>
(Loss) income from discontinued operations (2)	<u>(1,212)</u>	<u>1,851</u>	<u>(44,074)</u>	<u>(50,613)</u>
Net income (loss)	\$27,664	(\$9,496)	(\$17,699)	(\$93,554)
Weighted average shares – Basic & Diluted – EPS	21,117	19,829	21,062	19,806
Basic and Diluted:				
Income (loss) per common share – Continuing operations	\$1.37	\$(0.57)	\$1.25	\$(2.17)
(Loss) income per common share – Discontinued operations	(0.06)	0.09	(2.09)	(2.55)
Net income (loss) per common share	\$1.31	\$(0.48)	\$(0.84)	\$(4.72)
(1) Activity for Crossroads Center:				
Uncollectible revenue (included in rental income)	\$8	(\$10)	\$353	(\$613)
Straight-line rent	(16)	(16)	(73)	(34)
Net operating income	1,490	1,273	5,818	5,269

(2) Puerto Rico segment classified as a "discontinued operation" for financial reporting purposes on a retrospective basis. See additional detail on page 6.

Retail Value Inc.
Other Financial Information

in thousands, except per share

	<u>4Q21</u>	<u>4Q20</u>	<u>12M21</u>	<u>12M20</u>
Net income (loss) attributable to Common Shareholders	\$27,664	(\$9,496)	(\$17,699)	(\$93,554)
Depreciation and amortization of real estate	1,090	12,559	33,675	56,986
Impairment of real estate	0	10,910	82,633	115,525
Gain on disposition of real estate, net	(28,855)	(844)	(54,542)	(22,800)
FFO attributable to Common Shareholders	(\$101)	\$13,129	\$44,067	\$56,157
Debt extinguishment, transaction, other, net	0	1,695	8,061	5,671
Operating FFO attributable to Common Shareholders	(\$101)	\$14,824	\$52,128	\$61,828
Weighted average shares and units – Basic & Diluted – FFO & OFFO	21,117	19,829	21,062	19,806
FFO per share – Basic & Diluted	\$0.00	\$0.66	\$2.09	\$2.84
Operating FFO per share – Basic & Diluted	\$0.00	\$0.75	\$2.48	\$3.12
Common stock dividends declared, per share	\$25.31	\$1.16	\$25.31	\$1.16
Certain non-cash items (including properties reported as discontinued operations):				
Loan cost amortization	0	(786)	(1,923)	(3,602)
Capital expenditures (including properties reported as discontinued operations):				
Maintenance capital expenditures	608	551	2,425	1,685
Tenant allowances and landlord work	595	1,954	4,150	5,183
Leasing commissions - SITE Centers	(14)	762	1,687	2,755
Leasing commissions - external	59	53	557	278
Hurricane restorations	(1)	1,456	2,420	11,343

Retail Value Inc.
Other Financial Information

in thousands, except per share

	Continental U.S.			
	4Q21	4Q20	12M21	12M20
Revenues:				
Minimum rents	\$2,992	\$11,987	\$34,633	\$58,881
Ground lease minimum rents	171	861	2,602	4,247
Percentage and overage rent	45	44	320	294
Recoveries	1,551	4,554	13,601	22,535
Uncollectible revenue	538	(353)	3,711	(6,631)
Ancillary and other rental income	85	140	589	781
Lease termination fees	0	85	147	585
Other property revenues	17	14	55	45
	5,399	17,332	55,658	80,737
Expenses:				
Operating and maintenance	801	2,513	7,286	11,460
Property management fees	674	850	2,750	3,899
Real estate taxes	404	3,079	8,966	15,957
	1,879	6,442	19,002	31,316
Net operating income	3,520	10,890	36,656	49,421
Other income (expense):				
Asset management fees	(731)	(997)	(3,156)	(4,630)
Interest expense, net	0	(3,537)	(7,899)	(18,334)
Depreciation and amortization	(1,090)	(5,666)	(17,217)	(28,395)
General and administrative (not allocated to segment)	N/A	N/A	N/A	N/A
Impairment charges	0	(10,910)	(1,573)	(54,370)
Debt extinguishment costs, net	0	(1,456)	(6,307)	(5,873)
Other expense, net				
Gain on disposition of real estate, net (1)	27,714	1,754	29,596	23,710
Tax benefit (expense)	45	(674)	(148)	(858)
Net income (loss)	\$29,458	(\$10,596)	\$29,952	(\$39,329)

(1) SITE Centers disposition fees for assets sold

3,244

21

3,587

2,642

	Puerto Rico (Discontinued Operations)			
	4Q21	4Q20	12M21	12M20
Revenues:				
Minimum rents	\$170	\$14,122	\$34,390	\$58,325
Ground lease minimum rents	0	1,946	4,472	8,008
Percentage and overage rent	(56)	796	1,984	2,025
Recoveries	120	6,491	15,037	24,621
Uncollectible revenue	83	(2,387)	1,400	(9,927)
Ancillary and other rental income	7	1,846	3,844	5,962
Lease termination fees	0	0	3,097	19
Other property revenues	(17)	(15)	0	38
	307	22,799	64,224	89,071
Expenses:				
Operating and maintenance	312	8,030	19,349	29,343
Property management fees	1,404	1,583	5,937	6,060
Real estate taxes	19	1,153	2,827	4,795
	1,735	10,766	28,113	40,198
Net operating (loss) income	(1,428)	12,033	36,111	48,873
Other income (expense):				
Asset management fees	(890)	(1,006)	(3,626)	(4,023)
Interest expense, net	0	(1,078)	(2,055)	(4,408)
Depreciation and amortization	0	(6,909)	(16,503)	(28,658)
General and administrative (not allocated to segment)	N/A	N/A	N/A	N/A
Impairment charges	0	0	(81,060)	(61,155)
Debt extinguishment costs, net	0	(49)	(1,951)	(49)
Other expense, net	0	(190)	197	251
Gain on disposition of real estate, net (1)	1,141	(910)	24,946	(910)
Tax expense	(35)	(40)	(133)	(534)
Net (loss) income	(\$1,212)	\$1,851	(\$44,074)	(\$50,613)

(1) SITE Centers disposition fees for assets sold

0

500

5,749

500

Retail Value Inc.
Balance Sheet

\$ in thousands

	At Period End	
	4Q21	4Q20
Assets:		
Land	\$0	\$106,708
Buildings	51,261	421,401
Fixtures and tenant improvements	8,260	68,795
	59,521	596,904
Depreciation	(36,195)	(253,565)
	23,326	343,339
Construction in progress	0	321
Real estate, net	23,326	343,660
Cash	110,470	56,849
Restricted cash	1,993	115,939
Receivables and straight-line (1)	3,891	15,007
Intangible assets, net (2)	1,098	9,452
Other assets, net (3)	3,620	5,767
Assets related to discontinued operations	0	649,202
Total Assets	144,398	1,195,876
Liabilities and Equity:		
Secured debt	0	258,795
Dividends payable	69,053	23,002
Other liabilities (4)	8,331	25,848
Liabilities related to discontinued operations	0	98,445
Total Liabilities	77,384	406,090
Redeemable preferred equity	0	190,000
Common shares	2,112	1,983
Paid-in capital	740,517	721,234
Distributions in excess of net income	(675,602)	(123,428)
Common shares in treasury at cost	(13)	(3)
Total Equity	67,014	599,786
Total Liabilities and Equity	\$144,398	\$1,195,876
All amounts include Discontinued Operation assets:		
(1) Tenant receivables, net - continental U.S.	693	N/A
Tenant receivables, net - Puerto Rico	841	N/A
SL rents (including fixed CAM), net - continental U.S.	287	N/A
Property insurance receivable	906	N/A
Other receivables	1,164	N/A
(2) Operating lease right of use asset	1,098	N/A
(3) Note receivable	3,000	N/A
(4) Operating lease liabilities	2,126	N/A
Below-market leases, net	0	N/A

Prior year footnote amounts are not presented due to impact of discontinued operations.