

Retail Value Inc.

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For additional information:

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 Chief Financial Officer

Retail Value Inc. Reports Third Quarter 2021 Operating Results

BEACHWOOD, OHIO, November 3, 2021 – Retail Value Inc. (NYSE: RVI) today announced operating results for the quarter ended September 30, 2021.

Financial Results for the Quarter

- Third quarter 2021 net income attributable to common shareholders was \$21.0 million, or \$0.99 per diluted share, as compared to net loss of \$69.0 million, or \$3.48 per diluted share, in the year-ago period. The period-over-period increase in net income is primarily attributable to the reduction of impairment charges in 2021 compared to 2020, higher gain on disposition of real estate, lower interest expense and the impact of the COVID-19 pandemic.
- Third quarter 2021 operating funds from operations attributable to common shareholders (“Operating FFO” or “OFFO”) was \$13.5 million, or \$0.64 per diluted share, compared to \$14.6 million, or \$0.74 per diluted share, in the year-ago period. The period-over-period decrease in OFFO is primarily attributable to the impact of asset sales offset by the impact of the COVID-19 pandemic and lower interest expense. Third quarter results included \$1.4 million of net revenue related to prior periods primarily from cash basis tenants.
- The continental U.S. leased rate was 89.5% at September 30, 2021 as compared to 89.6% at June 30, 2021.

Significant Third Quarter and Recent Transaction Activity

- Sold the Company’s remaining interests in nine assets in Puerto Rico for \$550.0 million (Puerto Rico operating results reflected as “discontinued operations” on a retrospective basis).
- Repaid the outstanding balance on its mortgage loan of \$214.5 million and all restricted cash balances were released to the Company by the loan’s servicer.
- In October 2021, sold five assets in the continental U.S. for \$264.0 million.
- In October 2021, the Company paid a dividend 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. The total dividend paid on account of the common shares was \$465.4 million.
- In November 2021, the Company entered into a contract to sell Green Ridge Square in Grand Rapids, Michigan for \$23.3 million in cash, subject to adjustment for certain closing pro-rations, allocations, credits, closing costs and escrows. Closing remains subject to customary conditions and is expected to occur by the end of 2021.

Key Third Quarter Operating Results

The operating metrics as of September 30, 2021, for the Company’s three remaining assets (Green Ridge Square, Crossroads Centers and Willowbrook Plaza) are as follows:

Shopping Center Count	3
Gross Leasable Area - Owned (thousands)	1,156
Base Rent PSF	\$14.02
Leased Rate	87.6%
Commenced Rate	84.8%
3Q21 Net Operating Income excluding \$0.2 of uncollectible revenue (millions)	\$2.9

Impact of the COVID-19 Pandemic

- At September 30, 2021, the balance sheet reflects \$0.6 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 holds three assets 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 ongoing and deferred rents; our ability to sell our remaining assets 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 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; 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 Forms 10-K and 10-Q. 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>3Q21</u>	<u>3Q20</u>	<u>9M21</u>	<u>9M20</u>
Revenues:				
Rental income (1)	\$14,718	\$18,988	\$50,479	\$63,774
Straight-line rent (1)	(59)	378	(258)	(400)
Other property revenues	(31)	33	38	31
	<u>14,628</u>	<u>19,399</u>	<u>50,259</u>	<u>63,405</u>
Expenses:				
Operating and maintenance	1,922	2,403	6,485	8,947
Property Management fees	675	850	2,076	3,049
Real estate taxes	2,661	4,091	8,562	12,878
	<u>5,258</u>	<u>7,344</u>	<u>17,123</u>	<u>24,874</u>
Net operating income (1)	9,370	12,055	33,136	38,531
Other income (expense):				
Asset management fees	(731)	(997)	(2,425)	(3,633)
Interest expense, net	(2,039)	(4,109)	(7,897)	(14,797)
Depreciation and amortization	(4,439)	(6,538)	(16,127)	(22,729)
General and administrative	(874)	(860)	(2,997)	(2,861)
Impairment charges	(1,573)	(16,640)	(1,573)	(43,460)
Debt extinguishment costs, net	(5,158)	(440)	(6,307)	(4,417)
Other income, net	0	0	0	0
Gain on disposition of real estate, net	37	8,324	1,882	21,956
Loss before other items	<u>(5,407)</u>	<u>(9,205)</u>	<u>(2,308)</u>	<u>(31,410)</u>
Tax expense	<u>(50)</u>	<u>(59)</u>	<u>(193)</u>	<u>(184)</u>
Loss from continuing operations	(5,457)	(9,264)	(2,501)	(31,594)
Income (loss) from discontinued operations (2)	<u>26,466</u>	<u>(59,741)</u>	<u>(42,862)</u>	<u>(52,464)</u>
Net income (loss)	\$21,009	(\$69,005)	(\$45,363)	(\$84,058)
Weighted average shares – Basic & Diluted – EPS	21,117	19,829	21,043	19,798
Basic and Diluted:				
Loss per common share – Continuing operations	\$(0.26)	\$(0.47)	\$(0.12)	\$(1.60)
Income (loss) per common share – Discontinued operations	1.25	(3.01)	(2.04)	(2.65)
Net income (loss) per common share	\$0.99	\$(3.48)	\$(2.16)	\$(4.25)
(1) Activity for the three remaining properties was as follows (Green Ridge Square, Crossroads Center and Willowbrook Plaza):				
Uncollectible revenue (included in rental income)	(\$208)	(\$1,177)	\$2,600	(\$3,057)
Straight-line rent	(15)	50	(54)	(558)
Net operating income	<u>2,683</u>	<u>2,048</u>	<u>11,390</u>	<u>6,397</u>

(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>3Q21</u>	<u>3Q20</u>	<u>9M21</u>	<u>9M20</u>
Net income (loss) attributable to Common Shareholders	\$21,009	(\$69,005)	(\$45,363)	(\$84,058)
Depreciation and amortization of real estate	8,057	13,780	32,585	44,427
Impairment of real estate	1,573	77,795	82,633	104,615
Gain on disposition of real estate, net	(24,146)	(8,324)	(25,687)	(21,956)
FFO attributable to Common Shareholders	\$6,493	\$14,246	\$44,168	\$43,028
Debt extinguishment, transaction, other, net	7,016	333	8,061	3,976
Operating FFO attributable to Common Shareholders	\$13,509	\$14,579	\$52,229	\$47,004
Weighted average shares and units – Basic & Diluted – FFO & OFFO	21,117	19,829	21,043	19,798
FFO per share – Basic & Diluted	\$0.31	\$0.72	\$2.10	\$2.17
Operating FFO per share – Basic & Diluted	\$0.64	\$0.74	\$2.48	\$2.37
Common stock dividends declared, per share	N/A	N/A	N/A	N/A
Certain non-cash items (including properties reported as discontinued operations):				
Loan cost amortization	(429)	(883)	(1,923)	(2,817)
Capital expenditures (including properties reported as discontinued operations):				
Maintenance capital expenditures	590	471	1,817	1,134
Tenant allowances and landlord work	2,282	1,618	3,555	3,229
Leasing commissions - SITE Centers	306	288	1,701	1,992
Leasing commissions - external	311	71	498	226
Hurricane restorations	87	1,875	2,421	9,887

Retail Value Inc.
Other Financial Information

in thousands, except per share

	Continental U.S.			
	3Q21	3Q20	9M21	9M20
Revenues:				
Minimum rents	\$9,859	\$14,795	\$31,641	\$46,895
Ground lease minimum rents	795	1,082	2,431	3,386
Percentage and overage rent	22	147	275	250
Recoveries	3,671	5,402	12,050	17,981
Uncollectible revenue	29	(2,229)	3,173	(6,279)
Ancillary and other rental income	222	169	504	641
Lease termination fees	61	0	147	500
Other property revenues	(31)	33	38	31
	14,628	19,399	50,259	63,405
Expenses:				
Operating and maintenance	1,922	2,403	6,485	8,947
Property management fees	675	850	2,076	3,049
Real estate taxes	2,661	4,091	8,562	12,878
	5,258	7,344	17,123	24,874
Net operating income (1)	9,370	12,055	33,136	38,531
Other income (expense):				
Asset management fees	(731)	(997)	(2,425)	(3,633)
Interest expense, net	(2,039)	(4,109)	(7,897)	(14,797)
Depreciation and amortization	(4,439)	(6,538)	(16,127)	(22,729)
General and administrative (not allocated to segment)	N/A	N/A	N/A	N/A
Impairment charges	(1,573)	(16,640)	(1,573)	(43,460)
Debt extinguishment costs, net	(5,158)	(440)	(6,307)	(4,417)
Gain on disposition of real estate, net (2)	37	8,324	1,882	21,956
Tax expense	(50)	(59)	(193)	(184)
Net (loss) income	(\$4,583)	(\$8,404)	\$496	(\$28,733)
(1) NOI from assets sold or held for sale	6,745	10,156	21,820	32,033
(2) SITE Centers disposition fees for assets sold	0	856	547	2,622
		Puerto Rico (Discontinued Operations)		
	3Q21	3Q20	9M21	9M20
Revenues:				
Minimum rents	\$7,945	\$14,565	\$34,220	\$44,203
Ground lease minimum rents	1,065	2,048	4,472	6,062
Percentage and overage rent	198	277	2,040	1,229
Recoveries	3,427	5,993	14,917	18,130
Uncollectible revenue	1,383	(3,912)	1,317	(7,540)
Ancillary and other rental income	855	1,627	3,837	4,116
Lease termination fees	1,310	0	3,097	19
Other property revenues	(5)	19	17	53
	16,178	20,617	63,917	66,272
Expenses:				
Operating and maintenance	4,824	7,168	19,037	21,313
Property management fees	1,406	1,558	4,533	4,477
Real estate taxes	686	1,227	2,808	3,642
	6,916	9,953	26,378	29,432
Net operating income (1)	9,262	10,664	37,539	36,840
Other income (expense):				
Asset management fees	(889)	(1,005)	(2,736)	(3,017)
Interest expense, net	(485)	(1,066)	(2,055)	(3,330)
Depreciation and amortization	(3,629)	(7,259)	(16,503)	(21,749)
General and administrative (not allocated to segment)	N/A	N/A	N/A	N/A
Impairment charges	0	(61,155)	(81,060)	(61,155)
Debt extinguishment costs, net	(1,858)	0	(1,951)	0
Other expense, net	0	107	197	441
Gain on disposition of real estate, net (2)	24,109	0	23,805	0
Tax expense	(44)	(27)	(98)	(494)
Net income (loss)	\$26,466	(\$59,741)	(\$42,862)	(\$52,464)
(1) NOI from assets sold	9,262	10,664	37,539	36,840
(2) SITE Centers disposition fees for assets sold	5,500	0	5,545	0

Retail Value Inc.
Balance Sheet

\$ in thousands

	At Period End	
	3Q21	4Q20
Assets:		
Land	\$10,442	\$106,708
Buildings	99,141	421,401
Fixtures and tenant improvements	22,755	68,795
	132,338	596,904
Depreciation	(67,377)	(253,565)
	64,961	343,339
Construction in progress	2,341	321
Real estate, net	67,302	343,660
Cash	460,949	56,849
Restricted cash	0	115,939
Receivables and straight-line (1)	7,960	15,007
Intangible assets, net (2)	4,391	9,452
Other assets, net (3)	4,672	5,767
Assets related to discontinued operations	0	649,202
Real estate assets and other assets held for sale	240,682	0
Total Assets	785,956	1,195,876
Liabilities and Equity:		
Secured debt	0	258,795
Dividends payable	0	23,002
Other liabilities (4)	17,433	25,848
Liabilities related to discontinued operations	0	98,445
Liabilities held for sale	4,698	0
Total Liabilities	22,131	406,090
Redeemable preferred equity	190,000	190,000
Common shares	2,112	1,983
Paid-in capital	740,517	721,234
Distributions in excess of net income	(168,791)	(123,428)
Common shares in treasury at cost	(13)	(3)
Total Equity	573,825	599,786
Total Liabilities and Equity	\$785,956	\$1,195,876
(1) Tenant receivables - continental U.S.	550	N/A
Tenant receivables - Puerto Rico	588	N/A
SL rents (including fixed CAM), net - continental U.S.	867	N/A
Property insurance receivable	2,615	N/A
Other receivables	3,340	N/A
(2) Operating lease right of use asset	1,108	N/A
(3) Note receivable	3,000	N/A
(4) Operating lease liabilities	2,140	N/A
Below-market leases, net	6,876	N/A

Prior year footnote amounts are not presented due to impact of discontinued operations and held for sale classification.