

Retail Value Inc.
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Retail Value Inc. Reports Second Quarter 2019 Operating Results

BEACHWOOD, OHIO, August 6, 2019 - Retail Value Inc. (NYSE: RVI) today announced operating results for the quarter ended June 30, 2019.

Results for the Quarter

- Second quarter net income attributable to common shareholders was \$13.6 million, or \$0.72 per diluted share. Second quarter operating funds from operations attributable to common shareholders (“Operating FFO” or “OFFO”) was \$24.4 million, or \$1.28 per diluted share.
- Sold four shopping centers for an aggregate sales price of \$151.5 million.
- The Continental U.S. leased rate remained at 92.2%.
- The Puerto Rico leased rate was 84.6% as compared to 85.3% at March 31, 2019 due to the Payless bankruptcy and natural lease expirations.

Key Quarterly Operating Results

The following metrics are as of June 30, 2019:

	Continental U.S.	Puerto Rico
Shopping Center Count	19	12
Gross Leasable Area (thousands)	7,704	4,431
Base Rent PSF	\$13.52	\$20.62
Leased Rate	92.2%	84.6%
Commenced Rate	91.3%	81.3%
NOI (millions)	\$23.5	\$16.8

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, 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

	2Q19 Continental U.S.	2Q19 Puerto Rico	Total 2Q19	Total 6M19
Revenues (1):				
Rental income (2)	35,056	\$23,819	\$58,875	\$120,445
Other property revenues	15	(5)	10	51
Business interruption income	0	2,000	2,000	2,000
	35,071	25,814	60,885	122,496
Expenses:				
Operating and maintenance (3)	5,556	7,844	13,400	26,898
Real estate taxes	5,971	1,198	7,169	14,679
	11,527	9,042	20,569	41,577
Net operating income (4)	23,544	16,772	40,316	80,919
Other income (expense):				
Asset management fees			(2,820)	(5,640)
Interest expense			(10,846)	(24,820)
Depreciation and amortization			(18,378)	(37,733)
General and administrative			(1,058)	(1,943)
Impairment charges			(7,110)	(13,200)
Hurricane property insurance income, net			3,814	3,631
Debt extinguishment costs, net			(2,927)	(17,409)
Transaction costs			0	(18)
Other expense, net			0	(850)
Gain on disposition of real estate, net (5)			12,946	31,165
Income before other items			13,937	14,102
Tax expense			(320)	(495)
Net income			\$13,617	\$13,607
Weighted average shares – Basic & Diluted – EPS			19,043	18,963
Earnings per common share – Basic & Diluted			\$0.72	\$0.72
Revenue items:				
(1) Lost revenue related to hurricane	0	(1,152)	(\$1,152)	(\$2,777)
(2) Minimum rents	22,973	14,335	37,308	76,680
Ground lease minimum rents	1,551	1,780	3,331	7,143
Percentage and overage rent	714	383	1,097	2,517
Recoveries	8,511	5,622	14,133	29,081
Lease termination fees	65	12	77	77
Ancillary and other rental income	685	1,823	2,508	4,675
Bad debt	557	(136)	421	272
(3) Operating expenses:				
Property management fees	(1,413)	(1,586)	(2,999)	(5,995)
(4) NOI from assets sold			2,475	6,622
(5) SITE Centers disposition fees			1,515	2,614

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

in thousands, except per share

	2Q19	6M19
Net income attributable to Common Shareholders	\$13,617	\$13,607
Depreciation and amortization of real estate	18,352	37,681
Impairment of real estate	7,110	13,200
Gain on disposition of real estate, net	(12,946)	(31,165)
FFO attributable to Common Shareholders	\$26,133	\$33,323
Hurricane activity, net (1)	(4,662)	(2,854)
Debt extinguishment, transaction, other, net	2,927	18,277
Total non-operating items, net	(1,735)	15,423
Operating FFO attributable to Common Shareholders	\$24,398	\$48,746
Weighted average shares and units – Basic & Diluted – FFO & OFFO	19,043	18,963
FFO per share – Basic & Diluted	\$1.37	\$1.76
Operating FFO per share – Basic & Diluted	\$1.28	\$2.57
Common stock dividends declared, per share	N/A	N/A
Certain non-cash items:		
Straight-line rent	(238)	(450)
Straight-line fixed CAM	141	301
Loan cost amortization	(1,295)	(2,597)
Non-real estate depreciation expense	(26)	(52)
Capital expenditures:		
Maintenance capital expenditures	283	307
Tenant allowances and landlord work	2,718	5,119
Leasing commissions - SITE Centers	731	1,474
Leasing commissions - external	191	352
Hurricane restorations	18,756	40,443
(1) Hurricane activity, net:		
Lost tenant revenue	1,152	2,777
Property insurance proceeds in excess of receivable	(3,972)	(3,972)
Business interruption income	(2,000)	(2,000)
Clean up costs and other expenses	158	341
	(4,662)	(2,854)

Retail Value Inc.
Balance Sheet

\$ in thousands

	At Period End	
	2Q19	4Q18
Assets:		
Land	\$549,622	\$622,827
Buildings	1,463,674	1,629,862
Fixtures and tenant improvements	159,702	172,679
	2,172,998	2,425,368
Depreciation	(663,677)	(704,401)
	1,509,321	1,720,967
Construction in progress and land	15,566	26,070
Real estate, net	1,524,887	1,747,037
Cash	58,522	44,565
Restricted cash (1)	93,315	66,634
Receivables and straight-line (2)	25,355	31,426
Property insurance receivable	0	29,422
Intangible assets, net (3)	22,181	31,882
Other assets, net	5,672	11,678
Total Assets	1,729,932	1,962,644
 Liabilities and Equity:		
Secured debt	752,404	967,569
Payable to SITE	33,759	33,985
Dividends payable	0	24,005
Other liabilities (4)	60,100	84,832
Total Liabilities	846,263	1,110,391
Redeemable preferred equity	190,000	190,000
Common shares	1,904	1,846
Paid-in capital	692,665	675,566
Distributions in excess of net income	(890)	(15,153)
Common shares in treasury at cost	(10)	(6)
Total Equity	693,669	662,253
Total Liabilities and Equity	\$1,729,932	\$1,962,644
(1) Asset sale proceeds	48,538	26,969
Other escrows	44,777	39,665
(2) Straight-line rents receivable	17,556	18,757
(3) Operating lease right of use assets (related to adoption of Topic 842)	1,811	0
(4) Operating lease liabilities (related to adoption of Topic 842)	2,943	0
Below-market leases, net	20,893	33,914