

Retail Value Inc.

Quarterly Financial Supplement

For the period ended December 31, 2018

rvi

Retail Value Inc.
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Retail Value Inc. 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 or our failure 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 "Risk Factors" included in the Company's report on Form 10-K for the year ended December 31, 2018. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof.

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Chief Financial Officer

Retail Value Inc. Reports Fourth Quarter 2018 Operating Results

BEACHWOOD, OHIO, March 5, 2019 - Retail Value Inc. (NYSE: RVI) today announced operating results for the quarter ended December 31, 2018.

“We made significant progress realizing equity value for shareholders in the Company’s first year. Puerto Rico repair and restoration work remains on track to be substantially complete by the end of 2019 and operations are slowly improving,” commented David R. Lukes, president and chief executive officer.

Results for the Quarter

- Fourth quarter net income attributable to common shareholders was \$2.9 million, or \$0.15 per diluted share. Fourth quarter operating funds from operations attributable to common shareholders (“Operating FFO” or “OFFO”) was \$25.0 million, or \$1.36 per diluted share.
- Sold four shopping centers for an aggregate sales price of \$133.7 million.
- The Continental U.S. leased rate was 92.9% as compared to 93.1% at September 30, 2018 with the decline driven by the impact of asset sales.

Key Quarterly Operating Results

The following metrics are as of December 31, 2018:

	Continental U.S.	Puerto Rico
Shopping Center Count	26	12
Gross Leasable Area (thousands)	9,592	4,431
Base Rent PSF	\$13.42	\$20.66
Leased Rate	92.9%	87.0%
Commenced Rate	91.5%	84.4%
NOI (millions)	\$26.9	\$17.7

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.

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 depreciable real estate property, which are presented net of taxes, if any, (ii) impairment charges on depreciable real estate property 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 the National Association of Real Estate Investment Trusts (“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.

In December 2018, NAREIT issued *NAREIT Funds From Operations White Paper - 2018 Restatement* (“2018 FFO White Paper”). The purpose of the 2018 FFO White Paper was not to change the fundamental definition of FFO but clarify existing guidance and 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 is effective starting with first quarter 2019 reporting. Although early adoption for the year ended 2018 is permitted, the Company plans to adopt any changes in its calculation in 2019 on a retrospective basis. The Company does not expect to report any changes in the calculation of FFO related to the clarification in the 2018 FFO White Paper.

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 or our failure 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 “Risk Factors” included in the Company’s report on Form 10-K for the year ended December 31, 2018. 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

	4Q18	4Q18	Total	Total
	Continental U.S.	Puerto Rico	4Q18	6M18
Revenues (1):				
Minimum rents (2)	\$29,607	\$16,126	\$45,733	\$94,319
Percentage rent	295	959	1,254	1,612
Recoveries	10,321	5,741	16,062	32,119
Other property revenues (3)	435	2,208	2,643	4,893
Business interruption income	0	2,000	2,000	4,404
	<u>40,658</u>	<u>27,034</u>	<u>67,692</u>	<u>137,347</u>
Expenses:				
Operating and maintenance (4)	6,487	8,047	14,534	28,193
Real estate taxes	7,267	1,268	8,535	17,597
	<u>13,754</u>	<u>9,315</u>	<u>23,069</u>	<u>45,790</u>
Net operating income (5)	26,904	17,719	44,623	91,557
Other income (expense):				
Asset management fees			(3,268)	(6,537)
Interest expense			(15,199)	(32,249)
Depreciation and amortization			(20,333)	(42,471)
General and administrative			(1,138)	(2,147)
Impairment charges			(1,970)	(6,390)
Hurricane property loss			(211)	(366)
Debt extinguishment costs, net			(3,718)	(6,431)
Transaction costs			(7)	(186)
Other income (expense), net			(3,035)	(2,590)
Gain on disposition of real estate, net (6)			6,978	16,813
Income before other items			<u>2,722</u>	<u>9,003</u>
Tax benefit (expense)			177	(151)
Net income			\$2,899	\$8,852
Weighted average shares – Basic & Diluted – EPS			18,464	18,464
Earnings per common share – Basic & Diluted			\$0.15	\$0.48
Revenue items:				
(1) Lost revenue related to hurricane			(\$1,849)	(\$4,250)
(2) Ground lease revenue			4,070	8,178
(3) Lease termination fees			70	81
(4) Operating expenses:				
Property management fees	(1,666)	(1,589)	(3,255)	(6,538)
Bad debt expense			(218)	(222)
(5) NOI from assets sold	1,142	0	1,142	5,531
(6) SITE Centers disposition fees			(1,337)	(2,959)

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

\$ in thousands, except per share

	4Q18	6M18
Net income attributable to Common Shareholders	\$2,899	\$8,852
Depreciation and amortization of real estate	20,319	42,419
Impairment of depreciable real estate	1,970	6,390
Gain on disposition of depreciable real estate, net	(6,978)	(16,813)
FFO attributable to Common Shareholders	\$18,210	\$40,848
Hurricane property loss, net (1)	60	212
Debt extinguishment, transaction, other, net	6,760	9,207
Total non-operating items, net	6,820	9,419
Operating FFO attributable to Common Shareholders	\$25,030	\$50,267
Weighted average shares and units – Basic & Diluted – FFO & OFFO	18,465	18,465
FFO per share – Basic & Diluted	\$0.99	\$2.21
Operating FFO per share – Basic & Diluted	\$1.36	\$2.72
Common stock dividends declared, per share	\$1.30	\$1.30
Certain non-cash items:		
Straight-line rent, net	(\$114)	(\$13)
Loan cost amortization	(1,368)	(2,866)
Non-real estate depreciation expense	(14)	(52)
Capital expenditures:		
Maintenance capital expenditures	300	983
Tenant allowances and landlord work	4,160	5,786
Leasing commissions (2)	573	1,491
Hurricane restorations	18,487	31,380
(1) Hurricane property (income) loss:		
Lost tenant revenue	1,849	4,250
Business interruption income	(2,000)	(4,404)
Clean up costs and other expenses	211	366
	60	212
(2) SITE Centers lease commissions	420	1,085

Retail Value Inc.
Balance Sheet

\$ in thousands

	<u>At Period End</u> 4Q18
Assets:	
Land	\$622,827
Buildings	1,629,862
Fixtures and tenant improvements	<u>172,679</u>
	2,425,368
Depreciation	<u>(704,401)</u>
	1,720,967
Construction in progress and land	<u>26,070</u>
Real estate, net	1,747,037
Cash	44,565
Restricted cash(1)	66,634
Receivables, net (2)	31,426
Property insurance receivable	29,422
Intangible assets, net	31,882
Other assets, net	<u>11,678</u>
Total Assets	1,962,644
Liabilities and Equity:	
Secured debt	967,569
Payable to SITE	33,985
Dividends payable	24,005
Other liabilities (3)	<u>84,832</u>
Total Liabilities	1,110,391
Redeemable preferred equity	
	190,000
Common shares	1,846
Paid-in capital	675,566
Distributions in excess of net income	(15,153)
Common shares in treasury at cost	<u>(6)</u>
Total Equity	662,253
Total Liabilities and Equity	\$1,962,644
(1) Asset sale proceeds	26,969
Other escrows	39,665
(2) Straight-line rents receivable, net	18,757
(3) Below-market leases, net	33,914

Retail Value Inc.
Portfolio Summary

GLA in thousands

	12/31/2018	9/30/2018	6/30/2018	3/31/2018
Shopping Center Count				
Operating Centers	38	42	48	50
Continental U.S.	26	30	36	38
Puerto Rico	12	12	12	12
Gross Leasable Area (GLA)				
Owned and Ground Lease	14,023	14,830	15,991	16,471
Continental U.S.	9,592	10,399	11,560	12,040
Puerto Rico	4,431	4,431	4,431	4,431
Unowned	2,869	3,277	3,437	3,758

Quarterly Operational Overview

Continental U.S.

Base Rent PSF	\$13.42	\$13.50	\$13.56	\$13.63
Leased Rate	92.9%	93.1%	92.5%	93.4%
Leased Rate < 10K SF	84.1%	85.6%	83.5%	85.0%
Leased Rate > 10K SF	95.1%	95.1%	95.1%	95.8%

Puerto Rico

Base Rent PSF	\$20.66	\$20.65	\$20.71	\$20.89
Leased Rate	87.0%	87.0%	87.1%	87.0%
Leased Rate < 10K SF	78.4%	78.5%	79.0%	79.3%
Leased Rate > 10K SF	91.0%	91.0%	91.0%	90.7%

Operational Statistics

% of Aggregate Property NOI - Continental U.S.	60.3%	62.8%	65.5%	65.8%
% of Aggregate Property NOI Puerto Rico	39.7%	37.2%	34.5%	34.2%

Puerto Rico

Revenues:

Minimum rents	16,126	15,413	15,268	14,652
Percentage rent	959	239	194	853
Recoveries	5,741	5,038	5,585	5,557
Other property revenues (1)	2,208	1,869	2,529	2,233
Business interruption income	2,000	2,404	3,100	2,000
	<u>27,034</u>	<u>24,963</u>	<u>26,676</u>	<u>25,295</u>

Expenses:

Operating and maintenance	8,047	6,972	7,662	7,766
Real estate taxes	1,268	1,118	1,207	1,192
	<u>9,315</u>	<u>8,090</u>	<u>8,869</u>	<u>8,958</u>

Net operating income	17,719	16,873	17,807	16,337
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(1) Other property revenues include ancillary income which is seasonal in nature.

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)	11	\$9,458	5.2%	1,496	10.7%	AA/Aa2/AA
2 TJX Companies (2)	17	6,355	3.5%	547	3.9%	A+/A2/NR
3 Bed Bath & Beyond (3)	14	5,712	3.1%	516	3.7%	BB+/Baa3/NR
4 PetSmart	14	4,790	2.6%	272	1.9%	CCC/Caa1/NR
5 Kohl's	6	4,215	2.3%	554	4.0%	BBB-/Baa2/BBB
6 Best Buy	6	3,651	2.0%	244	1.7%	BBB+/Baa1/BBB
7 Gap (4)	12	3,440	1.9%	191	1.4%	BB+/Baa2/NR
8 Dick's Sporting Goods	5	3,231	1.8%	228	1.6%	NR
9 Ross Stores	11	3,029	1.7%	310	2.2%	A-/A3/NR
10 Lowe's	3	2,964	1.6%	385	2.7%	BBB+/Baa1/NR
11 Rainbow Apparel	25	2,730	1.5%	126	0.9%	NR
12 Michaels	8	2,610	1.4%	186	1.3%	BB-/NR/NR
13 Footlocker	16	2,477	1.4%	65	0.5%	BB+/Ba1/NR
14 BJ's Wholesale Club	2	2,455	1.3%	224	1.6%	B/NR/NR
15 Cinemark	2	2,111	1.2%	136	1.0%	BB/NR/NR
16 AMC Theatres	1	2,111	1.2%	92	0.7%	B/B2/NR
17 Office Depot	5	2,093	1.1%	105	0.7%	B/Ba3/NR
18 Claro	16	2,060	1.1%	26	0.2%	A-/A3/A-
19 Regal Cinemas	2	2,050	1.1%	110	0.8%	NR
20 Ulta	8	1,995	1.1%	87	0.6%	NR
21 Burlington	4	1,845	1.0%	244	1.7%	BB+/NR/BB+
22 JC Penney	4	1,838	1.0%	331	2.4%	B-/B3/B-
23 Home Depot	2	1,817	1.0%	229	1.6%	A/A2/A
24 Ascena (5)	18	1,705	0.9%	106	0.8%	B/Ba3/NR
25 AT&T	21	1,698	0.9%	39	0.3%	BBB+/Baa2/A-
26 Yum! Brands	15	1,650	0.9%	32	0.2%	BB/Ba3/NR
27 Sprint	14	1,580	0.9%	33	0.2%	B/B2/B+
28 Five Below	10	1,515	0.8%	88	0.6%	NR
29 Sears (6)	3	1,511	0.8%	281	2.0%	NR
30 Walgreens	4	1,487	0.8%	55	0.4%	BBB+/Baa2/BBB
31 T-Mobile	12	1,418	0.8%	26	0.2%	BB+/NR/NR
32 Jo-Ann	3	1,416	0.8%	113	0.8%	B/B2/NR
33 Tiendas Kress	10	1,372	0.8%	57	0.4%	NR
34 Harkin Theatres	1	1,369	0.8%	81	0.6%	NR
35 Dollar Tree Stores	10	1,333	0.7%	109	0.8%	BBB-/Baa3/NR
Top 35 Total	315	\$93,091	51.0%	7,724	55.1%	
Total Portfolio		\$182,504	100.0%	14,023	100.0%	

⁽¹⁾ Walmart (9) / Sam's Club (2)

⁽²⁾ T.J. Maxx (9) / Marshalls (7) / HomeGoods (1)

⁽³⁾ Bed Bath (12) / World Market (1) / CTS (1)

⁽⁴⁾ Gap (1) / Old Navy (11)

⁽⁵⁾ Catherine's (1) / Dress Barn (5) / Justice (4) / Lane Bryant (5) / Maurice's (3)

⁽⁶⁾ 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	0	0	\$0	\$0.00	0.0%	64	168	\$5,167	\$30.76	7.5%	64	168	\$5,167	\$30.76	3.1%
2019	13	341	4,976	\$14.59	5.2%	167	427	11,976	\$28.05	17.3%	180	768	16,952	\$22.07	10.3%
2020	32	1,322	13,908	\$10.52	14.5%	167	381	12,466	\$32.72	18.0%	199	1,703	26,374	\$15.49	16.0%
2021	31	1,147	14,129	\$12.32	14.7%	127	325	9,355	\$28.78	13.5%	158	1,472	23,484	\$15.95	14.2%
2022	48	1,747	18,868	\$10.80	19.7%	88	223	7,597	\$34.07	11.0%	136	1,970	26,465	\$13.43	16.0%
2023	32	1,356	14,418	\$10.63	15.1%	83	251	7,581	\$30.20	10.9%	115	1,607	21,999	\$13.69	13.3%
2024	31	1,336	12,807	\$9.59	13.4%	54	216	5,917	\$27.39	8.5%	85	1,552	18,724	\$12.06	11.3%
2025	15	288	3,915	\$13.59	4.1%	29	126	3,424	\$27.17	4.9%	44	414	7,339	\$17.73	4.4%
2026	8	236	3,480	\$14.75	3.6%	29	92	3,035	\$32.99	4.4%	37	328	6,515	\$19.86	3.9%
2027	8	203	1,666	\$8.21	1.7%	11	30	1,061	\$35.37	1.5%	19	233	2,727	\$11.70	1.7%
2028	6	208	2,375	\$11.42	2.5%	13	59	1,236	\$20.95	1.8%	19	267	3,611	\$13.52	2.2%
Thereafter	6	285	5,255	\$18.44	5.5%	5	23	493	\$21.43	0.7%	11	308	5,748	\$18.66	3.5%
Total	230	8,469	\$95,797	\$11.31	100.0%	837	2,321	\$69,308	\$29.86	100.0%	1,067	10,790	\$165,105	\$15.30	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%	61	158	\$4,869	\$30.82	7.0%	61	158	\$4,869	\$30.82	2.9%
2019	4	96	1,202	\$12.52	1.3%	145	364	10,427	\$28.65	15.0%	149	460	11,629	\$25.28	7.0%
2020	8	140	1,929	\$13.78	2.0%	126	259	9,383	\$36.23	13.5%	134	399	11,312	\$28.35	6.9%
2021	4	78	1,354	\$17.36	1.4%	88	188	6,222	\$33.10	9.0%	92	266	7,576	\$28.48	4.6%
2022	11	170	2,139	\$12.58	2.2%	63	130	5,386	\$41.43	7.8%	74	300	7,525	\$25.08	4.6%
2023	3	56	1,082	\$19.32	1.1%	54	122	4,408	\$36.13	6.4%	57	178	5,490	\$30.84	3.3%
2024	4	136	1,867	\$13.73	1.9%	43	137	4,040	\$29.49	5.8%	47	273	5,907	\$21.64	3.6%
2025	4	159	1,983	\$12.47	2.1%	41	123	3,507	\$28.51	5.1%	45	282	5,490	\$19.47	3.3%
2026	3	60	668	\$11.13	0.7%	37	93	3,224	\$34.67	4.7%	40	153	3,892	\$25.44	2.4%
2027	5	144	1,934	\$13.43	2.0%	20	44	1,633	\$37.11	2.4%	25	188	3,567	\$18.97	2.2%
2028	7	259	2,512	\$9.70	2.6%	23	99	2,450	\$24.75	3.5%	30	358	4,962	\$13.86	3.0%
Thereafter	177	7,171	79,127	\$11.03	82.6%	136	604	13,759	\$22.78	19.9%	313	7,775	92,886	\$11.95	56.3%
Total	230	8,469	\$95,797	\$11.31	100.0%	837	2,321	\$69,308	\$29.86	100.0%	1,067	10,790	\$165,105	\$15.30	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 Pavillion	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 Pavillion (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
	Total 2019 YTD		550	\$78,760	\$62,000

(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

December 31, 2018

Capital Structure

Market Value Per Share	\$25.59
Common Shares Outstanding	18,465
Common Shares Equity	\$472,517
Redeemable Preferred Equity	\$190,000
Bank Debt	\$0
Mortgage Debt	\$988,609
Less: Cash (including restricted cash)	<u>\$111,199</u>
Net Debt	\$877,410
Total Market Capitalization	\$1,539,927

Debt Detail

	<u>December 31, 2018</u>	<u>Maturity Date (1)</u>	<u>GAAP Interest Rate (2)</u>
Bank Debt (3)			
Unsecured Revolver (\$30m)	\$0	09/22	L + 120
Mortgage Debt (3)			
Mortgage Debt - Class A	\$369,109		
Mortgage Debt - Class B	\$119,400		
Mortgage Debt - Class C	\$103,425		
Mortgage Debt - Class D	\$91,425		
Mortgage Debt - Class E	\$124,125		
Mortgage Debt - Class F	\$120,225		
Mortgage Debt - Class G	\$10,050		
Mortgage Debt - Class HRR	<u>\$50,850</u>		
Total Mortgage Debt (4) (5)	\$988,609	02/23	L + 350
Debt Subtotal	\$988,609		
Unamortized Loan Costs, Net	<u>(\$21,040)</u>		
Total Debt	\$967,569		
Rate Type			
Fixed	\$0	0.0 years	0.00%
Variable	\$988,609	4.1 years	5.97%
	<u>\$988,609</u>	4.1 years	5.97%

Mortgage Debt Yield

December 31, 2018

Adjusted Net Cash Flow (6)	\$99,639
Mortgage Loan Balance (7)	<u>\$961,640</u>
Debt Yield	10.36%

(1) Assumes borrower extension options are exercised.

(2) L = LIBOR; as of December 31, 2018 1M LIBOR 2.52%.

(3) Excludes loan fees and unamortized loan costs.

(4) LIBOR subject to a 3.0% cap.

(5) Repaid an additional \$27.0 million in January 2019.

(6) As defined in mortgage loan agreement.

(7) Balance reflects January 2019 paydown of debt related to the sale of Kyle Crossing.

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	\$14.55	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	Homestead Pavilion	Miami-Fort Lauderdale-West Palm Beach, FL	Homestead	FL	298	389	\$17.53	Bed Bath & Beyond, Kohl's (U), Michaels, Ross Dress for Less, TJ Maxx
3	Millenia Plaza	Orlando-Kissimmee-Sanford, FL	Orlando	FL	412	412	\$11.28	Ashley Furniture HomeStore, BJ's Wholesale Club, Dick's Sporting Goods, Home Depot, Ross Dress for Less, Total Wine & More
4	Mariner Square	Tampa-St. Petersburg-Clearwater, FL	Spring Hill	FL	194	519	\$9.78	Bealls, Ross Dress for Less, Sam's Club (U), Walmart (U)
5	Newnan Crossing	Atlanta-Sandy Springs-Roswell, GA	Newnan	GA	223	453	\$8.25	Hobby Lobby, Lowe's, Walmart (U)
6	Green Ridge Square	Grand Rapids-Wyoming, MI	Grand Rapids	MI	216	407	\$13.49	Bed Bath & Beyond, Best Buy, Michaels, T.J. Maxx, Target (U)
7	Riverdale Village	Minneapolis-St. Paul-Bloomington, MN-WI	Coon Rapids	MN	788	968	\$15.75	Bed Bath & Beyond, Best Buy, Costco (U), Dick's Sporting Goods, DSW, JCPenney, Jo-Ann, Kohl's, Old Navy, T.J. Maxx
8	Maple Grove Crossing	Minneapolis-St. Paul-Bloomington, MN-WI	Maple Grove	MN	262	350	\$13.51	Barnes & Noble, Bed Bath & Beyond, Cub Foods (U), Kohl's, Michaels
9	Midway Marketplace	Minneapolis-St. Paul-Bloomington, MN-WI	St. Paul	MN	324	487	\$8.75	Cub Foods, Herberger's (U), LA Fitness, T.J. Maxx, Walmart
10	Crossroads Center	Gulfport-Biloxi-Pascagoula, MS	Gulfport	MS	555	591	\$11.64	Academy Sports, Barnes & Noble, Belk, Burke's Outlet, Cinemark, Forever 21, Michaels, Ross Dress for Less, T.J. Maxx
11	Big Oaks Crossing	Tupelo, MS	Tupelo	MS	348	348	\$6.44	Jo-Ann, Sam's Club, Walmart
12	Seabrook Commons	Boston-Cambridge-Newton, MA-NH	Seabrook	NH	175	393	\$18.53	Dick's Sporting Goods, Walmart (U)
13	Hamilton Commons	Atlantic City-Hamilton, NJ	Mays Landing	NJ	403	403	\$16.28	Bed Bath & Beyond, Big Lots, Hobby Lobby, Marshalls, Regal Cinemas, Ross Dress for Less
14	Wrangleboro Consumer Square	Atlantic City-Hamilton, NJ	Mays Landing	NJ	842	842	\$13.77	Best Buy, BJ's Wholesale Club, Books-A-Million, Christmas Tree Shops, Dick's Sporting Goods, Kohl's, Michaels, PetSmart, Staples, Target
15	Beaver Creek Crossings	Raleigh, NC	Apex	NC	321	321	\$16.03	Burke's Outlet, Dick's Sporting Goods, Regal Beaver Creek 12, T.J. Maxx
16	Great Northern Plazas	Cleveland-Elyria, OH	North Olmsted	OH	631	669	\$13.92	Bed Bath & Beyond, Best Buy, Big Lots, Burlington, DSW, Home Depot, Jo-Ann, K&G Fashion Superstore, Marc's, PetSmart
17	Uptown Solon	Cleveland-Elyria, OH	Solon	OH	182	182	\$15.06	Bed Bath & Beyond, Mustard Seed Market & Cafe
18	Peach Street Marketplace	Erie, PA	Erie	PA	721	1,001	\$10.53	Bed Bath & Beyond, Best Buy (U), Burlington, Cinemark, Hobby Lobby, Home Depot (U), Kohl's, Lowe's, Marshalls, PetSmart, Target (U)
19	Noble Town Center	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	Jenkintown	PA	168	168	\$16.04	AFC Fitness, Bed Bath & Beyond, PetSmart, Ross Dress for Less, Stein Mart
20	Plaza Isabela	Aguadilla-Isabela, PR	Isabela	PR	259	259	\$14.99	Selectos Supermarket, Walmart
21	Plaza Fajardo	Fajardo, PR	Fajardo	PR	274	274	\$16.34	Econo, Walmart
22	Plaza Walmart	Guayama, PR	Guayama	PR	164	164	\$8.24	Walmart
23	Plaza del Atlántico	San Juan-Carolina-Caguas, PR	Arecibo	PR	223	223	\$11.76	Capri, Kmart
24	Plaza del Sol	San Juan-Carolina-Caguas, PR	Bayamon	PR	601	713	\$31.18	Bed Bath & Beyond, Caribbean Cinemas, Dave & Buster's, H & M, Home Depot (U), Old Navy, Walmart
25	Plaza Río Hondo	San Juan-Carolina-Caguas, PR	Bayamon	PR	555	555	\$25.45	Best Buy, Caribbean Cinemas, Kmart, Marshalls Mega Store, Pueblo, T.J. Maxx
26	Plaza Escorial	San Juan-Carolina-Caguas, PR	Carolina	PR	524	636	\$16.53	Caribbean Cinemas, Home Depot (U), OfficeMax, Old Navy, Sam's Club, Walmart
27	Plaza Cayey	San Juan-Carolina-Caguas, PR	Cayey	PR	313	339	\$8.80	Caribbean Cinemas (U), Walmart
28	Plaza del Norte	San Juan-Carolina-Caguas, PR	Hatillo	PR	682	699	\$22.18	Caribbean Cinemas, JCPenney, OfficeMax, Rooms To Go, Sears, T.J. Maxx
29	Plaza Palma Real	San Juan-Carolina-Caguas, PR	Humacao	PR	449	449	\$14.21	Capri, Marshalls, Pep Boys, Walmart
30	Señorial Plaza	San Juan-Carolina-Caguas, PR	Rio Piedras	PR	202	202	\$18.09	Pueblo
31	Plaza Vega Baja	San Juan-Carolina-Caguas, PR	Vega Baja	PR	185	185	\$11.36	Econo

Retail Value Inc.
Property List

#	Center	MSA	Location	ST	Owned GLA	Total GLA	ABR PSF	Anchor Tenants
32	Harbison Court	Columbia, SC	Columbia	SC	242	301	\$15.29	Marshalls, Nordstrom Rack, Ross Dress for Less
33	Lowe's Home Improvement	Nashville-Davidson-Murfreesboro-Franklin, TN	Hendersonville	TN	129	144	\$8.83	Lowe's
34	The Marketplace at Towne Centre	Dallas-Fort Worth-Arlington, TX	Mesquite	TX	180	404	\$17.25	Cavender's (U), Home Depot (U), Kohl's (U), PetSmart, Ross Dress for Less
35	Willowbrook Plaza	Houston-The Woodlands-Sugar Land, TX	Houston	TX	385	393	\$15.30	AMC Theatres, Bed Bath & Beyond, Bel Furniture, buybuy BABY, Cost Plus World Market
36	Shoppers World of Brookfield	Milwaukee-Waukesha-West Allis, WI	Brookfield	WI	203	278	\$11.94	Burlington, Pick 'n Save (U), Ross Dress for Less, Xperience Fitness
37	Marketplace of Brown Deer	Milwaukee-Waukesha-West Allis, WI	Brown Deer	WI	410	410	\$9.45	Bob's Discount Furniture, Burlington, Kohl's, Michaels, OfficeMax, Pick 'n Save, Ross Dress for Less, T.J. Maxx
38	West Allis Center	Milwaukee-Waukesha-West Allis, WI	West Allis	WI	264	392	\$6.79	Kohl's, Marshalls/HomeGoods, Menards (U), Pick 'n Save
Total					14,023	16,892		

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 Amendment No. 1 to the Company’s Form 10 filed with the Securities and Exchange Commission on June 14, 2018, and its reports on Form 10-Q.

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.

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 depreciable real estate property which are presented net of taxes, if any, (ii) impairment charges on depreciable real estate property 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 the National Association of Real Estate Investment Trusts (“NAREIT”).

In December 2018, NAREIT issued *NAREIT Funds From Operations White Paper - 2018 Restatement* (“2018 FFO White Paper”). The purpose of the 2018 FFO White Paper was not to change the fundamental definition of FFO but clarify existing guidance and 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 is effective starting with first quarter 2019 reporting. Although early adoption for the year ended 2018 is permitted, the Company plans to adopt any changes in its calculation in 2019 on a retrospective basis. The Company does not expect to report any changes in the calculation of FFO related to the clarification in the 2018 FFO White Paper.

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 on the sale of non-depreciable real estate, impairments of non-depreciable real estate, 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.

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