

RioCan Reports Third Quarter Results - Strength of Ongoing Demand Continues to Drive Exceptional Operational Results, With High Quality Income Fueling Consistent Future Growth

- Strong demand maintained a high lease renewal retention ratio at 92.0% and drove committed occupancy up 30 basis points sequentially to a record-breaking 97.8% with retail committed occupancy reaching the high water mark of 98.6%;
- Leasing momentum continued with the third consecutive quarter of double-digit leasing spreads for new and renewal leases and on a blended basis at 14.2%;
- More than 1,280,000 square feet of leases completed, comprising 251,000 square feet of new leases and included the completion of the remainder of the 10 units that resulted from large tenant failures earlier this year with best-in-class tenants at higher rents

Toronto, November 11, 2024 - RioCan Real Estate Investment Trust ("RioCan" or the "Trust") (TSX: REI.UN) announced today its financial results for the three and nine months ended September 30, 2024.

"We are very pleased with the strong performance that the RioCan team and our high-quality portfolio continue to deliver. Our results reflect how well our major-market, open-air, necessity-focused properties perform in all market conditions," said Jonathan Gitlin, President and CEO of RioCan. "Our expertise allows RioCan to capitalize on the favourable environment for retail real estate and we continue to strategically evolve our tenant roster to further enhance our income stability and future growth prospects. We remain dedicated to allocating capital responsibly. Our recent financing activities underscore our access to diverse funding and commitment to maintaining ample liquidity and a strong balance sheet."

Financial Highlights

(in millions, except where otherwise noted, and per unit values)	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
FFO ¹	\$ 137.9	\$ 135.4	\$ 401.6	\$ 398.4
FFO per unit - diluted ¹	\$ 0.46	\$ 0.45	\$ 1.34	\$ 1.33
Net income (loss)	\$ 96.9	\$ (73.5)	\$ 347.8	\$ 156.5
Weighted average Units outstanding - diluted (in thousands)	300,486	300,471	300,463	300,508

As at	September 30, 2024	December 31, 2023
Net book value per unit	\$ 25.01	\$ 24.76

- FFO per unit was \$0.46, an increase of \$0.01 per unit or 2.2% over the same period last year. Strong operating performance and completed developments increased NOI. This growth was partially offset by disposed NOI relating to the sale of lower quality commercial properties. Increases in interest income and fee and other income were offset by higher interest expense.
- Net income of \$96.9 million was \$170.4 million higher than the same period last year. In addition to the items described above, net income included a \$159.0 million favourable change in the fair value of investment properties.
- We maintained financial flexibility with an FFO Payout Ratio¹ of 61.7% and Liquidity¹ of \$1.3 billion, while our Adjusted Debt to Adjusted EBITDA¹ improved to 9.1x. Our financial standing strengthened further with \$1.05 billion of financing at an average interest rate of 4.48% in the form of debentures, term loans and CMHC mortgages completed since reporting our Q2 2024 results. For pro-forma metrics, refer to the *Balance Sheet Strength* section of this News Release.

1. A non-GAAP measurement. For reconciliations and the basis of presentation of RioCan's non-GAAP measures, refer to the *Basis of Presentation and Non-GAAP Measures* section in this News Release.

Outlook

- We are on track to achieve our original FFO guidance for the year of \$1.79 to \$1.82 per unit, excluding a Q4 2024 restructuring charge following a corporate reorganization subsequent to quarter end. In Q4 2024, we reduced our workforce by approximately 9.5% and expect the resulting charge to be approximately \$9 million or \$0.03 FFO per unit. Annualized cash savings of approximately \$8 million are anticipated, with an estimated net G&A impact of approximately

\$4 million. The corporate restructuring is part of RioCan's ongoing responsible cost management, enhances workflow efficiency, and optimizes resource allocation to better align with business needs.

- Commercial Same Property NOI excluding provision¹ is projected to grow between 2.0% and 2.5% in 2024. Following previously disclosed tenant vacancies, we used the opportunity to add more relevant and resilient retailers at higher rents. The time required to build out space for users such as grocers is longer, impacting this metric in the current year while our Commercial SPNOI growth target for future years remains at ~3%.
- RioCan does not intend to commence new physical construction of mixed-use properties in 2024 and well into 2025. Development Spending¹ on mixed-use projects, which were in progress prior to the reduction in new construction starts, is expected to be between \$250 million to \$300 million. Development Spending for retail in-fill projects is expected to be between \$30 million to \$40 million.

1. A non-GAAP measurement. For reconciliations and the basis of presentation of RioCan's non-GAAP measures, refer to the *Basis of Presentation and Non-GAAP Measures* section in this News Release.

Operational Highlights (i)

	Three months ended September 30		Twelve months ended September 30	
	2024	2023	2024	2023
Occupancy - committed (ii)	97.8 %	97.5 %	97.8 %	97.5 %
Retail occupancy - committed (ii)	98.6 %	98.3 %	98.6 %	98.3 %
Blended leasing spread	14.2 %	12.9 %	14.8 %	10.8 %
New leasing spread	24.2 %	21.0 %	30.7 %	14.5 %
Renewal leasing spread	12.6 %	11.2 %	10.8 %	9.9 %

(i) Includes commercial portfolio only.

(ii) Information presented as at respective periods then ended.

- A new leasing spread of 24.2% drove the blended leasing spread to 14.2%. Renewal leasing spreads were also healthy at 12.6%. The portfolio's strength and the supply constraint of quality retail space create sustained leasing momentum.
- 1.3 million square feet of space was leased in the quarter including 251 thousand square feet of new leases.
- Committed occupancy and retail committed occupancy reached record highs of 97.8% and 98.6%, respectively, both up 30 basis points sequentially, reflecting rising demand for RioCan's premium retail portfolio.
- Commercial in-place occupancy of 97.0% increased 40 basis points from Q2 2024 due to tenants taking possession.
- As at September 30, 2024, all 10 of the initial vacant units that resulted from tenant failures discussed in prior quarters have been leased. As of November 11, 2024, tenants at four of those locations are paying cash rent. Cash rents from the remaining six locations will commence at varying points over the next 11 months. These units were backfilled by relevant and resilient retailers at improved lease terms featuring 23.9% higher base rents on a weighted average basis, further improving the portfolio's overall quality and cash flow growth.
- Finalized a land lease for a 158,000 square foot Costco at RioCan Centre Burloak. As part of our ongoing initiatives to continuously improve tenant quality and the quality of our shopping centres, we strategically replaced fashion-focused tenants with a strong, service-based anchor. This is expected to attract significant traffic, draw other tenants and enhance the overall appeal of the property.
- Commercial Same Property NOI excluding provision¹ increased by 0.8% for the Third Quarter and 1.3% year-to-date. We expect continued improvement in this metric as signed tenancies reach cash rent commencement.
- Strong and stable tenants comprised 87.9% of annualized net rent, an improvement of 50 basis points year-over-year.

1. A non-GAAP measurement. For reconciliations and the basis of presentation of RioCan's non-GAAP measures, refer to the *Basis of Presentation and Non-GAAP Measures* section in this News Release.

RioCan Living Update ¹

- Total NOI from our residential rental operations was \$7.9 million, an increase of \$2.3 million or 40.9% over the same period last year. Residential Same Property NOI² growth was 5.2% for the Third Quarter and 6.0% year-to-date.
- RioCan LivingTM currently operates 14 buildings, with a fair value of \$1.1 billion, comprised of 3,160 residential units in operation with 12 of these buildings stabilized. These stabilized buildings are 94.7% leased as of November 11, 2024.
- Construction of suites at FourFifty The WellTM was completed in the first half of 2024. As of November 11, 2024, 85.8% of the units are leased at rents in-line with expectations. Due to construction completion in the Second Quarter, we stopped the capitalization of interest expense and other carrying costs relating to this property, which resulted in a year-to-date short-term negative FFO impact of \$2.0 million. We expect a positive contribution as the NOI from the property ramps up.

- As at September 30, 2024, approximately 90% of the total units from RioCan's six active condominium construction projects have been pre-sold. RioCan expects to generate sales revenue of approximately \$607 million between the remainder of 2024 and 2026 from these condominium and townhouse construction projects. This amount was reduced from \$700 million at the end of the prior quarter and \$800 million at the beginning of the year predominantly due to the sales of partial interests in the 11YV project, see below. Of the expected proceeds, approximately \$516 million relates to pre-sold units. These units are under legally binding contracts, with the majority sold at prices below current market values, and an average deposit of 18.5% of the purchase price. These factors motivate buyers to close on their purchase. The funds received will be allocated towards repaying the construction loans associated with the condominium projects, with residual return of equity and profits flowing to the corporate balance sheet.
 - The Trust sold a 12.5% interest in the 11YV project in the Third Quarter, decreasing its interest in the project to 12.5% and resulting in a gain of \$11.6 million. Together with the disposition of the 12.5% interest in 11YV in Q1 2024, these sales have resulted in the acceleration of \$180 million of the approximate \$800 million of sales revenue expected at the beginning of the year. These dispositions accelerate revenue, reduce our exposure to condominiums and preserve capital as purchasers assume the costs-to-complete and debt obligations.
- Units at 100% ownership interest.
 - A non-GAAP measurement. For reconciliations and the basis of presentation of RioCan's non-GAAP measures, refer to the *Basis of Presentation and Non-GAAP Measures* section in this News Release.

Development Highlights

(in millions except square feet)	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Development Completions - sq. ft. in thousands (i)	30.0	151.0	137.0	327.0
Development Spending	\$ 72.0	\$ 114.2	\$ 264.3	\$ 305.6
Development Projects Under Construction - sq. ft. in thousands (ii)	974.0	1,685.0	974.0	1,685.0

- At RioCan's ownership. Represents net leasable area (NLA) of property under development completions. Excludes NLA of residential inventory completions.
 - Information presented as at the respective periods then ended, includes properties under development and residential inventory, equity-accounted joint ventures and represents gross floor area of the respective projects.
- During the Third Quarter, \$38.1 million or 30,000 square feet of properties under development were transferred to income producing properties.
 - Value recognized in the Trust's residential inventory and properties under development balances for zoned projects, excluding those under construction, is \$30.66 per square foot and \$19.38 per square foot for the total pipeline.
 - High foot traffic at The Well™ continues to surpass expectations with significant momentum from the official opening of Wellington Market™ in Q2 2024. As of November 11, 2024, 97% of The Well's total commercial space is leased with 93% or 1,387,000 square feet (at 100% ownership interest) in tenant possession. The retail space is 95% leased, with more than three quarters of the space open and operating. Additional retail tenants are expected to open in the coming months.

Investing and Capital Recycling

- As of November 11, 2024, closed, firm and conditional dispositions totalled \$124.9 million. Closed investment property dispositions in 2024 included an enclosed centre, a cinema-anchored property and three open-air centres for combined sales proceeds of \$41.8 million, with \$11.8 million closing subsequent to quarter-end. Conditional transactions include the disposal of a portion of an open-air retail site in Quebec for estimated proceeds at 84% above the IFRS carrying value, after deducting costs related to tenant relocation and other items.
- A firm agreement was entered into after quarter-end by the Trust and its co-owner to sell Strada, a residential property located in downtown Toronto, for sale proceeds of \$24.0 million for RioCan's 50% interest. The sale is expected to close in the coming months upon the assignment of the \$15.0 million CMHC mortgage (at RioCan's interest) with a contractual interest rate of 4.29%. The sales price represents a 6% premium to the Trust's IFRS carrying value.
- RioCan issued \$30.4 million of new loans as part of its real estate lending program in the Third Quarter, bringing the year-to-date total of new loans advanced to \$154.0 million, earning an average interest rate of 11.0%. Repayment of existing loans totalled \$39.9 million on a year-to-date basis.

Capital Management Update

- Since reporting Second Quarter 2024 results, RioCan secured \$1.05 billion in financing with a weighted average term to maturity of 6.4 years and a weighted average interest rate of 4.48% per annum, including the impact of bond forward hedges. The net proceeds have been allocated to paying off higher interest rate loans and will address near-term mortgage maturities, collectively having a weighted average interest rate of 5.87%. The specifics of this recent financing activity are:
 - During the Third Quarter, the Trust completed \$147.8 million of CMHC financing with a 10-year term at a fixed rate of 3.97%. The net loan proceeds were used to repay a higher interest floating rate construction loan.
 - On October 2, 2024, RioCan extended the maturity date of the \$200.0 million non-revolving unsecured credit facility to January 31, 2030, at a hedged annual all-in fixed interest rate of 4.47%.
 - On October 3, 2024, RioCan issued senior unsecured debentures totalling \$700.0 million in two series; \$500.0 million Series AL senior unsecured debentures, with a coupon rate of 4.623% per annum maturing on October 3, 2031, and \$200.0 million Series AM senior unsecured debentures, with a coupon rate of 4.004% per annum maturing on March 1, 2028.
 - A portion of the debenture proceeds were used on October 4, 2024, to redeem, in full, its \$300.0 million, 6.488% 3NC1 Series AI senior unsecured debentures due September 29, 2026 in accordance with their terms.
 - The net proceeds were also used to replenish our liquidity by repaying the \$252.0 million drawn balance on the revolving unsecured operating line of credit as at September 30, 2024.

Balance Sheet Strength

<i>(in millions except percentages)</i> As at		September 30, 2024	December 31, 2023
Liquidity (i) ¹	\$	1,340	\$ 1,964
Adjusted Debt to Adjusted EBITDA (i) ¹		9.1x	9.3x
Unencumbered Assets (i) ¹	\$	8,188	\$ 8,090

(i) At RioCan's proportionate share.

- Adjusted Debt to Adjusted EBITDA of 9.1x on a proportionate share basis as at September 30, 2024, compared to 9.3x as at the end of 2023 and 9.5x as at Q3 2023. The decrease was primarily due to higher Adjusted EBITDA, partially offset by higher Average Total Adjusted Debt balances. We expect to reach the high end of the 8.0x - 9.0x long-term target range by the end of this year.
- Weighted average term to maturity was 3.50 years, compared to 2.97 years as at December 31, 2023.
- As at September 30, 2024, Liquidity of \$1.3 billion included \$1.0 billion available on the revolving line of credit and \$0.3 billion in undrawn construction lines and other bank loans. Liquidity decreased by \$624.1 million when compared to the prior year-end, returning to more typical levels, due to timing of capital recycling, investment and financing activities.
- RioCan's Unencumbered Assets were \$8.2 billion as at September 30, 2024, increasing from the beginning of the year due to mortgage repayments.
- Factoring in financing activity subsequent to September 30, 2024 as outlined in the *Capital Management Update* section above, RioCan's proforma liquidity and debt metrics on a proportionate share basis are as follows:

<i>(in millions except percentages and years)</i>	RioCan's proportionate share ¹	
	As at September 30, 2024	Pro-forma
Liquidity	\$ 1,340	\$ 1,740
Ratio of floating rate debt to total debt ¹	10.0%	3.9%
<i>Floating rate exposure excluding construction loans</i>	7.3%	1.3%
Weighted average effective interest rate	4.17%	4.01%
Weighted average term to maturity (in years)	3.5	4.0

1. A non-GAAP measurement. For reconciliations and the basis of presentation of RioCan's non-GAAP measures, refer to the *Basis of Presentation and Non-GAAP Measures* section in this News Release.

Conference Call and Webcast

Interested parties are invited to participate in a conference call with management on Tuesday, November 12, 2024 at 10:00 a.m. (ET). Participants will be required to identify themselves and the organization on whose behalf they are participating.

To access the conference call, click on the following link to register at least 10 minutes prior to the scheduled start of the call: [Pre-registration link](#). Participants who pre-register at any time prior to the call will receive an email with dial-in credentials including a login passcode and PIN to gain immediate access to the live call. Those that are unable to pre-register may dial-in for operator assistance by calling 1-833-950-0062 and entering the access code: 418607.

For those unable to participate in the live mode, a replay will be available at 1-866-813-9403 with access code: 127491.

To access the simultaneous webcast, visit RioCan's website at [Events and Presentations](#) and click on the link for the webcast.

About RioCan

RioCan is one of Canada's largest real estate investment trusts. RioCan owns, manages and develops retail-focused, mixed-use properties located in prime, high-density transit-oriented areas where Canadians want to shop, live and work. As at September 30, 2024, our portfolio is comprised of 186 properties with an aggregate net leasable area of approximately 33 million square feet (at RioCan's interest). To learn more about us, please visit www.riocan.com.

Basis of Presentation and Non-GAAP Measures

All figures included in this News Release are expressed in Canadian dollars unless otherwise noted. RioCan's unaudited interim condensed consolidated financial statements ("Condensed Consolidated Financial Statements") are prepared in accordance with International Financial Reporting Standards (IFRS). Financial information included within this News Release does not contain all disclosures required by IFRS, and accordingly should be read in conjunction with the Trust's Condensed Consolidated Financial Statements and MD&A for the three and nine months ended September 30, 2024, which are available on RioCan's website at www.riocan.com and on SEDAR+ at www.sedarplus.com.

Consistent with RioCan's management framework, management uses certain financial measures to assess RioCan's financial performance, which are not in accordance with generally accepted accounting principles (GAAP) under IFRS. **Funds From Operations ("FFO"), FFO per unit, Net Operating Income ("NOI"), Same Property NOI, Commercial Same Property NOI ("Commercial SPNOI"), Commercial Same Property NOI excluding provision, Residential Same Property NOI ("Residential SPNOI"), Development Spending, Ratio of floating rate debt to total debt, Liquidity, Adjusted Debt to Adjusted EBITDA, RioCan's Proportionate Share, Unencumbered Assets** as well as other measures that may be discussed elsewhere in this News Release, do not have a standardized definition prescribed by IFRS and are, therefore, unlikely to be comparable to similar measures presented by other reporting issuers. RioCan supplements its IFRS measures with these Non-GAAP measures to aid in assessing the Trust's underlying performance and reports these additional measures so that investors may do the same. Non-GAAP measures should not be considered as alternatives to net income or comparable metrics determined in accordance with IFRS as indicators of RioCan's performance, liquidity, cash flow, and profitability. For full definitions of these measures, please refer to the "*Non-GAAP Measures*" section in RioCan's MD&A for the three and nine months ended September 30, 2024.

The reconciliations for non-GAAP measures included in this News Release are outlined as follows:

RioCan's Proportionate Share

The following table reconciles the consolidated balance sheets from IFRS to RioCan's proportionate share basis as at September 30, 2024 and December 31, 2023:

As at	September 30, 2024			December 31, 2023		
(thousands of dollars)	IFRS basis	Equity-accounted investments	RioCan's proportionate share	IFRS basis	Equity-accounted investments	RioCan's proportionate share
Assets						
Investment properties	\$ 13,828,779	\$ 408,024	\$ 14,236,803	\$ 13,561,718	\$ 411,811	\$ 13,973,529
Equity-accounted investments	382,110	(382,110)	—	383,883	(383,883)	—
Mortgages and loans receivable	430,361	(5,330)	425,031	289,533	(6,707)	282,826
Residential inventory	295,779	332,484	628,263	217,186	407,946	625,132
Assets held for sale	43,985	—	43,985	19,075	—	19,075
Receivables and other assets	264,053	57,476	321,529	246,652	50,681	297,333
Cash and cash equivalents	39,737	9,768	49,505	124,234	14,506	138,740
Total assets	\$ 15,284,804	\$ 420,312	\$ 15,705,116	\$ 14,842,281	\$ 494,354	\$ 15,336,635
Liabilities						
Debentures payable	\$ 3,689,870	\$ —	\$ 3,689,870	\$ 3,240,943	\$ —	\$ 3,240,943
Mortgages payable	2,895,000	159,939	3,054,939	2,740,924	158,292	2,899,216
Lines of credit and other bank loans	606,826	184,171	790,997	879,246	231,963	1,111,209
Accounts payable and other liabilities	579,368	76,202	655,570	543,398	104,099	647,497
Total liabilities	\$ 7,771,064	\$ 420,312	\$ 8,191,376	\$ 7,404,511	\$ 494,354	\$ 7,898,865
Equity						
Unitholders' equity	7,513,740	—	7,513,740	7,437,770	—	7,437,770
Total liabilities and equity	\$ 15,284,804	\$ 420,312	\$ 15,705,116	\$ 14,842,281	\$ 494,354	\$ 15,336,635

RioCan's Proportionate Share (continued)

The following tables reconcile the consolidated statements of income (loss) from IFRS to RioCan's proportionate share basis for the three and nine months ended September 30, 2024 and 2023:

	Three months ended September 30, 2024			Three months ended September 30, 2023		
(thousands of dollars)	IFRS basis	Equity-accounted investments	RioCan's proportionate share	IFRS basis	Equity-accounted investments	RioCan's proportionate share
Revenue						
Rental revenue	\$ 279,557	\$ 8,179	\$ 287,736	\$ 269,001	\$ 8,052	\$ 277,053
Residential inventory sales	1,479	70,119	71,598	—	48,977	48,977
Property management and other service fees	5,303	(348)	4,955	2,408	—	2,408
	286,339	77,950	364,289	271,409	57,029	328,438
Operating costs						
Rental operating costs						
Recoverable under tenant leases	92,825	798	93,623	87,274	884	88,158
Non-recoverable costs	9,518	686	10,204	7,880	588	8,468
Residential inventory cost of sales	1,123	58,014	59,137	—	38,972	38,972
	103,466	59,498	162,964	95,154	40,444	135,598
Operating income	182,873	18,452	201,325	176,255	16,585	192,840
Other income (loss)						
Interest income	10,382	518	10,900	5,988	672	6,660
Income from equity-accounted investments	15,709	(15,709)	—	14,229	(14,229)	—
Fair value (loss) gain on investment properties, net	(40,495)	473	(40,022)	(199,528)	(167)	(199,695)
Investment and other income (loss), net	10,109	(651)	9,458	(502)	(99)	(601)
	(4,295)	(15,369)	(19,664)	(179,813)	(13,823)	(193,636)
Other expenses						
Interest costs, net	65,672	2,919	68,591	52,051	3,012	55,063
General and administrative	12,250	24	12,274	14,444	—	14,444
Internal leasing costs	3,346	—	3,346	3,020	—	3,020
Transaction and other costs	452	140	592	417	(250)	167
	81,720	3,083	84,803	69,932	2,762	72,694
Income (loss) before income taxes	\$ 96,858	\$ —	\$ 96,858	\$ (73,490)	\$ —	\$ (73,490)
Current income tax expense	—	—	—	20	—	20
Net income (loss)	\$ 96,858	\$ —	\$ 96,858	\$ (73,510)	\$ —	\$ (73,510)

RioCan's Proportionate Share (continued)

	Nine months ended September 30, 2024			Nine months ended September 30, 2023		
(thousands of dollars)	IFRS basis	Equity-accounted investments	RioCan's proportionate share	IFRS basis	Equity-accounted investments	RioCan's proportionate share
Revenue						
Rental revenue	\$ 843,800	\$ 24,440	\$ 868,240	\$ 814,595	\$ 25,485	\$ 840,080
Residential inventory sales	24,813	148,050	172,863	—	51,857	51,857
Property management and other service fees	13,311	(945)	12,366	12,366	—	12,366
	881,924	171,545	1,053,469	826,961	77,342	904,303
Operating costs						
Rental operating costs						
Recoverable under tenant leases	295,045	2,530	297,575	279,704	2,668	282,372
Non-recoverable costs	26,158	2,031	28,189	18,923	1,733	20,656
Residential inventory cost of sales	15,745	120,948	136,693	—	40,359	40,359
	336,948	125,509	462,457	298,627	44,760	343,387
Operating income	544,976	46,036	591,012	528,334	32,582	560,916
Other income (loss)						
Interest income	30,168	1,594	31,762	18,730	1,940	20,670
Income from equity-accounted investments	34,530	(34,530)	—	25,573	(25,573)	—
Fair value loss on investment properties, net	(31,357)	(1,728)	(33,085)	(227,487)	(618)	(228,105)
Investment and other income (loss), net	13,748	(2,479)	11,269	4,042	(313)	3,729
	47,089	(37,143)	9,946	(179,142)	(24,564)	(203,706)
Other expenses						
Interest costs, net	191,504	8,821	200,325	150,008	8,231	158,239
General and administrative	40,777	50	40,827	44,908	32	44,940
Internal leasing costs	10,031	—	10,031	8,763	—	8,763
Transaction and other costs	2,730	22	2,752	2,399	(245)	2,154
	245,042	8,893	253,935	206,078	8,018	214,096
Income before income taxes	\$ 347,023	\$ —	\$ 347,023	\$ 143,114	\$ —	\$ 143,114
Current income tax recovery	(794)	—	(794)	(13,347)	—	(13,347)
Net income	\$ 347,817	\$ —	\$ 347,817	\$ 156,461	\$ —	\$ 156,461

NOI and Same Property NOI

The following table reconciles operating income to NOI and Same Property NOI to NOI for the three and nine months ended September 30, 2024 and 2023:

(thousands of dollars)	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Operating Income	\$ 182,873	\$ 176,255	\$ 544,976	\$ 528,334
<i>Adjusted for the following:</i>				
Property management and other service fees	(5,303)	(2,408)	(13,311)	(12,366)
Residential inventory gains	(356)	—	(9,068)	—
Operational lease revenue from ROU assets	1,850	1,650	5,329	5,079
NOI	\$ 179,064	\$ 175,497	\$ 527,926	\$ 521,047

(thousands of dollars)	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Commercial				
Commercial Same Property NOI	\$ 149,413	\$ 149,102	\$ 443,528	\$ 441,840
NOI from income producing properties:				
Acquired (i)	852	16	3,731	1,219
Disposed (i)	730	4,675	1,821	15,157
	1,582	4,691	5,552	16,376
NOI from completed commercial developments	11,199	8,553	31,850	22,393
NOI from properties under de-leasing (ii)	4,707	5,412	14,122	16,965
Lease cancellation fees	1,515	442	3,226	5,183
Straight-line rent adjustment	2,707	1,660	8,133	3,260
NOI from commercial properties	171,123	169,860	506,411	506,017
Residential				
Residential Same Property NOI	5,625	5,345	14,002	13,207
NOI from income producing properties:				
Acquired (i)	514	—	2,733	662
Disposed (i)	—	—	17	48
	514	—	2,750	710
NOI from completed residential developments	1,802	292	4,763	1,113
NOI from residential rental	7,941	5,637	21,515	15,030
NOI	\$ 179,064	\$ 175,497	\$ 527,926	\$ 521,047

(i) Includes properties acquired or disposed of during the periods being compared.

(ii) NOI from limited number of properties undergoing significant de-leasing in preparation for redevelopment or intensification.

(thousands of dollars)	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Commercial Same Property NOI	\$ 149,413	\$ 149,102	\$ 443,528	\$ 441,840
Residential Same Property NOI	5,625	5,345	14,002	13,207
Same Property NOI	\$ 155,038	\$ 154,447	\$ 457,530	\$ 455,047

Commercial Same Property NOI excluding provision

(thousands of dollars)	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Commercial Same Property NOI	\$ 149,413	\$ 149,102	\$ 443,528	\$ 441,840
<i>Add (exclude):</i>				
Same property provision for (recovery of) for credit losses	116	(714)	(742)	(4,549)
Commercial Same Property NOI excluding provision	\$ 149,529	\$ 148,388	\$ 442,786	\$ 437,291

FFO

The following table reconciles net income (loss) attributable to Unitholders to FFO for the three and nine months ended September 30, 2024 and 2023:

(thousands of dollars, except where otherwise noted)	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Net income (loss) attributable to Unitholders	\$ 96,858	\$ (73,510)	\$ 347,817	\$ 156,461
Add back (deduct):				
Fair value losses, net	40,495	199,528	31,357	227,487
Fair value (gains) losses included in equity-accounted investments	(473)	167	1,729	618
Internal leasing costs	3,346	3,020	10,031	8,763
Transaction losses (gains) on investment properties, net (i)	422	(77)	1,879	35
Transaction gains on equity-accounted investments	(21)	(69)	(52)	(69)
Transaction costs (recoveries) on sale of investment properties	284	(4)	1,231	507
ERP implementation costs	958	2,121	5,368	8,530
ERP amortization	(409)	—	(818)	—
Change in unrealized fair value on marketable securities	(5,908)	1,898	(4,648)	2,711
Current income tax expense (recovery)	—	20	(794)	(13,347)
Operational lease revenue from ROU assets	1,508	1,283	4,280	3,833
Operational lease expenses from ROU assets in equity-accounted investments	(17)	(14)	(51)	(39)
Capitalized interest on equity-accounted investments (ii)	808	1,059	4,263	2,902
FFO	\$ 137,851	\$ 135,422	\$ 401,592	\$ 398,392
Add back (deduct):				
Debt prepayment gain	(457)	—	(457)	—
Restructuring costs	4	720	650	1,344
FFO Adjusted	\$ 137,398	\$ 136,142	\$ 401,785	\$ 399,736
FFO per unit - basic	\$ 0.46	\$ 0.45	\$ 1.34	\$ 1.33
FFO per unit - diluted	\$ 0.46	\$ 0.45	\$ 1.34	\$ 1.33
FFO Adjusted per unit - diluted	\$ 0.46	\$ 0.45	\$ 1.34	\$ 1.33
Weighted average number of Units - basic (in thousands)	300,466	300,405	300,463	300,384
Weighted average number of Units - diluted (in thousands)	300,486	300,471	300,463	300,508
FFO for last four quarters			\$ 534,482	\$ 526,035
Distributions paid for last four quarters			\$ 329,741	\$ 317,500
FFO Payout Ratio			61.7%	60.4%

(i) Represents net transaction gains or losses connected to certain investment properties during the period.

(ii) This amount represents the interest capitalized to RioCan's equity-accounted investment in WhiteCastle New Urban Fund 2, LP, WhiteCastle New Urban Fund 3, LP, WhiteCastle New Urban Fund 4, LP, WhiteCastle New Urban Fund 5, LP, RioCan-Fieldgate JV, RC (Queensway) LP, RC (Leaside) LP - Class B, PR Bloor Street LP and RC Yorkville LP. This amount is not capitalized to development projects under IFRS but is allowed as an adjustment under REALPAC's definition of FFO.

Development Spending

Total Development Spending for the three and nine months ended September 30, 2024 and 2023 is as follows:

	Three months ended September 30		Nine months ended September 30	
(thousands of dollars)	2024	2023	2024	2023
Development expenditures on balance sheet:				
Properties under development	\$ 31,451	\$ 57,470	\$ 128,199	\$ 191,992
Residential inventory	30,175	51,052	93,767	100,243
RioCan's share of Development Spending from equity-accounted joint ventures	10,335	5,711	42,337	13,345
Total Development Spending	\$ 71,961	\$ 114,233	\$ 264,303	\$ 305,580

	Three months ended September 30		Nine months ended September 30	
(thousands of dollars)	2024	2023	2024	2023
Mixed-use projects	\$ 60,274	\$ 98,414	\$ 239,179	\$ 263,684
Retail in-fill projects	11,687	15,819	25,124	41,896
Total Development Spending	\$ 71,961	\$ 114,233	\$ 264,303	\$ 305,580

Total Contractual Debt

The following table reconciles total debt to Total Contractual Debt as at September 30, 2024 and December 31, 2023:

As at	September 30, 2024				December 31, 2023			
(thousands of dollars)	IFRS basis	Equity-accounted investments	RioCan's proportionate share		IFRS basis	Equity-accounted investments	RioCan's proportionate share	
Debentures payable	\$ 3,689,870	\$ —	\$ 3,689,870		\$ 3,240,943	\$ —	\$ 3,240,943	
Mortgages payable	2,895,000	159,939	3,054,939		2,740,924	158,292	2,899,216	
Lines of credit and other bank loans	606,826	184,171	790,997		879,246	231,963	1,111,209	
Total debt	\$ 7,191,696	\$ 344,110	\$ 7,535,806		\$ 6,861,113	\$ 390,255	\$ 7,251,368	
Less:								
Unamortized debt financing costs, premiums and discounts on origination and debt assumed, and modifications	(35,347)	(472)	(35,819)		(24,019)	(484)	(24,503)	
Total Contractual Debt	\$ 7,227,043	\$ 344,582	\$ 7,571,625		\$ 6,885,132	\$ 390,739	\$ 7,275,871	

Floating Rate Debt and Fixed Rate Debt

The following table summarizes RioCan's Ratio of floating rate debt to total debt as at September 30, 2024 and December 31, 2023:

As at	September 30, 2024			December 31, 2023		
(thousands of dollars, except where otherwise noted)	IFRS basis	Equity-accounted investments	RioCan's proportionate share	IFRS basis	Equity-accounted investments	RioCan's proportionate share
Total fixed rate debt	\$ 6,611,435	\$ 169,250	\$ 6,780,685	\$ 6,543,106	\$ 212,554	\$ 6,755,660
Total floating rate debt	580,261	174,860	755,121	318,007	177,701	495,708
Total debt	\$ 7,191,696	\$ 344,110	\$ 7,535,806	\$ 6,861,113	\$ 390,255	\$ 7,251,368
Ratio of floating rate debt to total debt	8.1%		10.0%	4.6%		6.8%
Total floating rate debt	580,261	174,860	755,121			
<i>Increase (Decrease) subsequent to quarter end from:</i>						
Extended the maturity date of the non-revolving unsecured credit facilities and entered into an interest rate swap	(199,894)	—	(199,894)			
Repayment of the revolving unsecured operating line of credit	(252,000)	—	(252,000)			
Pro-forma floating rate debt	\$ 128,367	\$ 174,860	\$ 303,227			
Total debt	7,191,696	344,110	7,535,806			
<i>Increase (Decrease) subsequent to quarter end from:</i>						
Debenture issuance	700,000	—	700,000			
Debenture redemption	(300,000)	—	(300,000)			
Repayment of the revolving unsecured operating line of credit	(252,000)	—	(252,000)			
Pro-forma Total debt	\$ 7,339,696	\$ 344,110	\$ 7,683,806			
Pro-forma ratio of floating rate debt to total debt	1.7%		3.9%			

Liquidity

As at September 30, 2024, RioCan had approximately \$1.3 billion of Liquidity as summarized in the following table:

As at	September 30, 2024			December 31, 2023		
(thousands of dollars)	IFRS basis	Equity-accounted investments	RioCan's proportionate share	IFRS basis	Equity-accounted investments	RioCan's proportionate share
Undrawn revolving unsecured operating line of credit	\$ 998,000	\$ —	\$ 998,000	\$ 1,250,000	\$ —	\$ 1,250,000
Undrawn construction lines and other bank loans	180,018	112,388	292,406	385,715	189,563	575,278
Cash and cash equivalents	39,737	9,768	49,505	124,234	14,506	138,740
Liquidity	\$ 1,217,755	\$ 122,156	\$ 1,339,911	\$ 1,759,949	\$ 204,069	\$ 1,964,018
<i>Increase (decrease) subsequent to quarter end from:</i>						
Debenture issuance	700,000	—	700,000			
Debenture redemption	(300,000)	—	(300,000)			
Repayment of the revolving unsecured operating line of credit	(252,000)	—	(252,000)			
Increase in the undrawn revolving unsecured operating line of credit	252,000	—	252,000			
Pro-forma Liquidity	\$ 1,617,755	\$ 122,156	\$ 1,739,911			

Adjusted EBITDA

The following table reconciles consolidated net income attributable to Unitholders to Adjusted EBITDA:

Twelve months ended	September 30, 2024			December 31, 2023		
(thousands of dollars)	IFRS basis	Equity-accounted investments	RioCan's proportionate share	IFRS basis	Equity-accounted investments	RioCan's proportionate share
Net income attributable to Unitholders	\$ 230,158	\$ —	\$ 230,158	\$ 38,802	\$ —	\$ 38,802
Add (deduct) the following items:						
Income tax recovery:						
Current	(812)	—	(812)	(13,365)	—	(13,365)
Fair value losses on investment properties, net	254,278	15,233	269,511	450,408	14,123	464,531
Change in unrealized fair value on marketable securities (i)	(6,494)	—	(6,494)	865	—	865
Internal leasing costs	13,187	—	13,187	11,919	—	11,919
Non-cash unit-based compensation expense	10,085	—	10,085	10,154	—	10,154
Interest costs, net	250,444	11,929	262,373	208,948	11,339	220,287
Debt prepayment gain	(457)	—	(457)	—	—	—
Restructuring costs	674	—	674	1,368	—	1,368
ERP implementation costs	8,870	—	8,870	12,032	—	12,032
Depreciation and amortization	1,737	—	1,737	2,632	—	2,632
Transaction losses (gains) on the sale of investment properties, net (ii)	2,654	(65)	2,589	1,180	(83)	1,097
Transaction costs on investment properties	6,331	1	6,332	5,606	1	5,607
Operational lease revenue (expenses) from ROU assets	5,563	(67)	5,496	5,116	(55)	5,061
Adjusted EBITDA	\$ 776,218	\$ 27,031	\$ 803,249	\$ 735,665	\$ 25,325	\$ 760,990

(i) The fair value gains and losses on marketable securities may include both the change in unrealized fair value and realized gains and losses on the sale of marketable securities. By adding back the change in unrealized fair value on marketable securities, RioCan effectively continues to include realized gains and losses on the sale of marketable securities in Adjusted EBITDA and excludes unrealized fair value gains and losses on marketable securities in Adjusted EBITDA.

(ii) Includes transaction gains and losses realized on the disposition of investment properties.

Adjusted Debt to Adjusted EBITDA Ratio

Adjusted Debt to Adjusted EBITDA is calculated as follows:

Twelve months ended	September 30, 2024			December 31, 2023		
(thousands of dollars, except where otherwise noted)	IFRS basis	Equity-accounted investments	RioCan's proportionate share	IFRS basis	Equity-accounted investments	RioCan's proportionate share
Adjusted Debt to Adjusted EBITDA						
Average total debt outstanding	\$ 7,016,318	\$ 369,811	\$ 7,386,129	\$ 6,879,087	\$ 317,231	\$ 7,196,318
Less: average cash and cash equivalents	(60,532)	(10,200)	(70,732)	(120,952)	(11,408)	(132,360)
Average Total Adjusted Debt	\$ 6,955,786	\$ 359,611	\$ 7,315,397	\$ 6,758,135	\$ 305,823	\$ 7,063,958
Adjusted EBITDA ⁽ⁱ⁾	\$ 776,218	\$ 27,031	\$ 803,249	\$ 735,665	\$ 25,325	\$ 760,990
Adjusted Debt to Adjusted EBITDA	9.0		9.1	9.2		9.3

(i) Adjusted EBITDA is reconciled in the immediately preceding table.

Unencumbered Assets

The tables below summarize RioCan's Unencumbered Assets as at September 30, 2024 and December 31, 2023:

As at	September 30, 2024			December 31, 2023		
(thousands of dollars, except where otherwise noted)	IFRS basis	Equity-accounted investments	RioCan's proportionate share	IFRS basis	Equity-accounted investments	RioCan's proportionate share
Investment properties	\$ 13,828,779	\$ 408,024	\$ 14,236,803	\$ 13,561,718	\$ 411,811	\$ 13,973,529
Less: Encumbered investment properties	5,700,550	348,231	6,048,781	5,531,177	352,425	5,883,602
Unencumbered Assets	\$ 8,128,229	\$ 59,793	\$ 8,188,022	\$ 8,030,541	\$ 59,386	\$ 8,089,927

Forward-Looking Information

This News Release contains forward-looking information within the meaning of applicable Canadian securities laws. This information reflects RioCan's objectives, our strategies to achieve those objectives, as well as statements with respect to management's beliefs, estimates and intentions concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking information can generally be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "should", "plan", "continue", or similar expressions suggesting future outcomes or events. Such forward-looking information reflects management's current beliefs and is based on information currently available to management. All forward-looking information in this News Release is qualified by these cautionary statements. Forward-looking information is not a guarantee of future events or performance and, by its nature, is based on RioCan's current estimates and assumptions, which are subject to numerous risks and uncertainties, including those described in the "*Risks and Uncertainties*" section in RioCan's MD&A for the three and nine months ended September 30, 2024 and in our most recent Annual Information Form, which could cause actual events or results to differ materially from the forward-looking information contained in this News Release. Although the forward-looking information contained in this News Release is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with this forward-looking information.

The forward-looking statements contained in this News Release are made as of the date hereof, and should not be relied upon as representing RioCan's views as of any date subsequent to the date of this News Release. Management undertakes no obligation, except as required by applicable law, to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

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