

## RioCan's Strong First Quarter 2023 Results Reinforces Confidence in FFO/Unit Growth Target for the Year

- Net income of \$118.0 million and FFO per unit <sup>1</sup> of \$0.44
- Blended leasing spread of 12.3% driven by new leasing spread of 14.8%
- The retail component of The Well reaches 82% leased

**Toronto, Ontario (May 10, 2023)** - RioCan Real Estate Investment Trust ("RioCan" or the "Trust") (TSX: REI.UN) announced today its financial results for the three months ended March 31, 2023 (the "First Quarter").

"RioCan had a solid start to 2023 with strong first quarter results. Our occupancy, retention rates and leasing spreads remain high as demand continues to intensify for quality retail space that is short in supply. This operating strength drove same-property NOI while contributions from completed developments also added to our growth," said Jonathan Gitlin, President and CEO of RioCan. "As always, we are prudently managing risk, and maintaining a healthy balance sheet with strong liquidity and access to various financing channels. The quality of our properties and tenants, along with our operational excellence, provides us with growing income that supports our asset values, outweighing the volatile macro-economic environment and reinforcing our confidence to reaffirm our FFO/unit growth guidance for the year."

### Financial Highlights

(in millions, except where otherwise noted, and per unit values)

Three months ended March 31	2023		2022	
FFO <sup>1</sup>	\$	131.3	\$	130.6
FFO per unit - diluted <sup>1</sup>	\$	0.44	\$	0.42
Net income	\$	118.0	\$	160.1
Weighted average Units outstanding - diluted (in thousands)		300,547		310,114

  

As at	March 31, 2023		December 31, 2022	
Net book value per unit	\$	25.83	\$	25.73

1. A non-GAAP measurement. For definitions, 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.

### FFO per Unit and Net Income

- FFO per unit was \$0.44, \$0.02 per unit or 4.8% higher than the same period last year.
  - Same Property NOI<sup>1</sup> growth of 3.4% contributed a \$0.02 increase in FFO per unit.
  - Additional FFO increases, predominantly from completed commercial developments and residential rental operations, drove FFO per unit higher by \$0.02.
  - Higher lease cancellation fees increased FFO by an additional \$0.01 per unit.
  - Higher interest expense, net of higher interest income, decreased FFO by \$0.01.
  - The reduction in FFO per unit from properties sold was partly offset by FFO per unit accretion from prior year unit buybacks, a net reduction of \$0.02 per unit.
- Net income for the First Quarter of \$118.0 million was \$42.1 million lower than the comparable period last year mainly due to a fair value loss on investment properties of \$17.4 million compared to a \$35.4 million fair value gain in 2022.
- Our FFO Payout Ratio<sup>1</sup> of 59.3%, Liquidity<sup>1</sup> of \$1.7 billion, Unencumbered Asset<sup>1</sup> pool of \$8.3 billion, floating rate debt at 5.4% of total debt and staggered debt maturities, all contribute to our financial flexibility and balance sheet strength.
- For 2023, we anticipate FFO per unit to be within the range of \$1.77 to \$1.80, SPNOI growth of 3%, and an FFO Payout Ratio of between 55% to 65%. Development Spending<sup>1</sup> is expected to be between \$400 million to \$450 million.

1. A non-GAAP measurement. For definitions, 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.

## Operation Highlights

Three months ended March 31	2023	2022
<b>Operation Highlights (i)</b>		
Occupancy - committed (ii)	97.4 %	97.0 %
Retail occupancy - committed (ii)	98.0 %	97.4 %
Blended leasing spread	12.3 %	8.9 %
New leasing spread	14.8 %	13.5 %
Renewal leasing spread	11.6 %	6.7 %

(i) Includes commercial portfolio only.

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

- Our core retail portfolio continues to produce solid operating results. Same Property NOI grew by 3.4%, driven by increases in rent growth from contractual rent steps, rent upon renewal and occupancy.
- A strong blended leasing spread of 12.3% resulted from new leasing and renewal leasing spreads of 14.8% and 11.6%, respectively. A retention ratio of 91.2% was achieved in the quarter.
- Average net rent per occupied square foot of \$21.13 improved 4.4% over the same period last year while new leasing in the First Quarter generated average net rent per square foot of \$28.57.
- Retail committed occupancy increased by 10 basis points to 98.0% when compared to the previous quarter.
- As at May 10, 2023, 10 of the 13 Bed, Bath and Beyond leases have been sold as a result of court ordered liquidation resulting in those leases continuing without modification or downtime. With respect to the three leases that were not sold, we have one unit with a completed lease and two leases in final stages of negotiation. While Bed, Bath and Beyond's bankruptcy was not material to RioCan, we highlight this activity as it reaffirms the demand for our well-located retail space.

## RioCan Living Update <sup>1</sup>

- As at May 10, 2023, eight of the 10 RioCan Living™ buildings are stabilized and are 96.5% leased. Lease-up at the two remaining buildings is tracking ahead of expectations as leasing velocity continues to be robust. Total NOI generated from our residential rental operations for the First Quarter was \$4.3 million, an increase of \$1.9 million or 81.7% over the same period last year.
- Pre-leasing of the 592 rental residential units at FourFifty The Well™ started in March 2023 in anticipation of the phased completion in the second half of 2023 through to early 2024.
- As of March 31, 2023, 2,575 condominium and townhouse units are under construction and are expected to generate combined sales revenue of over \$860.0 million between 2023 and 2026 that can be redeployed to fund our development pipeline. Of RioCan's six active condominium construction projects, 86% of the total units have been pre-sold, representing 96% of pro-forma revenues.

1. Units at 100% ownership interest.

## Development Highlights

(in millions except square feet)

Three months ended March 31	2023	2022
<b>Development Highlights</b>		
Development Completions - sq. ft. in thousands (i)	66.0	145.0
Development Spending	\$ 88.3	\$ 91.9
Development Projects Under Construction - sq. ft. in thousands (ii)	1,890.0	2,206.0

(i) At RioCan's ownership. Represents net leasable area (NLA) of property under development completions. Excludes NLA of residential inventory completions.

(ii) 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 First Quarter, 66,000 square feet of NLA was completed, comprised mainly of office space at The Well™.
- As at May 10, 2023, approximately 1,280,000 square feet (at 100% ownership interest) of commercial space at The Well is in tenant possession and 12 tenants are now operating in their respective units. Approximately 94% of the total commercial space is leased. The retail component is 82% leased, as compared with 72% as at our prior quarterly release, with another 6% in late stage negotiations.
- Our total zoned square footage was 13.9 million at the end of March 31, 2023, including 1.9 million square feet of projects under construction and 1.5 million square feet of shovel ready development sites.

### **Investing and Capital Recycling**

- As of May 10, 2023, closed or firm dispositions totalled \$66.4 million, including \$42.1 million of completed dispositions during the quarter at a weighted average capitalization rate of 7.2%. Completed dispositions included the sale of a non-core asset located in Calgary, Alberta, consistent with our strategy to improve portfolio quality.
  - In the First Quarter, Total Acquisitions<sup>1</sup> totalled \$28.8 million including the acquisition of a parking lease at RioCan Hall, which removed a significant encumbrance in advancing the redevelopment of this Focus Five project<sup>2</sup> and also provides interim recurring operating income.
  - Subsequent to quarter end, the Trust entered into a firm purchase agreement to acquire a 100% interest in three phases of a four phase new build residential rental complex in Montreal, Quebec for the gross purchase price of \$55.3 million. Phases One and Two consist of 124 units and Phase Four consists of vacant land that is zoned residential. Closing is expected to occur at the end of May 2023, subject to customary closing conditions. As part of the purchase, RioCan will assume \$42.3 million of pre-existing debt at a blended contractual interest rate of 2.64%. The Trust also has entered into an agreement to acquire a 100% interest in Phase Three, which consists of 60 units, and will be closed no later than March 2026, upon satisfaction of certain conditions and receipt of substantial notice of completion.
1. A non-GAAP measurement. For definitions, 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.
  2. Focus Five projects are large scale, transit-oriented, mixed-use developments in the Greater Toronto Area that the Trust is currently advancing through zoning and the site plan approval process.

### **Capital Management Update**

- On January 31, 2023, RioCan refinanced its \$200 million non-revolving unsecured credit facility with two Schedule I financial institutions, with a weighted average annual all-in fixed rate of 4.93% through interest rate swaps and a maturity date of February 3, 2025, with an option to extend to January 30, 2026. All other terms were similar to the matured facility.
- On March 6, 2023, RioCan issued \$200.0 million of Series AG senior unsecured debentures. These debentures were issued at a coupon rate of 5.611% per annum and will mature on October 6, 2027. Inclusive of the benefit of bond forward hedges, the all-in rate is 5.184%.
- On March 6, 2023, in conjunction with the offering of the Series AG debenture, the Trust settled \$200.0 million of bond forward contracts entered into on November 24, 2022, resulting in a total realized gain of \$6.5 million, of which \$3.9 million of the gain was applied to the all-in rate of the above-noted debenture. A hedge ineffectiveness gain of \$2.6 million, arising from issuing a debenture with less tenor than the underlying bond was recorded to other income during the First Quarter.
- On March 13, 2023, the Trust entered into bond forward contracts to sell on September 15, 2023 \$300.0 million Government of Canada Bonds due June 1, 2030 with an effective bond yield of 2.629%, to hedge its exposure to movements in underlying risk-free interest rates.
- On April 18, 2023, RioCan redeemed, in full, its \$200.0 million, 3.725% Series T unsecured debenture upon maturity.
- During the quarter, RioCan, along with its partner Context Development, closed on a \$126.0 million (\$63.0 million at RioCan's share) construction (converting to term upon stabilization) loan provided by the Canada Mortgage and Housing Corporation for the rental component of its Queen & Ashbridge development in Toronto. The interest rate on both the

construction advances and the term component was fixed at 3.07%, the term of the loan is 10 years and the amortization period upon conversion to a term loan is 50 years.

- On May 4, 2023, the Trust extended the maturity on its operating line of credit by a year to May 31, 2028. All other terms and conditions remained the same.
- In addition to the bond forward hedging, the Trust's limited exposure to floating rate debt at 5.4% of total debt, serves to mitigate short-term interest rate volatility.

### Balance Sheet Strength

<i>(in millions except percentages)</i> As at	March 31, 2023	December 31, 2022
<b>Balance Sheet Strength Highlights</b>		
Liquidity (i) <sup>1</sup>	\$ 1,728	\$ 1,548
Adjusted Debt to Adjusted EBITDA (i) <sup>1</sup>	9.48x	9.51x
Total Adjusted Debt to Total Adjusted Assets (i) <sup>1</sup>	45.4 %	45.2 %
Unencumbered Assets (i) <sup>1</sup>	\$ 8,275	\$ 8,257
Unencumbered Assets to Unsecured Debt (i) <sup>1</sup>	215 %	218 %

(i) At RioCan's proportionate share.

- As at March 31, 2023, the Trust had \$1.7 billion of Liquidity in the form of a \$1.3 billion undrawn revolving line of credit, \$0.4 billion undrawn construction lines and other bank loans and \$0.1 billion cash and cash equivalents. Subsequent to quarter end, Liquidity was reduced by \$137.8 million to \$1.6 billion due to the redemption of \$200.0 million Series T senior unsecured debentures and the receipt of \$62.2 million cash from funds held in trust for a loan receivable repayment. Pursuant to the terms of its credit agreement, the Trust has an option to increase the commitment under its revolving line of credit by \$250 million.
- RioCan's unencumbered asset pool of \$8.3 billion, which can be used to obtain secured financing to provide additional liquidity at generally lower interest rates than unsecured debt, generated 57.5% of Annual Normalized NOI<sup>1</sup> and provided 2.15x coverage over Unsecured Debt<sup>1</sup>.
- Adjusted Debt to Adjusted EBITDA was 9.48x on a proportionate share basis, as at March 31, 2023, compared to 9.51x as at the end of 2022. The decrease was primarily due to higher Adjusted EBITDA, partially offset by higher Average Total Adjusted Debt balances.

1. A non-GAAP measurement. For definitions, 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 Thursday, May 11, 2023 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: 895958.

For those unable to participate in the live mode, a replay will be available at 1-866-813-9403 with access code 642360.

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, increasingly mixed-use properties located in prime, high-density transit-oriented areas where Canadians want to shop, live and work. As at March 31, 2023, our portfolio is comprised of 191 properties with an aggregate net leasable area of approximately 33.5 million square feet (at RioCan's interest) including office, residential rental and 11 development properties. To learn more about us, please visit [www.riocan.com](http://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 months ended March 31, 2023, which are available on RioCan's website at [www.riocan.com](http://www.riocan.com) and on SEDAR at [www.sedar.com](http://www.sedar.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, Development Spending, Total Acquisitions, Liquidity, Adjusted Debt to Adjusted EBITDA, Total Adjusted Debt to Total Adjusted Assets, RioCan's Proportionate Share, Unencumbered Assets to Unsecured Debt and Percentage of Normalized NOI Generated from 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 months ended March 31, 2023.

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 March 31, 2023 and December 31, 2022:

As at	March 31, 2023			December 31, 2022		
<i>(in thousands of dollars)</i>	IFRS basis	Equity-accounted investments	RioCan's proportionate share	IFRS basis	Equity-accounted investments	RioCan's proportionate share
<b>Assets</b>						
Investment properties	\$ 13,874,919	\$ 400,031	\$ 14,274,950	\$ 13,807,740	\$ 398,701	\$ 14,206,441
Equity-accounted investments	373,339	(373,339)	—	364,892	(364,892)	—
Mortgages and loans receivable	206,668	—	206,668	269,339	—	269,339
Residential inventory	289,556	228,416	517,972	272,005	214,536	486,541
Assets held for sale	23,500	—	23,500	42,140	—	42,140
Receivables and other assets	313,998	38,531	352,529	259,514	37,779	297,293
Cash and cash equivalents	97,133	11,852	108,985	86,229	8,001	94,230
<b>Total assets</b>	<b>\$ 15,179,113</b>	<b>\$ 305,491</b>	<b>\$ 15,484,604</b>	<b>\$ 15,101,859</b>	<b>\$ 294,125</b>	<b>\$ 15,395,984</b>
<b>Liabilities</b>						
Debentures payable	\$ 3,141,869	\$ —	\$ 3,141,869	\$ 2,942,051	\$ —	\$ 2,942,051
Mortgages payable	2,721,509	173,758	2,895,267	2,659,180	172,100	2,831,280
Lines of credit and other bank loans	952,425	96,331	1,048,756	1,141,112	89,187	1,230,299
Accounts payable and other liabilities	605,383	35,402	640,785	630,624	32,838	663,462
<b>Total liabilities</b>	<b>\$ 7,421,186</b>	<b>\$ 305,491</b>	<b>\$ 7,726,677</b>	<b>\$ 7,372,967</b>	<b>\$ 294,125</b>	<b>\$ 7,667,092</b>
<b>Equity</b>						
Unitholders' equity	7,757,927	—	7,757,927	7,728,892	—	7,728,892
<b>Total liabilities and equity</b>	<b>\$ 15,179,113</b>	<b>\$ 305,491</b>	<b>\$ 15,484,604</b>	<b>\$ 15,101,859</b>	<b>\$ 294,125</b>	<b>\$ 15,395,984</b>

**RioCan's Proportionate Share (continued)**

The following tables reconcile the consolidated statements of income from IFRS to RioCan's proportionate share basis for the three months ended March 31, 2023 and 2022:

<i>(in thousands of dollars)</i>	Three months ended March 31, 2023			Three months ended March 31, 2022		
	IFRS basis	Equity-accounted investments	RioCan's proportionate share	IFRS basis	Equity-accounted investments	RioCan's proportionate share
<b>Revenue</b>						
Rental revenue	\$ 274,681	\$ 7,404	\$ 282,085	\$ 272,131	\$ 6,938	\$ 279,069
Residential inventory sales	—	2,363	2,363	15,969	936	16,905
Property management and other service fees	4,819	—	4,819	5,882	—	5,882
	<b>279,500</b>	<b>9,767</b>	<b>289,267</b>	<b>293,982</b>	<b>7,874</b>	<b>301,856</b>
<b>Operating costs</b>						
Rental operating costs						
Recoverable under tenant leases	98,808	880	99,688	100,122	622	100,744
Non-recoverable costs	7,449	647	8,096	6,056	588	6,644
Residential inventory cost of sales	—	1,126	1,126	13,936	422	14,358
	<b>106,257</b>	<b>2,653</b>	<b>108,910</b>	<b>120,114</b>	<b>1,632</b>	<b>121,746</b>
<b>Operating income</b>	<b>173,243</b>	<b>7,114</b>	<b>180,357</b>	<b>173,868</b>	<b>6,242</b>	<b>180,110</b>
<b>Other income (loss)</b>						
Interest income	7,041	601	7,642	4,061	570	4,631
Income from equity-accounted investments	5,514	(5,514)	—	4,090	(4,090)	—
Fair value (loss) gain on investment properties, net	(17,365)	621	(16,744)	35,432	(790)	34,642
Investment and other income (loss)	2,887	(336)	2,551	(185)	(58)	(243)
	<b>(1,923)</b>	<b>(4,628)</b>	<b>(6,551)</b>	<b>43,398</b>	<b>(4,368)</b>	<b>39,030</b>
<b>Other expenses</b>						
Interest costs, net	47,983	2,495	50,478	41,766	1,842	43,608
General and administrative	15,618	10	15,628	11,463	16	11,479
Internal leasing costs	2,725	—	2,725	2,985	—	2,985
Transaction and other costs	388	(19)	369	1,175	16	1,191
	<b>66,714</b>	<b>2,486</b>	<b>69,200</b>	<b>57,389</b>	<b>1,874</b>	<b>59,263</b>
<b>Income before income taxes</b>	<b>\$ 104,606</b>	<b>\$ —</b>	<b>\$ 104,606</b>	<b>\$ 159,877</b>	<b>\$ —</b>	<b>\$ 159,877</b>
Current income tax recovery	(13,398)	—	(13,398)	(181)	—	(181)
<b>Net income</b>	<b>\$ 118,004</b>	<b>\$ —</b>	<b>\$ 118,004</b>	<b>\$ 160,058</b>	<b>\$ —</b>	<b>\$ 160,058</b>

### **NOI and Same Property NOI**

The following table reconciles operating income to NOI and Same Property NOI to NOI for the three months ended March 31, 2023 and 2022:

*(thousands of dollars)*

Three months ended March 31	2023	2022
<b>Operating Income</b>	<b>\$ 173,243</b>	<b>\$ 173,868</b>
<i>Adjusted for the following:</i>		
Property management and other service fees	<b>(4,819)</b>	(5,882)
Residential inventory gains	—	(2,033)
Operational lease revenue from ROU assets	<b>1,858</b>	1,346
<b>NOI</b>	<b>\$ 170,282</b>	<b>\$ 167,299</b>

*(thousands of dollars)*

Three months ended March 31	2023	2022
<b>Same Property NOI</b>	<b>\$ 151,790</b>	<b>\$ 146,760</b>
NOI from income producing properties:		
Acquired (i)	<b>149</b>	93
Disposed (i)	<b>477</b>	9,619
	<b>626</b>	9,712
NOI from completed properties under development	<b>6,006</b>	4,187
NOI from properties under de-leasing under development	<b>2,460</b>	2,495
Lease cancellation fees	<b>4,562</b>	883
Straight-line rent adjustment	<b>573</b>	915
NOI from residential rental	<b>4,265</b>	2,347
<b>NOI</b>	<b>\$ 170,282</b>	<b>\$ 167,299</b>

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

### **Same Property NOI including completed properties under development (PUD)**

*(thousands of dollars, except where otherwise noted)*

Three months ended March 31	2023	2022	% change
<b>Same Property NOI</b>	<b>\$ 151,790</b>	<b>\$ 146,760</b>	3.4 %
<i>Add:</i>			
NOI from completed PUD	<b>6,006</b>	4,187	
<b>Same Property NOI including completed PUD</b>	<b>\$ 157,796</b>	<b>\$ 150,947</b>	4.5 %

### **Adjusted Same Property NOI**

*(thousands of dollars, except where otherwise noted)*

Three months ended March 31	2023	2022	% change
<b>Same Property NOI</b>	<b>\$ 151,790</b>	<b>\$ 146,760</b>	3.4 %
<i>Add (exclude):</i>			
Same property provision for credit losses	<b>86</b>	20	
CAM/property tax settlements	<b>(929)</b>	(381)	
<b>Adjusted Same Property NOI</b>	<b>\$ 150,947</b>	<b>\$ 146,399</b>	3.1 %

**FFO**

The following table reconciles net income attributable to Unitholders to FFO for the three months ended March 31, 2023 and 2022:

(thousands of dollars, except where otherwise noted)

Three months ended March 31	<b>2023</b>	2022
Net income attributable to Unitholders	<b>\$ 118,004</b>	\$ 160,058
<i>Add back/(Deduct):</i>		
Fair value losses (gains), net	<b>17,365</b>	(35,432)
Fair value (gains) losses included in equity-accounted investments	<b>(621)</b>	790
Internal leasing costs	<b>2,725</b>	2,985
Transaction (gains) losses on investment properties, net (i)	<b>(64)</b>	384
Transaction costs on sale of investment properties	<b>167</b>	600
ERP implementation costs	<b>3,954</b>	—
Change in unrealized fair value on marketable securities	<b>986</b>	—
Current income tax recovery	<b>(13,398)</b>	(181)
Operational lease revenue from ROU assets	<b>1,354</b>	946
Operational lease expenses from ROU assets in equity-accounted investments	<b>(12)</b>	(11)
Capitalized interest on equity-accounted investments (ii)	<b>877</b>	436
<b>FFO</b>	<b>\$ 131,337</b>	\$ 130,575
<i>Add back:</i>		
Restructuring costs	<b>613</b>	609
<b>FFO Adjusted</b>	<b>\$ 131,950</b>	\$ 131,184
FFO per unit - basic	<b>\$ 0.44</b>	\$ 0.42
FFO per unit - diluted	<b>\$ 0.44</b>	\$ 0.42
FFO Adjusted per unit - diluted	<b>\$ 0.44</b>	\$ 0.42
Weighted average number of Units - basic (in thousands)	<b>300,362</b>	309,837
Weighted average number of Units - diluted (in thousands)	<b>300,547</b>	310,114
FFO for last 4 quarters	<b>\$ 525,440</b>	\$ 531,521
Distributions paid for last 4 quarters	<b>\$ 311,603</b>	\$ 304,433
<b>FFO Payout Ratio</b>	<b>59.3%</b>	57.3%

(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 and PR Bloor Street LP. This amount is not capitalized to properties under development under IFRS, but is allowed as an adjustment under REALPAC's definition of FFO.

### Development Spending

Total Development Spending for the three months ended March 31, 2023 and 2022 is as follows:

(thousands of dollars)

Three months ended March 31	2023	2022
Development expenditures on balance sheet:		
Properties under development	\$ 66,911	\$ 61,165
Residential inventory	17,551	28,345
RioCan's share of Development Spending from equity-accounted joint ventures	3,885	2,374
<b>Total Development Spending</b>	<b>\$ 88,347</b>	<b>\$ 91,884</b>

### Total Acquisitions

Total Acquisitions for the three months ended March 31, 2023 and 2022 are as follows:

(thousands of dollars)

Three months ended March 31	2023	2022
Income producing properties	\$ —	\$ 89,948
Properties under development	28,847	11,946
Residential inventory	—	19,440
RioCan's share of acquisitions from equity-accounted joint ventures	—	66,497
<b>Total Acquisitions</b>	<b>\$ 28,847</b>	<b>\$ 187,831</b>

### Total Adjusted Debt and Total Contractual Debt

The following tables reconcile total debt to Total Adjusted Debt, total assets to Total Adjusted Assets, and total debt to Total Contractual Debt as at March 31, 2023 and December 31, 2022:

As at	March 31, 2023			December 31, 2022		
(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
Debentures payable	\$ 3,141,869	\$ —	\$ 3,141,869	\$ 2,942,051	\$ —	\$ 2,942,051
Mortgages payable	2,721,509	173,758	2,895,267	2,659,180	172,100	2,831,280
Lines of credit and other bank loans	952,425	96,331	1,048,756	1,141,112	89,187	1,230,299
Total debt	\$ 6,815,803	\$ 270,089	\$ 7,085,892	\$ 6,742,343	\$ 261,287	\$ 7,003,630
Cash and cash equivalents	97,133	11,852	108,985	86,229	8,001	94,230
Total Adjusted Debt	\$ 6,718,670	\$ 258,237	\$ 6,976,907	\$ 6,656,114	\$ 253,286	\$ 6,909,400
Total assets	\$ 15,179,113	\$ 305,491	\$ 15,484,604	\$ 15,101,859	\$ 294,125	\$ 15,395,984
Cash and cash equivalents	97,133	11,852	108,985	86,229	8,001	94,230
Total Adjusted Assets	\$ 15,081,980	\$ 293,639	\$ 15,375,619	\$ 15,015,630	\$ 286,124	\$ 15,301,754
Total Adjusted Debt to Total Adjusted Assets	44.5%		45.4%	44.3%		45.2%

As at	March 31, 2023			December 31, 2022		
(thousands of dollars)	IFRS basis	Equity-accounted investments	RioCan's proportionate share	IFRS basis	Equity-accounted investments	RioCan's proportionate share
Total debt	\$ 6,815,803	\$ 270,089	\$ 7,085,892	\$ 6,742,343	\$ 261,287	\$ 7,003,630
Less:						
Unamortized debt financing costs, premiums and discounts on origination and debt assumed, and modifications	(18,327)	(631)	(18,958)	(15,634)	(690)	(16,324)
Total Contractual Debt	6,834,130	270,720	7,104,850	6,757,977	261,977	7,019,954

## Liquidity

As at March 31, 2023, RioCan had approximately \$1.7 billion of liquidity as summarized in the following table:

As at <i>(thousands of dollars)</i>	March 31, 2023			December 31, 2022		
	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	\$ 1,250,000	\$ —	\$ 1,250,000	\$ 1,116,351	\$ —	\$ 1,116,351
Undrawn construction lines and other bank loans	306,641	61,892	368,533	267,562	70,094	337,656
Cash and cash equivalents	97,133	11,852	108,985	86,229	8,001	94,230
<b>Liquidity</b>	<b>\$ 1,653,774</b>	<b>\$ 73,744</b>	<b>\$ 1,727,518</b>	<b>\$ 1,470,142</b>	<b>\$ 78,095</b>	<b>\$ 1,548,237</b>
<i>Increase (Decrease) subsequent to quarter end from:</i>						
Debenture redemption	(200,000)	—	(200,000)			
Cash from funds held in trust for a loan receivable repayment	62,155	—	62,155			
<b>Proforma Liquidity</b>	<b>\$ 1,515,929</b>	<b>\$ 73,744</b>	<b>\$ 1,589,673</b>			

## Adjusted EBITDA

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

Twelve months ended <i>(thousands of dollars)</i>	March 31, 2023			December 31, 2022		
	IFRS basis	Equity-accounted investments	RioCan's proportionate share	IFRS basis	Equity-accounted investments	RioCan's proportionate share
Net income attributable to Unitholders	\$ 194,718	\$ —	\$ 194,718	\$ 236,772	\$ —	\$ 236,772
<i>Add (deduct) the following items:</i>						
Income tax expense (recovery):						
Current	(12,296)	—	(12,296)	921	—	921
Fair value losses on investment properties, net	293,925	14,797	308,722	241,128	16,208	257,336
Change in unrealized fair value on marketable securities (i)	4,769	—	4,769	3,783	—	3,783
Internal leasing costs	11,944	—	11,944	12,204	—	12,204
Non-cash unit-based compensation expense	9,269	—	9,269	9,056	—	9,056
Interest costs, net	186,582	8,895	195,477	180,365	8,242	188,607
Restructuring costs	4,293	—	4,293	4,289	—	4,289
ERP implementation costs	3,954	—	3,954	—	—	—
Depreciation and amortization	4,461	—	4,461	4,774	—	4,774
Transaction losses on the sale of investment properties, net (ii)	576	—	576	1,024	—	1,024
Transaction costs on investment properties	5,305	—	5,305	5,734	3	5,737
Operational lease revenue (expenses) from ROU assets	4,494	(47)	4,447	4,086	(46)	4,040
<b>Adjusted EBITDA</b>	<b>\$ 711,994</b>	<b>\$ 23,645</b>	<b>\$ 735,639</b>	<b>\$ 704,136</b>	<b>\$ 24,407</b>	<b>\$ 728,543</b>

- (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	March 31, 2023			December 31, 2022		
<i>(thousands of dollars, except where otherwise noted)</i>	IFRS basis	Equity-accounted investments	RioCan's proportionate share	IFRS basis	Equity-accounted investments	RioCan's proportionate share
<b>Adjusted Debt to Adjusted EBITDA</b>						
Average total debt outstanding	\$ 6,797,665	\$ 263,022	\$ 7,060,687	\$ 6,756,628	\$ 251,888	\$ 7,008,516
Less: average cash and cash equivalents	(78,746)	(9,339)	(88,085)	(74,871)	(8,791)	(83,662)
Average Total Adjusted Debt	\$ 6,718,919	\$ 253,683	\$ 6,972,602	\$ 6,681,757	\$ 243,097	\$ 6,924,854
Adjusted EBITDA <sup>(i)</sup>	\$ 711,994	\$ 23,645	\$ 735,639	\$ 704,136	\$ 24,407	\$ 728,543
<b>Adjusted Debt to Adjusted EBITDA</b>	<b>9.44</b>		<b>9.48</b>	9.49		9.51

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

### Unencumbered Assets

The tables below summarize RioCan's Unencumbered Assets to Unsecured Debt and Percentage of Normalized NOI Generated from Unencumbered Assets as at March 31, 2023 and December 31, 2022:

As at	March 31, 2023			December 31, 2022			
<i>(thousands of dollars, except where otherwise noted)</i>	Targeted Ratios	IFRS basis	Equity-accounted investments	RioCan's proportionate share	IFRS basis	Equity-accounted investments	RioCan's proportionate share
Unencumbered Assets		\$ 8,218,961	\$ 56,132	\$ 8,275,093	\$ 8,200,280	\$ 56,228	\$ 8,256,508
Total Unsecured Debt		\$ 3,850,000	\$ —	\$ 3,850,000	\$ 3,783,649	\$ —	\$ 3,783,649
<b>Unencumbered Assets to Unsecured Debt</b>	> 200%	<b>213%</b>		<b>215%</b>	217%		218%
Annual Normalized NOI - total portfolio (i)		\$ 652,844	\$ 22,700	\$ 675,544	\$ 646,540	\$ 23,488	\$ 670,028
Annual Normalized NOI - Unencumbered Assets (i)		\$ 385,088	\$ 3,444	\$ 388,532	\$ 370,804	\$ 3,440	\$ 374,244
<b>Percentage of Normalized NOI Generated from Unencumbered Assets</b>	> 50.0%	<b>59.0%</b>		<b>57.5%</b>	57.4%		55.9%

(i) Annual Normalized NOI are reconciled in the table below.

	Three months ended March 31, 2023			Three months ended December 31, 2022		
<i>(thousands of dollars)</i>	IFRS basis	Equity-accounted investments	RioCan's proportionate share	IFRS basis	Equity-accounted investments	RioCan's proportionate share
NOI (i)	\$ 170,282	\$ 5,675	\$ 175,957	\$ 166,062	\$ 5,872	\$ 171,934
<i>Adjust the following:</i>						
Miscellaneous revenue	(1,035)	—	(1,035)	(802)	—	(802)
Percentage rent	(1,474)	—	(1,474)	(3,234)	—	(3,234)
Lease cancellation fees	(4,562)	—	(4,562)	(391)	—	(391)
<b>Normalized NOI - total portfolio</b>	<b>\$ 163,211</b>	<b>\$ 5,675</b>	<b>\$ 168,886</b>	<b>\$ 161,635</b>	<b>\$ 5,872</b>	<b>\$ 167,507</b>
<b>Annual Normalized NOI - total portfolio(ii)</b>	<b>\$ 652,844</b>	<b>\$ 22,700</b>	<b>\$ 675,544</b>	<b>\$ 646,540</b>	<b>\$ 23,488</b>	<b>\$ 670,028</b>
NOI from unencumbered assets	\$ 98,065	\$ 861	\$ 98,926	\$ 94,957	\$ 860	\$ 95,817
<i>Adjust the following for Unencumbered Assets:</i>						
Miscellaneous revenue	(519)	—	(519)	(518)	—	(518)
Percentage rent	(1,244)	—	(1,244)	(1,430)	—	(1,430)
Lease cancellation fees	(30)	—	(30)	(308)	—	(308)
<b>Normalized NOI - Unencumbered Assets</b>	<b>\$ 96,272</b>	<b>\$ 861</b>	<b>\$ 97,133</b>	<b>\$ 92,701</b>	<b>\$ 860</b>	<b>\$ 93,561</b>
<b>Annual Normalized NOI - Unencumbered Assets (ii)</b>	<b>\$ 385,088</b>	<b>\$ 3,444</b>	<b>\$ 388,532</b>	<b>\$ 370,804</b>	<b>\$ 3,440</b>	<b>\$ 374,244</b>

(i) Refer to the NOI and Same Property NOI table of this section for reconciliation from NOI to operating income.

(ii) Calculated by multiplying Normalized NOI by a factor of 4.

## **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 generally can 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 months ended March 31, 2023 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.

## **Contact Information**

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