

## RioCan Reports Fourth Quarter and Year End 2023 Results - FFO per Unit Growth Enables Annualized Distributions Increase of 2.8% to \$1.11 Per Unit

- Superior operational performance included retail committed occupancy increasing 50 bps to a record 98.4%, higher blended leasing spreads of 10.7% and greater Same Property NOI growth year-over-year
- Delivered ~ 600,000 square feet of top quality development assets, including The Well™ and a growing residential portfolio, that has continued to add a steady stream of new NOI

Toronto, February 13, 2024 - RioCan Real Estate Investment Trust ("RioCan" or the "Trust") (TSX: REI.UN) announced today its financial results for the three months and year ended December 31, 2023.

"RioCan continued to capitalize on Canada's short supply of quality space and robust retailer demand, generating some of the best operational results we have ever seen, and achieved our financial objectives for 2023." said Jonathan Gitlin, President and CEO of RioCan. "Our performance speaks to the reliability and quality of our open air retail, prime locations, and foundation of necessity-based retailers. As we celebrate our 30th anniversary, we cement our position as a valuable long-term investment and Canada's premier REIT. RioCan's third consecutive annual distribution increase to Unitholders reflects our confidence in delivering continued operational excellence and meaningful value creation."

### Financial Highlights

(in millions, except where otherwise noted, and per unit values)	Three months ended December 31		Years ended December 31	
	2023	2022	2023	2022
FFO <sup>1</sup>	\$ 132.9	\$ 127.6	\$ 531.3	\$ 524.7
FFO per unit - diluted <sup>1</sup>	\$ 0.44	\$ 0.42	\$ 1.77	\$ 1.71
Net income (loss)	\$ (117.7)	\$ (5.0)	\$ 38.8	\$ 236.8
Weighted average Units outstanding - diluted (in thousands)	300,417	302,423	300,479	306,247
<b>As at</b>		<b>December 31, 2023</b>		<b>December 31, 2022</b>
Net book value per unit		\$ 24.76		\$ 25.73

- Full year FFO per unit was \$1.77, an increase of \$0.06 per unit or 3.5% over the prior year.
  - Commercial Same Property NOI<sup>1</sup> grew by 4.8%, contributing a \$0.09 *increase* in FFO per unit.
  - NOI from completed commercial developments drove FFO per unit *higher* by \$0.05.
  - Residential NOI<sup>1</sup> accounted for \$0.03 per unit of the FFO per unit *increase*.
  - Reduced NOI from the sale of commercial properties resulted in a \$0.10 *reduction* in FFO per unit.
  - Higher interest expense, which was partially insulated by hedges, debt reduction impact of property sales proceeds, and higher investment and interest income, resulted in a net \$0.05 *decrease* in FFO per unit.
  - Accretion from Normal Course Issuer Bid activity resulted in an *increase* of \$0.03 FFO per unit while all other combined variances accounted for the remaining \$0.01 *increase* in FFO per unit.
- Net income for the year of \$38.8 million was \$198.0 million lower than the prior year due to a fair value loss on investment properties of \$450.4 million compared to a \$241.1 million fair value loss in 2022. The fair value loss in 2023 was driven by increased capitalization rate assumptions, partially offset by higher stabilized NOI.
- Our FFO Payout Ratio<sup>1</sup> of 60.5%, Liquidity<sup>1</sup> of \$2.0 billion, Unencumbered Assets<sup>1</sup> of \$8.1 billion, floating rate debt at 6.8%<sup>1</sup> of total debt and staggered debt maturities, all contribute to our financial flexibility and balance sheet strength.

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.

## **Distribution Increase and Outlook**

- RioCan's Board of Trustees approved a 2.8% increase to the monthly distribution to Unitholders from \$0.09 to \$0.0925 per unit commencing with the February 2024 distribution, payable on March 7, 2024 to Unitholders of record as at February 29, 2024. This brings RioCan's annualized distribution to \$1.11 per unit and is the third consecutive annual distribution increase as we provide sustainable distribution growth to Unitholders while maintaining our payout ratio targets.
- For 2024, we anticipate FFO per unit to be within the range of \$1.79 to \$1.82, Commercial SPNOI growth of ~ 3%, and an FFO Payout Ratio of between 55% to 65%. Development Spending<sup>1</sup> on mixed-use projects is expected to be between \$250 million to \$300 million and spending for the construction of retail projects of \$50 million to \$60 million.
- The Trust continuously reviews its longer-term targets in the context of ever-evolving macroeconomic and business environments. Refer to the *Outlook* section of the MD&A for more information.

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 (i)**

	Three months ended December 31		Years ended December 31	
	2023	2022	2023	2022
Occupancy - committed (ii)	97.4 %	97.4 %	97.4 %	97.4 %
Retail occupancy - committed (ii)	98.4 %	97.9 %	98.4 %	97.9 %
Blended leasing spread	9.0 %	8.8 %	10.7 %	9.0 %
New leasing spread	13.2 %	11.8 %	14.7 %	12.3 %
Renewal leasing spread	8.7 %	8.3 %	9.8 %	8.2 %

(i) Includes commercial portfolio only.

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

- Commercial Same Property NOI grew by 4.8%, driven by contractual rent steps, strong leasing and recovery of provisions for credit losses. The impact of net provision reversals during 2023 contributed 1.2% to this SPNOI growth.
- A record high 98.4% retail committed occupancy increased by 50 basis points over last year, underscoring the demand for well-located retail space. When compared to Q3 2023, retail in-place occupancy increased by 40 basis points to 98.0%.
- The blended leasing spread of 10.7% in 2023 was comprised of new and renewal leasing spreads of 14.7% and 9.8%, respectively. Excluding fixed-rate renewals, the renewal leasing spread would be 11.4% for the year, reflective of the strong leasing environment. New leasing in 2023 generated average net rent per square foot of \$27.75, well above the average net rent per occupied square foot of \$21.51.
- Our strong demographic profile with a population and household income of 260,000 and \$140,000, respectively, within a five kilometre radius of the Trust's properties, continues to attract strong and stable tenants which comprise 87.5% of annualized net rent and strengthen the quality of the tenant mix.

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

- Continued strong performance and leasing environment for our stabilized properties drove Residential Same Property NOI<sup>2</sup> growth of 13.8% in 2023.
- Total NOI generated from our residential rental operations for 2023 was \$21.5 million, an increase of \$7.9 million or 57.7% over the prior year.
- RioCan Living™ has 13 buildings in operation, representing 2,738 residential units. 11 of these buildings are stabilized and 96.5% leased as at February 13, 2024.
- Occupancy commenced at FourFifty The Well™ on August 1, 2023. As at February 13, 2024, 45.8% of the units are leased at rents above expectations.
- The 2,573 condominium and townhouse units that are under construction are expected to generate combined sales revenue of over \$780.0 million between 2024 and 2026. Of RioCan's six active condominium construction projects, 86% of the total units have been pre-sold, representing 95% of pro-forma total revenues.

1. Units at 100% ownership interest.

2. 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.

## Development Highlights

(in millions except square feet)	Three months ended December 31		Years ended December 31	
	2023	2022	2023	2022
Development Completions - sq. ft. in thousands (i)	272.0	258.0	599.0	651.0
Development Spending	\$ 94.4	\$ 114.6	\$ 399.9	\$ 427.1
Development Projects Under Construction - sq. ft. in thousands (ii)	1,235.0	1,945.0	1,235.0	1,945.0

- (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.
- For the full year, 599,000 square feet of property under development were completed which are expected to contribute \$27.2 million of stabilized cash NOI. Rental income has commenced in 2023 and is expected to ramp up over the course of 2024. Completions include 460,000 square feet related to The Well, comprised of 123,000 square feet of purpose-built rental residential and 337,000 square feet of commercial space. In addition, 32 U.C. Towns 2 townhouse units were completed and sold in the quarter, generating a \$4.8 million inventory gain.
  - As at February 13, 2024, approximately 96% of the total commercial space at The Well is leased with approximately 91% or 1,352,000 square feet (at 100% ownership interest) in tenant possession. The retail component is 93% leased, with more than half of the space open and operating. The remaining retail tenants will open steadily over the first half of 2024.
  - Zoning approvals for 4.0 million square feet of residential inventory were obtained in 2023 including for RioCan Scarborough Centre (Golden Mile Phase One & Two) in Toronto, RioCan Hall in the entertainment district in downtown Toronto, 83 Bloor Street West located in the prestigious downtown Toronto neighbourhood of Yorkville and East Hills South Block in Calgary. As cost of financing conditions persist, RioCan does not intend to commence new physical construction of mixed-use properties in 2024.
  - Total zoned square footage of 17.4 million at Q4 2023 compares to 15.0 million at Q4 2022, an increase of 2.4 million as newly zoned projects were partially offset by development deliveries. Zoned square footage includes 1.2 million square feet of projects under construction and 1.7 million square feet of shovel ready projects. Value recognized in the Trust's properties under development balance for zoned projects, excluding those under construction, is \$31.04 per square foot.

## Investing and Capital Recycling

- During 2023, and including the subsequent event period, RioCan executed on capital recycling activities that improved portfolio quality and the balance sheet, summarized as follows:
  - Dispositions: Closed \$295.4 million of investment property dispositions, all of which were unencumbered assets, and provided \$6.0 million vendor take-back financing.
  - Acquisitions: Closed \$263.1 million of Total Acquisitions to February 13, 2024<sup>1</sup>, which included both debt assumed of \$119.6 million, at an average contractual interest rate of 2.68% and a weighted average term of 5.3 years, and a \$40.9 million deferred payment.
  - Lending Program: Issued \$84.1 million of new loans receivable offset by \$74.6 million of loans repaid. With the weighted average interest rate on new loans at 11.1% we expect our lending program to be accretive to FFO, and help partially offset the impact of higher interest rates.
  - Net cash raised from the above capital recycling activities was \$177.3 million.
- Dispositions improved our portfolio quality through reducing exposure to secondary markets, enclosed malls and certain tenant categories, including:
  - An enclosed mall in Winnipeg, Manitoba;
  - Three cinema-anchored centres in Surrey, British Columbia; Gatineau, Quebec and Orillia, Ontario; and
  - A non-grocery-anchored centre in Calgary, Alberta.

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.

- In addition, the Trust sold a 12.5% interest in the 11YV project, thereby reducing its interest in the project to 37.5%. The resulting gain of \$12.1 million was mainly attributable to the value of the underlying residential inventory. Subsequent to year end, RioCan further reduced its interest in the project to 25.0% by selling an additional 12.5% interest.
- Subsequent to year end, the Trust also entered into firm deals to dispose full or partial interests in a number of properties totalling \$31.1 million including two secondary market assets, one of which is cinema-anchored, and a piece of non-core development land.
- Strategic acquisitions added to our major market portfolio including new stock residential assets and an urban, grocery-anchored retail asset with development upside. Strategic acquisitions included the following previously announced transactions:
  - A multi-phase residential rental asset in Quebec, which included in-place Canada Mortgage and Housing Corporation (CMHC) debt;
  - Land assemblies for development; and
  - Purchase of a parking lot lease at a Focus Five<sup>2</sup> project to remove a significant encumbrance to development.
  - Two acquisitions closed subsequent to year end:
    - A 50.0% ownership in an operating and stabilized rental residential property in Calgary, Alberta for \$52.9 million, which included \$32.7 million of in-place debt at a weighted average contractual interest rate of 1.97%; and
    - A 50.0% managing interest in an urban grocery-anchored centre in Toronto, Ontario which is currently undergoing re-zoning to create additional density. The Trust will manage the property and the development process, earning fees for these activities. The purchase was settled with \$13.2 million cash, the assumption of \$46.1 million of in-place debt at a weighted average contractual interest rate of 3.20%, and agreed upon future consideration for density, estimated to be \$40.9 million, to be paid as various development milestones are met.
- The above capital recycling activities are representative of our on-going strategy to rotate capital away from lower quality, higher risk assets to premium quality retail and residential assets in the best markets in Canada. This process, which began a number of years ago, has positioned our portfolio to perform well in any economic environment.

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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**

- During 2023, the Trust issued \$800.0 million of senior unsecured debentures, including \$300.0 million of Series AI debentures at a coupon rate of 6.488%, which can be repaid at par on or after September 29, 2024. This feature allows the Trust to refinance these debentures in the near-term with longer-term debt at lower interest rates and provides the Trust with additional flexibility in the current volatile interest rate environment.
- The Trust settled a total of \$500.0 million of bond forward contracts during 2023 in conjunction with the issuance of \$200.0 million Series AG and \$300.0 million Series AH senior unsecured debentures on March 6, 2023 and June 26, 2023, respectively. Inclusive of \$16.8 million of realized gains from these contracts, the combined weighted average hedged interest rate for these debentures is 5.244% with a combined weighted average term of 5.6 years.
- Since Q3 reporting on November 2, 2023 to February 13, 2024, the Trust arranged \$608.0 million in permanent financing at a weighted average interest rate of 5.4%, across various financing types including debentures, commercial mortgages and CMHC mortgages.
- Included in that permanent financing were \$300.0 million Series AJ senior unsecured debentures issued on February 12, 2024. These debentures were issued at a coupon rate of 5.470% per annum and will mature on March 1, 2030. The proceeds were used to repay, in full, the \$300.0 million, 3.29% Series W unsecured debentures upon maturity on February 12, 2024.

## Balance Sheet Strength

(in millions except percentages)		
As at	December 31, 2023	December 31, 2022
Liquidity (i) <sup>1</sup>	\$ 1,964	\$ 1,548
Adjusted Debt to Adjusted EBITDA (i) <sup>1</sup>	9.28x	9.51x
Unencumbered Assets (i) <sup>1</sup>	\$ 8,090	\$ 8,257

(i) At RioCan's proportionate share.

- As at December 31, 2023, the Trust had \$2.0 billion of Liquidity. The Trust has full availability of its \$1.3 billion revolving line of credit in addition to \$0.6 billion in undrawn construction lines and other bank loans and \$0.1 billion cash and cash equivalents. Liquidity increased by \$415.8 million when compared to the prior year, providing greater flexibility in debt refinancing strategies.
- Pursuant to the terms of its credit agreement, the Trust has an option to increase the commitment under its revolving line of credit by \$250.0 million.
- RioCan's Unencumbered Assets of \$8.1 billion, which can be used to obtain secured financing to provide additional liquidity at lower interest rates than unsecured debt, generated 55.8% of Annual Normalized NOI<sup>1</sup>.
- Adjusted Debt to Adjusted EBITDA improved to 9.28x on a proportionate share basis as at December 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.
- As at December 31, 2023, the Trust's weighted average term to maturity on a proportionate share basis was 2.97 years. However, inclusive of financing activities completed in early 2024, the weighted average term to maturity as at February 13, 2024 was extended to approximately 3.5 years.
- The Trust's exposure to floating rate debt was 6.8% of total debt as at December 31, 2023. Excluding construction loans, floating rate exposure was 3.5%.

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 Wednesday, February 14, 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: 218112.

For those unable to participate in the live mode, a replay will be available at 1-866-813-9403 with access code: 539726.

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 December 31, 2023, our portfolio is comprised of 188 properties with an aggregate net leasable area of approximately 32.6 million square feet (at RioCan's interest) including office, residential rental and 9 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 annual audited consolidated financial statements ("2023 Annual 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 2023 Annual Consolidated Financial Statements and MD&A for the three months and year ended December 31, 2023, which are available on RioCan's website at [www.riocan.com](http://www.riocan.com) and on SEDAR+ at [www.sedarplus.com](http://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, Residential Same Property NOI, Development Spending, Total Acquisitions to February 13, 2024, Ratio of floating rate debt to total debt, Liquidity, Adjusted Debt to Adjusted EBITDA, RioCan's Proportionate Share, Unencumbered Assets 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 and year ended December 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 December 31, 2023 and December 31, 2022:

As at	December 31, 2023			December 31, 2022		
(in thousands of dollars)	IFRS basis	Equity-accounted investments	RioCan's proportionate share	IFRS basis	Equity-accounted investments	RioCan's proportionate share
<b>Assets</b>						
Investment properties	\$ 13,561,718	\$ 411,811	\$ 13,973,529	\$ 13,807,740	\$ 398,701	\$ 14,206,441
Equity-accounted investments	383,883	(383,883)	—	364,892	(364,892)	—
Mortgages and loans receivable	289,533	(6,707)	282,826	269,339	—	269,339
Residential inventory	217,186	407,946	625,132	272,005	214,536	486,541
Assets held for sale	19,075	—	19,075	42,140	—	42,140
Receivables and other assets	246,652	50,681	297,333	259,514	37,779	297,293
Cash and cash equivalents	124,234	14,506	138,740	86,229	8,001	94,230
<b>Total assets</b>	<b>\$ 14,842,281</b>	<b>\$ 494,354</b>	<b>\$ 15,336,635</b>	<b>\$ 15,101,859</b>	<b>\$ 294,125</b>	<b>\$ 15,395,984</b>
<b>Liabilities</b>						
Debentures payable	\$ 3,240,943	\$ —	\$ 3,240,943	\$ 2,942,051	\$ —	\$ 2,942,051
Mortgages payable	2,740,924	158,292	2,899,216	2,659,180	172,100	2,831,280
Lines of credit and other bank loans	879,246	231,963	1,111,209	1,141,112	89,187	1,230,299
Accounts payable and other liabilities	543,398	104,099	647,497	630,624	32,838	663,462
<b>Total liabilities</b>	<b>\$ 7,404,511</b>	<b>\$ 494,354</b>	<b>\$ 7,898,865</b>	<b>\$ 7,372,967</b>	<b>\$ 294,125</b>	<b>\$ 7,667,092</b>
<b>Equity</b>						
Unitholders' equity	7,437,770	—	7,437,770	7,728,892	—	7,728,892
<b>Total liabilities and equity</b>	<b>\$ 14,842,281</b>	<b>\$ 494,354</b>	<b>\$ 15,336,635</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 (loss) from IFRS to RioCan's proportionate share basis for the three months and years ended December 31, 2023 and 2022:

<i>(in thousands of dollars)</i>	Three months ended December 31, 2023			Three months ended December 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	\$ 276,510	\$ 8,124	\$ 284,634	\$ 268,864	\$ 7,516	\$ 276,380
Residential inventory sales	13,789	11,365	25,154	33,873	—	33,873
Property management and other service fees	6,611	—	6,611	3,450	—	3,450
	<b>296,910</b>	<b>19,489</b>	<b>316,399</b>	<b>306,187</b>	<b>7,516</b>	<b>313,703</b>
<b>Operating costs</b>						
Rental operating costs						
Recoverable under tenant leases	94,445	881	95,326	95,258	836	96,094
Non-recoverable costs	7,397	605	8,002	9,060	606	9,666
Residential inventory cost of sales	8,994	9,117	18,111	26,448	—	26,448
	<b>110,836</b>	<b>10,603</b>	<b>121,439</b>	<b>130,766</b>	<b>1,442</b>	<b>132,208</b>
<b>Operating income</b>	<b>186,074</b>	<b>8,886</b>	<b>194,960</b>	<b>175,421</b>	<b>6,074</b>	<b>181,495</b>
<b>Other income (loss)</b>						
Interest income	6,401	618	7,019	6,272	599	6,871
Income (loss) from equity-accounted investments	(7,190)	7,190	—	(3,864)	3,864	—
Fair value loss on investment properties, net	(222,921)	(13,506)	(236,427)	(115,507)	(8,404)	(123,911)
Investment and other income (loss)	4,459	(25)	4,434	240	324	564
	<b>(219,251)</b>	<b>(5,723)</b>	<b>(224,974)</b>	<b>(112,859)</b>	<b>(3,617)</b>	<b>(116,476)</b>
<b>Other expenses</b>						
Interest costs, net	58,940	3,108	62,048	48,320	2,394	50,714
General and administrative	15,459	23	15,482	12,845	23	12,868
Internal leasing costs	3,156	—	3,156	3,306	—	3,306
Transaction and other costs	6,945	32	6,977	3,236	40	3,276
	<b>84,500</b>	<b>3,163</b>	<b>87,663</b>	<b>67,707</b>	<b>2,457</b>	<b>70,164</b>
<b>Loss before income taxes</b>	<b>\$ (117,677)</b>	<b>\$ —</b>	<b>\$ (117,677)</b>	<b>\$ (5,145)</b>	<b>\$ —</b>	<b>\$ (5,145)</b>
Current income tax recovery	(18)	—	(18)	(184)	—	(184)
<b>Net loss</b>	<b>\$ (117,659)</b>	<b>\$ —</b>	<b>\$ (117,659)</b>	<b>\$ (4,961)</b>	<b>\$ —</b>	<b>\$ (4,961)</b>



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

(in thousands)	Year ended December 31, 2023			Year ended December 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	\$ 1,091,105	\$ 33,609	\$ 1,124,714	\$ 1,074,192	\$ 29,221	\$ 1,103,413
Residential inventory sales	13,789	63,222	77,011	118,659	936	119,595
Property management and other service fees	18,977	—	18,977	20,996	—	20,996
	<b>1,123,871</b>	<b>96,831</b>	<b>1,220,702</b>	<b>1,213,847</b>	<b>30,157</b>	<b>1,244,004</b>
<b>Operating costs</b>						
Rental operating costs						
Recoverable under tenant leases	374,149	3,549	377,698	376,914	2,889	379,803
Non-recoverable costs	26,320	2,338	28,658	27,955	2,394	30,349
Residential inventory cost of sales	8,994	49,476	58,470	96,286	422	96,708
	<b>409,463</b>	<b>55,363</b>	<b>464,826</b>	<b>501,155</b>	<b>5,705</b>	<b>506,860</b>
<b>Operating income</b>	<b>714,408</b>	<b>41,468</b>	<b>755,876</b>	<b>712,692</b>	<b>24,452</b>	<b>737,144</b>
<b>Other income (loss)</b>						
Interest income	25,131	2,559	27,690	20,902	2,326	23,228
Income from equity-accounted investments	18,383	(18,383)	—	2,349	(2,349)	—
Fair value loss on investment properties, net	(450,408)	(14,123)	(464,531)	(241,128)	(16,208)	(257,336)
Investment and other income (loss)	8,501	(339)	8,162	(1,842)	277	(1,565)
	<b>(398,393)</b>	<b>(30,286)</b>	<b>(428,679)</b>	<b>(219,719)</b>	<b>(15,954)</b>	<b>(235,673)</b>
<b>Other expenses</b>						
Interest costs, net	208,948	11,339	220,287	180,365	8,242	188,607
General and administrative	60,367	56	60,423	54,437	74	54,511
Internal leasing costs	11,919	—	11,919	12,204	—	12,204
Transaction and other costs	9,344	(213)	9,131	8,274	182	8,456
	<b>290,578</b>	<b>11,182</b>	<b>301,760</b>	<b>255,280</b>	<b>8,498</b>	<b>263,778</b>
<b>Income before income taxes</b>	<b>\$ 25,437</b>	<b>\$ —</b>	<b>\$ 25,437</b>	<b>\$ 237,693</b>	<b>\$ —</b>	<b>\$ 237,693</b>
Current income tax (recovery) expense	(13,365)	—	(13,365)	921	—	921
<b>Net income</b>	<b>\$ 38,802</b>	<b>\$ —</b>	<b>\$ 38,802</b>	<b>\$ 236,772</b>	<b>\$ —</b>	<b>\$ 236,772</b>

## NOI and Same Property NOI

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

(thousands of dollars)	Three months ended December 31		Years ended December 31	
	2023	2022	2023	2022
<b>Operating Income</b>	<b>\$ 186,074</b>	<b>\$ 175,421</b>	<b>\$ 714,408</b>	<b>\$ 712,692</b>
<i>Adjusted for the following:</i>				
Property management and other service fees	(6,611)	(3,450)	(18,977)	(20,996)
Residential inventory gains	(4,795)	(7,425)	(4,795)	(22,373)
Operational lease revenue from ROU assets	1,638	1,516	6,717	5,666
<b>NOI</b>	<b>\$ 176,306</b>	<b>\$ 166,062</b>	<b>\$ 697,353</b>	<b>\$ 674,989</b>

(thousands of dollars)	Three months ended December 31		Years ended December 31	
	2023	2022	2023	2022
<b>Commercial:</b>				
Commercial Same Property NOI	\$ 150,698	\$ 142,019	\$ 596,558	\$ 569,416
NOI from income producing properties:				
Acquired (i)	566	8	2,010	462
Disposed (i)	2,494	8,830	15,351	46,709
	3,060	8,838	17,361	47,171
NOI from completed commercial developments	9,181	4,878	31,964	16,948
NOI from properties under de-leasing (ii)	4,213	5,111	18,842	20,829
Lease cancellation fees	70	391	5,253	5,119
Straight-line rent adjustment	2,638	806	5,898	1,884
NOI from commercial properties	169,860	162,043	675,876	661,367
<b>Residential:</b>				
Residential Same Property NOI	4,088	3,507	7,123	6,260
NOI from income producing properties:				
Acquired (i)	401	—	2,975	1,667
Disposed (i)	—	—	48	(7)
	401	—	3,023	1,660
NOI from completed residential developments	1,957	512	11,331	5,702
NOI from residential rental	6,446	4,019	21,477	13,622
<b>NOI</b>	<b>\$ 176,306</b>	<b>\$ 166,062</b>	<b>\$ 697,353</b>	<b>\$ 674,989</b>

(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 December 31		Years ended December 31	
	2023	2022	2023	2022
Commercial Same Property NOI	\$ 150,698	\$ 142,019	\$ 596,558	\$ 569,416
Residential Same Property NOI	4,088	3,507	7,123	6,260
<b>Same Property NOI</b>	<b>\$ 154,786</b>	<b>\$ 145,526</b>	<b>\$ 603,681</b>	<b>\$ 575,676</b>

## FFO

The following table reconciles net income (loss) attributable to Unitholders to FFO for the three months and years ended December 31, 2023 and 2022:

(thousands of dollars, except where otherwise noted)	Three months ended December 31		Years ended December 31	
	2023	2022	2023	2022
Net income (loss) attributable to Unitholders	\$ (117,659)	\$ (4,961)	\$ 38,802	\$ 236,772
Add back/(Deduct):				
Fair value losses, net	222,921	115,507	450,408	241,128
Fair value losses included in equity-accounted investments	13,506	8,404	14,124	16,207
Internal leasing costs	3,156	3,306	11,919	12,204
Transaction losses on investment properties, net (i)	1,147	560	1,182	1,027
Transaction gains on equity-accounted investments	(14)	—	(83)	—
Transaction costs on sale of investment properties	5,094	2,652	5,601	5,734
ERP implementation costs	3,503	—	12,032	—
Change in unrealized fair value on marketable securities	(1,846)	382	865	3,782
Current income tax (recovery) expense	(18)	(184)	(13,365)	921
Operational lease revenue from ROU assets	1,283	1,120	5,116	4,086
Operational lease expenses from ROU assets in equity-accounted investments	(16)	(12)	(55)	(46)
Capitalized interest on equity-accounted investments (ii)	1,833	869	4,735	2,863
FFO	\$ 132,890	\$ 127,643	\$ 531,281	\$ 524,678
Add back:				
Restructuring costs	24	510	1,368	4,289
FFO Adjusted	\$ 132,914	\$ 128,153	\$ 532,649	\$ 528,967
FFO per unit - basic	\$ 0.44	\$ 0.42	\$ 1.77	\$ 1.71
FFO per unit - diluted	\$ 0.44	\$ 0.42	\$ 1.77	\$ 1.71
FFO Adjusted per unit - diluted	\$ 0.44	\$ 0.42	\$ 1.77	\$ 1.73
Weighted average number of Units - basic (in thousands)	300,417	302,321	300,392	306,069
Weighted average number of Units - diluted (in thousands)	300,417	302,423	300,479	306,247
FFO for last 4 quarters			\$ 531,281	\$ 524,678
Distributions paid for last 4 quarters			\$ 321,414	\$ 309,416
FFO Payout Ratio			60.5%	59.0%

(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 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 and years ended December 31, 2023 and 2022 is as follows:

	Three months ended December 31		Years ended December 31	
<i>(thousands of dollars)</i>	2023	2022	2023	2022
Development expenditures on balance sheet:				
Properties under development	\$ 52,267	\$ 78,282	\$ 244,260	\$ 298,409
Residential inventory	26,875	33,631	127,118	112,597
RioCan's share of Development Spending from equity-accounted joint ventures	15,223	2,639	28,568	16,062
<b>Total Development Spending</b>	<b>\$ 94,365</b>	<b>\$ 114,552</b>	<b>\$ 399,946</b>	<b>\$ 427,068</b>

	Three months ended December 31		Years ended December 31	
<i>(thousands of dollars)</i>	2023	2022	2023	2022
Mixed-use projects	\$ 83,271	\$ 88,642	\$ 346,956	\$ 394,926
Retail projects	11,094	25,910	52,990	32,142
<b>Total Development Spending</b>	<b>\$ 94,365</b>	<b>\$ 114,552</b>	<b>\$ 399,946</b>	<b>\$ 427,068</b>

## Total Acquisitions

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

	Three months ended December 31		Years ended December 31	
<i>(thousands of dollars)</i>	2023	2022	2023	2022
Income producing properties	\$ —	\$ 5,011	\$ 75,473	\$ 96,031
Properties under development	—	—	34,583	11,946
Residential inventory	—	—	—	19,440
RioCan's share of acquisitions from equity-accounted joint ventures	—	—	—	66,497
<b>Total Acquisitions</b>	<b>\$ —</b>	<b>\$ 5,011</b>	<b>\$ 110,056</b>	<b>\$ 193,914</b>
Subsequent event acquisitions to February 13, 2024	153,089	n.a	153,089	n.a
<b>Total Acquisitions to February 13, 2024</b>	<b>\$ 153,089</b>	<b>n.a</b>	<b>\$ 263,145</b>	<b>n.a</b>

### Total Contractual Debt

The following table reconciles total debt to Total Contractual Debt as at December 31, 2023 and December 31, 2022:

As at	December 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	\$ 3,240,943	\$ —	\$ 3,240,943	\$ 2,942,051	\$ —	\$ 2,942,051
Mortgages payable	2,740,924	158,292	2,899,216	2,659,180	172,100	2,831,280
Lines of credit and other bank loans	879,246	231,963	1,111,209	1,141,112	89,187	1,230,299
Total debt	\$ 6,861,113	\$ 390,255	\$ 7,251,368	\$ 6,742,343	\$ 261,287	\$ 7,003,630
Less:						
Unamortized debt financing costs, premiums and discounts on origination and debt assumed, and modifications	(24,019)	(484)	(24,503)	(15,634)	(690)	(16,324)
Total Contractual Debt	\$ 6,885,132	\$ 390,739	\$ 7,275,871	\$ 6,757,977	\$ 261,977	\$ 7,019,954

### Floating Rate Debt and Fixed Rate Debt

The following table summarizes RioCan's Ratio of floating rate debt to total debt as at December 31, 2023 and December 31, 2022:

As at	December 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
Total fixed rate debt	\$ 6,543,106	\$ 212,554	\$ 6,755,660	\$ 6,301,054	\$ 141,720	\$ 6,442,774
Total floating rate debt	318,007	177,701	495,708	441,289	119,567	560,856
Total debt	\$ 6,861,113	\$ 390,255	\$ 7,251,368	\$ 6,742,343	\$ 261,287	\$ 7,003,630
Ratio of floating rate debt to total debt	4.6%		6.8%	6.5%		8.0%

### Liquidity

As at December 31, 2023, RioCan had approximately \$2.0 billion of Liquidity as summarized in the following table:

As at	December 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
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	385,715	189,563	575,278	267,562	70,094	337,656
Cash and cash equivalents	124,234	14,506	138,740	86,229	8,001	94,230
<b>Liquidity</b>	<b>\$ 1,759,949</b>	<b>\$ 204,069</b>	<b>\$ 1,964,018</b>	<b>\$ 1,470,142</b>	<b>\$ 78,095</b>	<b>\$ 1,548,237</b>

## Adjusted EBITDA

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

Year ended	December 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
Net income attributable to Unitholders	\$ 38,802	\$ —	\$ 38,802	\$ 236,772	\$ —	\$ 236,772
Add (deduct) the following items:						
Income tax (recovery) expense:						
Current	(13,365)	—	(13,365)	921	—	921
Fair value losses on investment properties, net	450,408	14,123	464,531	241,128	16,208	257,336
Change in unrealized fair value on marketable securities (i)	865	—	865	3,783	—	3,783
Internal leasing costs	11,919	—	11,919	12,204	—	12,204
Non-cash unit-based compensation expense	10,154	—	10,154	9,056	—	9,056
Interest costs, net	208,948	11,339	220,287	180,365	8,242	188,607
Restructuring costs	1,368	—	1,368	4,289	—	4,289
ERP implementation costs	12,032	—	12,032	—	—	—
Depreciation and amortization	2,632	—	2,632	4,774	—	4,774
Transaction losses (gains) on the sale of investment properties, net (ii)	1,180	(83)	1,097	1,024	—	1,024
Transaction costs on investment properties	5,606	1	5,607	5,734	3	5,737
Operational lease revenue (expenses) from ROU assets	5,116	(55)	5,061	4,086	(46)	4,040
<b>Adjusted EBITDA</b>	<b>\$ 735,665</b>	<b>\$ 25,325</b>	<b>\$ 760,990</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:

Year ended	December 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
<b>Adjusted Debt to Adjusted EBITDA</b>						
Average total debt outstanding	\$ 6,879,087	\$ 317,231	\$ 7,196,318	\$ 6,756,628	\$ 251,888	\$ 7,008,516
Less: average cash and cash equivalents	(120,952)	(11,408)	(132,360)	(74,871)	(8,791)	(83,662)
Average Total Adjusted Debt	\$ 6,758,135	\$ 305,823	\$ 7,063,958	\$ 6,681,757	\$ 243,097	\$ 6,924,854
Adjusted EBITDA <sup>(i)</sup>	\$ 735,665	\$ 25,325	\$ 760,990	\$ 704,136	\$ 24,407	\$ 728,543
<b>Adjusted Debt to Adjusted EBITDA</b>	<b>9.19</b>		<b>9.28</b>	<b>9.49</b>		<b>9.51</b>

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

## Unencumbered Assets

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

As at	December 31, 2023				December 31, 2022		
(thousands of dollars, except where otherwise noted)	Targeted Ratios	IFRS basis	Equity-accounted investments	RioCan's proportionate share	IFRS basis	Equity-accounted investments	RioCan's proportionate share
Investment Properties		\$ 13,561,718	\$ 411,811	\$ 13,973,529	\$ 13,807,740	\$ 398,701	\$ 14,206,441
Less: Encumbered Investment Properties		5,531,177	352,425	5,883,602	5,607,460	342,473	5,949,933
Unencumbered Assets		\$ 8,030,541	\$ 59,386	\$ 8,089,927	\$ 8,200,280	\$ 56,228	\$ 8,256,508
Annual Normalized NOI - total portfolio (i)		\$ 692,092	\$ 25,664	\$ 717,756	\$ 646,540	\$ 23,488	\$ 670,028
Annual Normalized NOI - Unencumbered Assets (i)		\$ 396,888	\$ 3,736	\$ 400,624	\$ 370,804	\$ 3,440	\$ 374,244
Percentage of Normalized NOI Generated from Unencumbered Assets	> 50.0%	57.3%		55.8%	57.4%		55.9%

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

	Three months ended December 31, 2023			Three months ended December 31, 2022		
(thousands of dollars)	IFRS basis	Equity-accounted investments	RioCan's proportionate share	IFRS basis	Equity-accounted investments	RioCan's proportionate share
NOI (i)	\$ 176,306	\$ 6,416	\$ 182,722	\$ 166,062	\$ 5,872	\$ 171,934
Adjust the following:						
Miscellaneous revenue	(874)	—	(874)	(802)	—	(802)
Percentage rent	(2,339)	—	(2,339)	(3,234)	—	(3,234)
Lease cancellation fees	(70)	—	(70)	(391)	—	(391)
<b>Normalized NOI - total portfolio</b>	\$ 173,023	\$ 6,416	\$ 179,439	\$ 161,635	\$ 5,872	\$ 167,507
<b>Annual Normalized NOI - total portfolio(ii)</b>	\$ 692,092	\$ 25,664	\$ 717,756	\$ 646,540	\$ 23,488	\$ 670,028
NOI from Unencumbered Assets	\$ 101,349	\$ 934	\$ 102,283	\$ 94,957	\$ 860	\$ 95,817
Adjust the following for Unencumbered Assets:						
Miscellaneous revenue	(796)	—	(796)	(518)	—	(518)
Percentage rent	(1,331)	—	(1,331)	(1,430)	—	(1,430)
Lease cancellation fees	—	—	—	(308)	—	(308)
<b>Normalized NOI - Unencumbered Assets</b>	\$ 99,222	\$ 934	\$ 100,156	\$ 92,701	\$ 860	\$ 93,561
<b>Annual Normalized NOI - Unencumbered Assets (ii)</b>	\$ 396,888	\$ 3,736	\$ 400,624	\$ 370,804	\$ 3,440	\$ 374,244

(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 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 months and year ended December 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**

RioCan Real Estate Investment Trust  
Dennis Blasutti  
Chief Financial Officer  
416-866-3033 | [www.riocan.com](http://www.riocan.com)