

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
July 24, 2019

RETAIL OPPORTUNITY INVESTMENTS CORP.
(Exact Name of Registrant as Specified in Its Charter)

Maryland	001-33749	26-0500600
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

RETAIL OPPORTUNITY INVESTMENTS PARTNERSHIP, LP
(Exact Name of Registrant as Specified in Its Charter)

Delaware	333-189057-01	94-2969738
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

11250 El Camino Real, Suite 200
San Diego, California
(Address of Principal Executive Offices)

92130
(Zip Code)

(858) 677-0900
(Registrant's telephone number, including area code)
N/A
(Former name, former address and former fiscal year, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (Section 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (Section 240.12b-2 of this chapter)

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On July 24, 2019, Retail Opportunity Investments Corp. (the "Company") issued an earnings release announcing its financial results for the quarter ended June 30, 2019. A copy of the earnings release is attached as Exhibit 99.1 hereto and incorporated herein by reference. On July 24, 2019, in connection with this earnings release, the Company posted certain supplemental information regarding the Company's operations for the quarter ended June 30, 2019 on its website, www.roireit.net. A copy of the supplemental information is attached as Exhibit 99.2 hereto and incorporated herein by reference.

The information in this Current Report, including the exhibits hereto, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, unless it is specifically incorporated by reference therein.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Earnings Release, dated June 30, 2019
99.2	Supplemental Information for the quarter ended June 30, 2019

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RETAIL OPPORTUNITY INVESTMENTS CORP.

Dated: July 24, 2019

By: /s/ Michael B. Haines
Name: Michael B. Haines
Title: Chief Financial Officer

RETAIL OPPORTUNITY INVESTMENTS
PARTNERSHIP, LP

By: RETAIL OPPORTUNITY INVESTMENTS GP, LLC, its general partner

By: /s/ Michael B. Haines
Name: Michael B. Haines
Title: Chief Financial Officer

FOR IMMEDIATE RELEASE
Wednesday, July 24, 2019

Retail Opportunity Investments Corp. Reports 2019 Second Quarter Results

San Diego, CA, July 24, 2019 - Retail Opportunity Investments Corp. (NASDAQ:ROIC) announced today financial and operating results for the three and six months ended June 30, 2019.

HIGHLIGHTS

- **\$7.6 million of net income attributable to common stockholders (\$0.07 per diluted share)**
- **\$32.6 million of Funds From Operations (FFO)⁽¹⁾ (\$0.26 per diluted share)**
- **97.9% portfolio lease rate at June 30, 2019 (20th consecutive quarter at or above 97%)**
- **27.3% increase in same-space comparative cash rents on new leases (10.7% on renewals)**
- **4.6% increase in same-center cash net operating income (2Q'19 vs. 2Q'18)**
- **3.8% increase in same-center cash net operating income (first 6 months '19 vs. '18)**
- **\$13.5 million property disposition (\$30.5 million of property dispositions YTD)**
- **\$0.1970 per share quarterly cash dividend paid**
- **2019 FFO guidance range reaffirmed (\$1.11 - \$1.15 per diluted share)**
- **Investment-grade ratings & stable outlook reaffirmed by Moody's and S&P**

⁽¹⁾ A reconciliation of GAAP net income to FFO is provided at the end of this press release.

Stuart A. Tanz, President and Chief Executive Officer of Retail Opportunity Investments Corp. stated, "During the second quarter we continued to build on the solid momentum we established during the first quarter. We again posted strong releasing spreads and same-center NOI growth. Additionally, we achieved a new record high lease rate for the company, finishing the second quarter at a very strong 97.9%. We also continued to make steady progress in terms of disposing of non-core properties and with the entitlement process on our densification initiatives." Tanz added, "Thus far we are squarely on track to achieve our stated objectives for the year and look forward to continuing to advance our business during the second half of 2019."

FINANCIAL SUMMARY

For the three months ended June 30, 2019, GAAP net income attributable to common stockholders was \$7.6 million, or \$0.07 per diluted share, as compared to GAAP net income attributable to common stockholders of \$7.3 million, or \$0.06 per diluted share, for the three months ended June 30, 2018. For the six months ended June 30, 2019, GAAP net income attributable to common stockholders was \$20.8 million, or \$0.18 per diluted share, as compared to GAAP net income attributable to common stockholders of \$18.0 million, or \$0.16 per diluted share, for the six months ended June 30, 2018.

FFO for the second quarter of 2019 was \$32.6 million, or \$0.26 per diluted share, as compared to \$33.4 million in FFO, or \$0.27 per diluted share for the second quarter of 2018. FFO for the first six months of 2019 was \$69.3 million, or \$0.55 per diluted share, as compared to \$70.5 million in FFO, or \$0.57 per diluted share for the first six months of 2018. ROIC reports FFO as a supplemental performance measure in accordance with the definition set forth by the National Association of Real Estate Investment Trusts. A reconciliation of GAAP net income to FFO is provided at the end of this press release.

Included in GAAP net income attributable to common stockholders and FFO for the second quarter of 2019 was a one-time, \$0.95 million settlement expense in connection with a 2010 property acquisition.

At June 30, 2019, ROIC had a total market capitalization of approximately \$3.6 billion, including approximately \$1.5 billion of principal debt outstanding and an equity market capitalization of approximately \$2.1 billion. ROIC's principal debt outstanding was comprised of \$86.4 million of mortgage debt and approximately \$1.4 billion of unsecured debt, including \$151.0 million outstanding on its unsecured revolving credit facility at June 30, 2019. ROIC's interest coverage for the first quarter was 3.1 times and 94.5% of its portfolio was unencumbered at June 30, 2019 (based on gross leasable area).

DISPOSITION SUMMARY

Year to date in 2019, ROIC has sold two properties totaling \$30.5 million. During the first quarter, ROIC sold one property for \$17.0 million, and during the second quarter ROIC sold Norwood Shopping Center, located in Sacramento, California, for \$13.5 million. Additionally, ROIC currently has agreements to sell two properties, in separate transactions, totaling approximately \$43 million, subject to completion of customary due diligence and other closing conditions.

PROPERTY OPERATIONS SUMMARY

At June 30, 2019, ROIC's portfolio was 97.9% leased. For the second quarter of 2019, same-center net operating income (NOI) was \$49.3 million, as compared to \$47.1 million in same-center NOI for the second quarter of 2018, representing a 4.6% increase. For the first six months of 2019, same-center NOI increased 3.8% as compared to same-center NOI for the first six months of 2018. ROIC reports same-center comparative NOI on a cash basis. A reconciliation of GAAP operating income to same-center comparative NOI is provided at the end of this press release.

During the second quarter of 2019, ROIC executed 84 leases, totaling 319,481 square feet, including 27 new leases, totaling 88,037 square feet, achieving a 27.3% increase in same-space comparative base rent, and 57 renewed leases, totaling 231,444 square feet, achieving a 10.7% increase in base rent. ROIC reports same-space comparative base rent on a cash basis.

CASH DIVIDEND

On June 27, 2019, ROIC distributed a \$0.1970 per share cash dividend. On July 24, 2019, ROIC's board of directors declared a cash dividend of \$0.1970 per share, payable on September 26, 2019 to stockholders of record on September 12, 2019.

2019 FFO GUIDANCE

ROIC reaffirms its previously disclosed guidance range for GAAP net income and FFO per diluted share.

	Year Ended December 31, 2019	
	Low End	High End
GAAP net income per diluted share	\$ 0.40	\$ 0.44
FFO per diluted share	\$ 1.11	\$ 1.15
Key Assumptions (dollars in thousands)		
Acquisitions	\$ —	\$ 50,000
Dispositions	\$ 75,000	\$ 100,000
Debt retired	\$ 75,000	\$ 50,000
Same-center cash NOI growth (vs. 2018)	3%	4%

ROIC's management will discuss the company's guidance and underlying assumptions on its July 25, 2019 conference call. ROIC's guidance is a forward-looking statement and is subject to risks and other factors described elsewhere in this press release.

CONFERENCE CALL

ROIC will conduct a conference call and audio webcast to discuss its results on Thursday, July 25, 2019 at 9:00 a.m. Eastern Time / 6:00 a.m. Pacific Time. Those interested in participating in the conference call should dial (877) 312-8783 (domestic), or (408) 940-3874 (international) at least ten minutes prior to the scheduled start of the call. When prompted, provide the Conference ID: 4476536. A live webcast will also be available in listen-only mode at <http://www.roireit.net/>. The conference call will be recorded and available for replay beginning at 12:00 p.m. Eastern Time on July 25, 2019 and will be available until 12:00a.m. Eastern Time on August 2, 2019. To access the conference call recording, dial (855) 859-2056 (domestic) or (404) 537-3406 (international) and use the Conference ID: 4476536. The conference call will also be archived on <http://www.roireit.net/> for approximately 90 days.

ABOUT RETAIL OPPORTUNITY INVESTMENTS CORP.

Retail Opportunity Investments Corp. (NASDAQ: ROIC), is a fully-integrated, self-managed real estate investment trust (REIT) that specializes in the acquisition, ownership and management of grocery-anchored shopping centers located in densely-populated, metropolitan markets across the West Coast. As of June 30, 2019, ROIC owned 89 shopping centers encompassing approximately 10.2 million square feet. ROIC is the largest publicly-traded, grocery-anchored shopping center REIT focused exclusively on the West Coast. ROIC is a member of the S&P SmallCap 600 Index and has investment-grade corporate debt ratings from Moody's Investor Services and Standard & Poor's. Additional information is available at: www.roireit.net.

When used herein, the words "believes," "anticipates," "projects," "should," "estimates," "expects," "guidance" and similar expressions are intended to identify forward-looking statements with the meaning of that term in Section 27A of the Securities Act of 1933, as amended, and in Section 21F of the Securities and Exchange Act of 1934, as amended. Certain statements contained herein may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results of ROIC to differ materially from future results expressed or implied by such forward-looking statements. Information regarding such risks and factors is described in ROIC's filings with the SEC, including its most recent Annual Report on Form 10-K, which is available at: www.roireit.net.

RETAIL OPPORTUNITY INVESTMENTS CORP.
Consolidated Balance Sheets
(In thousands, except share data)

	June 30, 2019 (unaudited)	December 31, 2018
ASSETS		
Real Estate Investments:		
Land	\$ 887,080	\$ 894,240
Building and improvements	2,257,777	2,266,232
	3,144,857	3,160,472
Less: accumulated depreciation	359,090	329,207
	2,785,767	2,831,265
Mortgage note receivable	13,250	—
Real Estate Investments, net	2,799,017	2,831,265
Cash and cash equivalents	7,488	6,076
Restricted cash	1,554	1,373
Tenant and other receivables, net	44,304	46,832
Acquired lease intangible assets, net	66,285	72,109
Prepaid expenses	1,479	4,194
Deferred charges, net	30,323	33,857
Other	18,519	7,365
Total assets	\$ 2,968,969	\$ 3,003,071
LIABILITIES AND EQUITY		
Liabilities:		
Term loan	\$ 299,201	\$ 299,076
Credit facility	149,120	153,689
Senior Notes	942,145	941,449
Mortgage notes payable	88,019	88,511
Acquired lease intangible liabilities, net	154,059	166,146
Accounts payable and accrued expenses	15,287	15,488
Tenants' security deposits	7,118	7,065
Other liabilities	39,426	23,219
Total liabilities	1,694,375	1,694,643
Commitments and contingencies		
Equity:		
Preferred stock, \$0.0001 par value 50,000,000 shares authorized; none issued and outstanding	—	—
Common stock, \$0.0001 par value, 500,000,000 shares authorized; 114,307,789 and 113,992,837 shares issued and outstanding at June 30, 2019 and December 31, 2018, respectively	11	11
Additional paid-in capital	1,443,165	1,441,080
Dividends in excess of earnings	(280,488)	(256,438)
Accumulated other comprehensive (loss) income	(4,327)	3,561
Total Retail Opportunity Investments Corp. stockholders' equity	1,158,361	1,188,214
Non-controlling interests	116,233	120,214
Total equity	1,274,594	1,308,428
Total liabilities and equity	\$ 2,968,969	\$ 3,003,071

RETAIL OPPORTUNITY INVESTMENTS CORP.
Consolidated Statements of Operations
(Unaudited)
(In thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Revenues				
Rental revenue	\$ 71,821	\$ 71,521	\$ 147,188	\$ 143,059
Other income	1,109	820	1,795	3,677
Total revenues	72,930	72,341	148,983	146,736
Operating expenses				
Property operating	10,710	11,017	21,771	21,495
Property taxes	7,832	7,914	16,070	15,733
Depreciation and amortization	24,443	25,331	49,204	50,548
General and administrative expenses	4,950	3,990	9,226	7,521
Other expense	1,224	274	1,317	343
Total operating expenses	49,159	48,526	97,588	95,640
Gain on sale of real estate	180	—	2,818	—
Operating income	23,951	23,815	54,213	51,096
Non-operating expenses				
Interest expense and other finance expenses	(15,605)	(15,713)	(31,284)	(31,170)
Net income	8,346	8,102	22,929	19,926
Net income attributable to non-controlling interests	(761)	(763)	(2,094)	(1,885)
Net Income Attributable to Retail Opportunity Investments Corp.	\$ 7,585	\$ 7,339	\$ 20,835	\$ 18,041
Earnings per share – basic and diluted	\$ 0.07	\$ 0.06	\$ 0.18	\$ 0.16
Dividends per common share	\$ 0.1970	\$ 0.1950	\$ 0.3940	\$ 0.3900

CALCULATION OF FUNDS FROM OPERATIONS

(Unaudited)
(In thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net income attributable to ROIC	\$ 7,585	\$ 7,339	\$ 20,835	\$ 18,041
Plus: Depreciation and amortization	24,443	25,331	49,204	50,548
Less: Gain on sale of real estate	(180)	—	(2,818)	—
Funds from operations – basic	31,848	32,670	67,221	68,589
Net income attributable to non-controlling interests	761	763	2,094	1,885
Funds from operations – diluted	\$ 32,609	\$ 33,433	\$ 69,315	\$ 70,474

SAME-CENTER CASH NET OPERATING INCOME ANALYSIS

(Unaudited)

(In thousands, except number of shopping centers and percentages)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2019	2018	\$ Change	% Change	2019	2018	\$ Change	% Change
Number of shopping centers included in same-center analysis	87	87			86	86		
Same-center occupancy	97.9%	97.5%		0.4 %	97.9%	97.5%		0.4 %
Revenues:								
Base rents	\$ 51,017	\$ 48,921	\$ 2,096	4.3 %	\$ 100,935	\$ 96,948	\$ 3,987	4.1 %
Percentage rent	46	88	(42)	(47.7)%	130	196	(66)	(33.7)%
Recoveries from tenants	16,495	16,027	468	2.9 %	33,141	31,602	1,539	4.9 %
Other property income	846	812	34	4.2 %	1,440	1,283	157	12.2 %
Bad debt ⁽¹⁾	(297)	—	(297)	N/A	(913)	—	(913)	N/A
Total Revenues	68,107	65,848	2,259	3.4 %	134,733	130,029	4,704	3.6 %
Operating Expenses								
Property operating expenses	11,139	10,689	450	4.2 %	21,925	20,706	1,219	5.9 %
Bad debt ⁽¹⁾	—	228	(228)	N/A	—	313	(313)	N/A
Property taxes	7,677	7,810	(133)	(1.7)%	15,600	15,374	226	1.5 %
Total Operating Expenses	18,816	18,727	89	0.5 %	37,525	36,393	1,132	3.1 %
Same-Center Cash Net Operating Income	\$ 49,291	\$ 47,121	\$ 2,170	4.6 %	\$ 97,208	\$ 93,636	\$ 3,572	3.8 %

(1) In connection with the adoption of the lease accounting standard ASU No. 2016-2, effective January 1, 2019, bad debt is now classified as an offset to revenue instead of being included in operating expenses.

SAME-CENTER CASH NET OPERATING INCOME RECONCILIATION

(Unaudited)
(In thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
GAAP operating income	\$ 23,951	\$ 23,815	\$ 54,213	\$ 51,096
Depreciation and amortization	24,443	25,331	49,204	50,548
General and administrative expenses	4,950	3,990	9,226	7,521
Other expense	1,224	274	1,317	343
Gain on sale of real estate	(180)	—	(2,818)	—
Straight-line rent	(546)	(1,410)	(1,726)	(2,881)
Amortization of above- and below-market rent	(3,460)	(3,143)	(9,938)	(7,218)
Property revenues and other expenses ⁽¹⁾	43	113	237	135
Total Company cash NOI	50,425	48,970	99,715	99,544
Non same-center cash NOI	(1,134)	(1,849)	(2,507)	(5,908)
Same-center cash NOI	\$ 49,291	\$ 47,121	\$ 97,208	\$ 93,636

(1) Includes anchor lease termination fees, net of contractual amounts, if any, expense and recovery adjustments related to prior periods and other miscellaneous adjustments.

NON-GAAP DISCLOSURES

Funds from operations (“FFO”), is a widely recognized non-GAAP financial measure for REITs that the Company believes when considered with financial statements presented in accordance with GAAP, provides additional and useful means to assess its financial performance. FFO is frequently used by securities analysts, investors and other interested parties to evaluate the performance of REITs, most of which present FFO along with net income as calculated in accordance with GAAP. The Company computes FFO in accordance with the “White Paper” on FFO published by the National Association of Real Estate Investment Trusts (“NAREIT”), which defines FFO as net income attributable to common stockholders (determined in accordance with GAAP) excluding gains or losses from debt restructuring, sales of depreciable property and impairments, plus real estate related depreciation and amortization, and after adjustments for partnerships and unconsolidated joint ventures.

The Company uses cash net operating income (“NOI”) internally to evaluate and compare the operating performance of the Company’s properties. The Company believes cash NOI provides useful information to investors regarding the Company’s financial condition and results of operations because it reflects only those income and expense items that are incurred at the property level, and when compared across periods, can be used to determine trends in earnings of the Company’s properties as this measure is not affected by the non-cash revenue and expense recognition items, the cost of the Company’s funding, the impact of depreciation and amortization expenses, gains or losses from the acquisition and sale of operating real estate assets, general and administrative expenses or other gains and losses that relate to the Company’s ownership of properties. The Company believes the exclusion of these items from operating income is useful because the resulting measure captures the actual revenue generated and actual expenses incurred in operating the Company’s properties as well as trends in occupancy rates, rental rates and operating costs. Cash NOI is a measure of the operating performance of the Company’s properties but does not measure the Company’s performance as a whole and is therefore not a substitute for net income or operating income as computed in accordance with GAAP. The Company defines cash NOI as operating revenues (base rent and recoveries from tenants), less property and related expenses (property operating expenses and property taxes), adjusted for non-cash revenue and operating expense items such as straight-line rent and amortization of lease intangibles, debt-related expenses and other adjustments. Cash NOI also excludes general and administrative expenses, depreciation and amortization,

acquisition transaction costs, other expense, interest expense, gains and losses from property acquisitions and dispositions, extraordinary items, tenant improvements and leasing commissions. Other REITs may use different methodologies for calculating cash NOI, and accordingly, the Company's cash NOI may not be comparable to other REITs.

Contact:

Carol Merriman, *Investor Relations*

858-255-7426

cmerriman@roireit.net



2nd QUARTER 2019

SUPPLEMENTAL INFORMATION



Retail Opportunity Investments Corporation
11250 El Camino Real, Suite 200
San Diego, CA 92130

www.roireit.net

Our Company

Retail Opportunity Investments Corp. (Nasdaq: ROIC), is a fully integrated, self-managed real estate investment trust (REIT) that specializes in the acquisition, ownership and management of grocery-anchored shopping centers located in densely-populated, metropolitan markets across the West Coast. As of June 30, 2019, ROIC owned 89 shopping centers encompassing approximately 10.2 million square feet. ROIC is the largest publicly-traded, grocery-anchored shopping center REIT focused exclusively on the West Coast. ROIC is a member of the S&P SmallCap 600 Index and has investment-grade corporate debt ratings from Moody's Investor Services and S&P Global Ratings. Additional information is available at www.roireit.net.

Supplemental Information

The enclosed information should be read in conjunction with ROIC's filings with the Securities and Exchange Commission, including but not limited to, its Form 10-Qs filed quarterly and Form 10-Ks filed annually. Additionally, the enclosed information does not purport to disclose all items under generally accepted accounting principles ("GAAP").

Non-GAAP Disclosures

Funds from operations ("FFO"), is a widely-recognized non-GAAP financial measure for REITs that the Company believes when considered with financial statements presented in accordance with GAAP, provides additional and useful means to assess its financial performance. FFO is frequently used by securities analysts, investors and other interested parties to evaluate the performance of REITs, most of which present FFO along with net income as calculated in accordance with GAAP. The Company computes FFO in accordance with the "White Paper" on FFO published by the National Association of Real Estate Investment Trusts ("NAREIT"), which defines FFO as net income attributable to common stockholders (determined in accordance with GAAP) excluding gains or losses from debt restructuring, sales of depreciable property and impairments, plus real estate related depreciation and amortization, and after adjustments for partnerships and unconsolidated joint ventures.

The Company uses cash net operating income ("NOI") internally to evaluate and compare the operating performance of the Company's properties. The Company believes cash NOI provides useful information to investors regarding the Company's financial condition and results of operations because it reflects only those income and expense items that are incurred at the property level, and when compared across periods, can be used to determine trends in earnings of the Company's properties as this measure is not affected by the non-cash revenue and expense recognition items, the cost of the Company's funding, the impact of depreciation and amortization expenses, gains or losses from the acquisition and sale of operating real estate assets, general and administrative expenses or other gains and losses that relate to the Company's ownership of properties. The Company believes the exclusion of these items from operating income is useful because the resulting measure captures the actual revenue generated and actual expenses incurred in operating the Company's properties as well as trends in occupancy rates, rental rates and operating costs. Cash NOI is a measure of the operating performance of the Company's properties but does not measure the Company's performance as a whole and is therefore not a substitute for net income or operating income as computed in accordance with GAAP. The Company defines cash NOI as operating revenues (base rent and recoveries from tenants), less property and related expenses (property operating expenses and property taxes), adjusted for non-cash revenue and operating expense items such as straight-line rent and amortization of lease intangibles, debt-related expenses and other adjustments. Cash NOI also excludes general and administrative expenses, depreciation and amortization, acquisition transaction costs, other expense, interest expense, gains and losses from property acquisitions and dispositions, extraordinary items, tenant improvements and leasing commissions. Other REITs may use different methodologies for calculating cash NOI, and accordingly, the Company's cash NOI may not be comparable to other REITs.

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Balance Sheets

Supplemental Disclosure
Quarter Ended June 30, 2019

(unaudited, dollars in thousands, except par values and share amounts)

	<u>06/30/19</u>	<u>12/31/18</u>
ASSETS:		
Real Estate Investments:		
Land	\$ 887,080	\$ 894,240
Building and improvements	2,257,777	2,266,232
	3,144,857	3,160,472
Less: accumulated depreciation	359,090	329,207
	2,785,767	2,831,265
Mortgage note receivable	13,250	-
Real Estate Investments, net	2,799,017	2,831,265
Cash and cash equivalents	7,488	6,076
Restricted cash	1,554	1,373
Tenant and other receivables, net	44,304	46,832
Acquired lease intangible assets, net	66,285	72,109
Prepaid expenses	1,479	4,194
Deferred charges, net	30,323	33,857
Other assets	18,519	7,365
TOTAL ASSETS	\$ 2,968,969	\$ 3,003,071
LIABILITIES:		
Term loan	\$ 299,201	\$ 299,076
Credit facility	149,120	153,689
Senior Notes	942,145	941,449
Mortgage notes payable	88,019	88,511
Acquired lease intangible liabilities, net	154,059	166,146
Accounts payable and accrued expenses	15,287	15,488
Tenants' security deposits	7,118	7,065
Other liabilities	39,426	23,219
TOTAL LIABILITIES	1,694,375	1,694,643
EQUITY:		
Common stock, \$.0001 par value 500,000,000 shares authorized	11	11
Additional paid-in capital	1,443,165	1,441,080
Dividends in excess of earnings	(280,488)	(256,438)
Accumulated other comprehensive income	(4,327)	3,561
Total Retail Opportunity Investments Corp. stockholders' equity	1,158,361	1,188,214
Non-controlling interests	116,233	120,214
TOTAL EQUITY	1,274,594	1,308,428
TOTAL LIABILITIES AND EQUITY	\$ 2,968,969	\$ 3,003,071

The Company's Form 10-Q for the quarter ended June 30, 2019, and Form 10-K for the year ended December 31, 2018 should be read in conjunction with the above information.

Income Statements

Supplemental Disclosure
Quarter Ended June 30, 2019

(unaudited, in thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	06/30/19	06/30/18	06/30/19	06/30/18
REVENUES:				
Rental revenue ⁽¹⁾	\$ 71,821	\$ 71,521	\$ 147,188	\$ 143,059
Other income	1,109	820	1,795	3,677
TOTAL REVENUES	72,930	72,341	148,983	146,736
OPERATING EXPENSES:				
Property operating	10,710	11,017	21,771	21,495
Property taxes	7,832	7,914	16,070	15,733
Depreciation and amortization	24,443	25,331	49,204	50,548
General and administrative expenses	4,950	3,990	9,226	7,521
Other expense	1,224	274	1,317	343
TOTAL OPERATING EXPENSES	49,159	48,526	97,588	95,640
Gain on sale of real estate	180	-	2,818	-
OPERATING INCOME	23,951	23,815	54,213	51,096
NON-OPERATING EXPENSES:				
Interest expense and other finance expenses	(15,605)	(15,713)	(31,284)	(31,170)
NET INCOME	8,346	8,102	22,929	19,926
NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(761)	(763)	(2,094)	(1,885)
NET INCOME ATTRIBUTABLE TO RETAIL OPPORTUNITY INVESTMENTS CORP.	\$ 7,585	\$ 7,339	\$ 20,835	\$ 18,041
NET INCOME PER COMMON SHARE - BASIC	\$ 0.07	\$ 0.06	\$ 0.18	\$ 0.16
NET INCOME PER COMMON SHARE - DILUTED	\$ 0.07	\$ 0.06	\$ 0.18	\$ 0.16
Weighted average common shares outstanding - basic	113,681	112,165	113,681	112,164
Weighted average common shares outstanding - diluted	125,458	124,205	125,458	124,178
 (1) RENTAL REVENUE				
Base rents	\$ 51,548	\$ 50,497	\$ 102,826	\$ 100,328
Recoveries from tenants	16,674	16,471	33,972	32,632
Straight-line rent	546	1,410	1,726	2,881
Amortization of above- and below-market rent	3,460	3,143	9,938	7,218
Bad debt	(407)	-	(1,274)	-
TOTAL RENTAL REVENUE	\$ 71,821	\$ 71,521	\$ 147,188	\$ 143,059

The Company's Form 10-Q for the quarters ended June 30, 2019 and June 30, 2018 should be read in conjunction with the above information.

In connection with the adoption of the lease accounting standard ASU No. 2016-2, effective January 1, 2019, previously capitalized internal leasing costs are now expensed and included in General and administrative expenses. These costs amounted to \$277,000 and \$611,000 for the three and six months ended June 30, 2018, respectively. In addition, bad debt is now classified as an offset to revenue instead of being included in Property operating expenses.

Funds From Operations

Supplemental Disclosure
Quarter Ended June 30, 2019

(unaudited, in thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	06/30/19	06/30/18	06/30/19	06/30/18
Funds from Operations (FFO) ⁽¹⁾:				
Net income attributable to ROIC common stockholders	\$ 7,585	\$ 7,339	\$ 20,835	\$ 18,041
Plus:				
Depreciation and amortization expense	24,443	25,331	49,204	50,548
Less:				
Gain on sale of real estate	(180)	-	(2,818)	-
	<u>31,848</u>	<u>32,670</u>	<u>67,221</u>	<u>68,589</u>
FUNDS FROM OPERATIONS - BASIC				
Net income attributable to non-controlling interests	761	763	2,094	1,885
	<u>\$ 32,609</u>	<u>\$ 33,433</u>	<u>\$ 69,315</u>	<u>\$ 70,474</u>
FUNDS FROM OPERATIONS - DILUTED				
FUNDS FROM OPERATIONS PER SHARE - BASIC	\$ 0.28	\$ 0.29	\$ 0.59	\$ 0.61
FUNDS FROM OPERATIONS PER SHARE - DILUTED	\$ 0.26	\$ 0.27	\$ 0.55	\$ 0.57
Weighted average common shares outstanding - basic	113,681	112,165	113,681	112,164
Weighted average common shares outstanding - diluted	125,458	124,205	125,458	124,178
Common dividends per share	\$ 0.1970	\$ 0.1950	\$ 0.3940	\$ 0.3900
FFO Payout Ratio	75.8%	72.2%	71.6%	68.4%
Additional Disclosures:				
Non Cash Expense (Income)				
Straight line rent	\$ (546)	\$ (1,410)	\$ (1,726)	\$ (2,881)
Above/below market rent amortization, net	(3,460)	(3,143)	(9,938)	(7,218)
Non-cash interest expense	76	535	377	1,070
Deferred financing costs and mortgage premiums, net	518	477	1,033	926
Stock based compensation	2,239	1,991	3,890	3,419
Capital Expenditures				
Tenant improvements	\$ 5,671	\$ 4,431	\$ 10,697	\$ 7,538
Leasing commissions	183	255	501	1,008
Building improvements	499	629	332	990
Reimbursable property improvements	443	1,143	1,205	1,335
Pad and other development	729	1,411	2,322	2,428
Value enhancing tenant improvements	1,228	4,261	3,485	6,639

(1) - Funds from operations ("FFO"), is a widely-recognized non GAAP financial measure for REITs that ROIC believes, when considered with financial statements determined in accordance with GAAP, provides additional and useful means to assess its financial performance. FFO is frequently used by securities analysts, investors and other interested parties to evaluate the performance of REITs. ROIC computes FFO in accordance with the "White Paper" on FFO published by the National Association of Real Estate Investment Trusts ("NAREIT"), which defines FFO as net income attributable to common shareholders (determined in accordance with GAAP) excluding gains or losses from debt restructuring and sales of property, plus real estate related depreciation and amortization, and after adjustments for partnerships and unconsolidated joint ventures.

The above does not purport to disclose all items required under GAAP.

Summary of Debt Outstanding

Supplemental Disclosure
Quarter Ended June 30, 2019

(unaudited, dollars in thousands)

	Outstanding Balance	Interest Rate	GAAP Interest Rate	Maturity Date	Percent of Total Indebtedness
Fixed Rate Debt					
Mortgage Debt:					
Casitas Plaza Shopping Center	\$ 7,081	5.32%	4.20%	06/01/22	0.5%
Riverstone Marketplace	17,854	4.96%	3.80%	07/01/22	1.2%
Fullerton Crossroads	26,000	4.73%	3.82%	04/06/24	1.7%
Diamond Hills Plaza	35,500	3.55%	3.61%	10/01/25	2.4%
Net unamortized premiums/deferred financing charges	1,584				
Total Mortgage Debt	88,019	4.34%	3.76%	4.9 Years (WA)	5.8%
Unsecured Senior Notes:					
Senior Notes Due 2023	250,000	5.00%	5.21%	12/15/23	16.8%
Senior Notes Due 2024	250,000	4.00%	4.21%	12/15/24	16.8%
Senior Notes Due 2026	200,000	3.95%	3.95%	09/22/26	13.5%
Senior Notes Due 2027	250,000	4.19%	4.19%	12/15/27	16.8%
Net unamortized discounts/deferred financing charges	(7,855)				
Total Unsecured Senior Notes	942,145	4.30%	4.41%	6.4 Years (WA)	63.9%
Term Loan:					
Interest rate swaps	100,000	3.69%	3.69%	8/31/2022	6.7%
Interest rate swaps	200,000	2.84%	2.84%	8/31/2022	13.4%
Total Term Loan	300,000	3.12%	3.12%	3.2 Years (WA)	20.1%
Total Fixed Rate Debt	1,330,164	4.04%	4.08%	5.5 Years (WA)	89.8%
Variable Rate Debt					
Credit Facility					
Net unamortized deferred financing charges	151,000	3.41%	3.41%	09/08/21 ⁽¹⁾	10.2%
Credit Facility, net	(1,880)				
	149,120				
Term Loan					
Net unamortized deferred financing charges	300,000			09/08/22	
Term Loan, net	(799)				
	299,201				
Interest rate swaps - Term loan	(300,000)				
Total Variable Rate Debt	148,321	3.41%	3.41%	2.2 Years (WA)	10.2%
TOTAL DEBT	\$ 1,478,485	3.98%	4.01%	5.2 Years (WA)	100.0%
Net unamortized premiums on mortgages					
	(1,834)				
Net unamortized discounts on notes					
	4,213				
Net unamortized deferred financing charges					
	6,571				
Total Principal Debt	\$ 1,487,435				

(1) Does not include extension options available to ROIC.

Summary of Debt Outstanding, continued

Supplemental Disclosure
Quarter Ended June 30, 2019

(unaudited, dollars in thousands)

Summary of Principal Maturities

Year	Mortgage Principal Payments	Mortgage Principal due at Maturity	Credit Facility	Term Loan	Senior Unsecured Notes	Total Principal Payments	Percentage of Debt Maturing
2019	\$ 278	\$ -	\$ -	\$ -	\$ -	\$ 278	0.0%
2020	577	-	-	-	-	577	0.0%
2021	717	-	151,000 ⁽¹⁾	-	-	151,717	10.2%
2022	1,003	23,129	-	300,000	-	324,132	21.8%
2023	686	-	-	-	250,000	250,686	16.9%
2024	708	26,000	-	-	250,000	276,708	18.7%
2025	550	32,787	-	-	-	33,337	2.2%
2026	-	-	-	-	200,000	200,000	13.4%
2027	-	-	-	-	250,000	250,000	16.8%
	\$ 4,519	\$ 81,916	\$ 151,000	\$ 300,000	\$ 950,000	\$ 1,487,435	100.0%

Summary of Unencumbered/Encumbered Properties

	Number of Properties	GLA	Percentage of GLA
Unencumbered properties	85	9,643,911	94.5%
Encumbered properties	4	560,163	5.5%
	89	10,204,074	100.0%

Summary of Unsecured Debt/Secured Debt

	Amount	Percentage of Total Principal Debt
Unsecured principal debt	\$ 1,401,000	94.2%
Secured principal debt	86,435	5.8%
Total Principal Debt	\$ 1,487,435	100.0%

(1) Does not include extension options available to ROIC.

Selected Financial Analysis

Supplemental Disclosure
Quarter Ended June 30, 2019

(unaudited, in thousands, except per share amounts)

	06/30/19	03/31/19	12/31/18	09/30/18	06/30/18
Debt coverage ratios, three months ending:					
Interest coverage ratio (EBITDA/interest expense)	3.1x	3.4x	3.4x	3.3x	3.3x
Debt service coverage (EBITDA/(interest expense + scheduled principal payments))	3.1x	3.3x	3.4x	3.2x	3.2x
Net principal debt (Total principal debt less cash & equivalents)/Annualized EBITDA	7.5x	7.3x	7.1x	7.2x	7.2x
Net principal debt (Total principal debt less cash & equivalents)/TTM EBITDA	7.2x	7.1x	7.2x	7.2x	7.2x
Debt/equity ratios, at period end:					
Total principal debt/total market capitalization	41.0%	40.5%	42.9%	38.7%	38.7%
Total principal debt/total equity market capitalization	69.4%	68.2%	75.2%	63.2%	63.2%
Total principal debt/total book assets	50.1%	49.4%	49.7%	48.9%	48.9%
Total principal debt/undepreciated book value	44.7%	44.3%	44.8%	44.3%	44.3%
Secured principal debt/undepreciated book value	2.6%	2.6%	2.6%	2.6%	2.6%
Market capitalization calculations, at period end:					
Common shares outstanding	113,681	113,681	113,441	113,431	113,431
Operating partnership units (OP units) outstanding	11,407	11,407	11,477	11,574	11,574
Common stock price per share	\$ 17.13	\$ 17.34	\$ 15.88	\$ 18.67	\$ 18.67
Total equity market capitalization	\$ 2,142,752	\$ 2,169,021	\$ 1,983,698	\$ 2,333,843	\$ 2,333,843
Total principal debt	1,487,435	1,478,570	1,492,708	1,473,841	1,473,841
TOTAL MARKET CAPITALIZATION	\$ 3,630,187	\$ 3,647,591	\$ 3,476,406	\$ 3,807,684	\$ 3,807,684
Unsecured Senior Notes Financial Covenants: ⁽¹⁾					
Total debt to total assets not to exceed 60%	46.5%	46.1%	46.6%	46.2%	46.2%
Total secured debt to total assets not to exceed 40%	2.8%	2.8%	2.8%	2.8%	2.8%
Total unencumbered assets to total unsecured debt not to be less than 150%	215.5%	217.7%	215.0%	217.2%	217.2%
Consolidated income available for debt service to interest expense not to be less than 1.5:1	3.3x	3.3x	3.3x	3.4x	3.4x

(1) Calculated in accordance with GAAP pursuant to underlying bond indentures.

Property Acquisitions and Dispositions

Supplemental Disclosure
Quarter Ended June 30, 2019

(dollars in thousands)

Dispositions

<u>Shopping Centers</u>	<u>Location</u>	<u>Date Sold</u>	<u>Sales Amount</u>	<u>Owned GLA</u>
<i>1Q 2019</i>				
Vancouver Market Center	Vancouver, WA	02/15/19	\$ 17,000	118,385
<i>2Q 2019</i>				
Norwood Shopping Center	Sacramento, CA	05/01/19	\$ 13,500	85,706
Total 2019 Dispositions			<u>\$ 30,500</u>	<u>204,091</u>

Property Portfolio

Supplemental Disclosure
Quarter Ended June 30, 2019

(dollars in thousands)

Southern California	City	State	Date Acquired	Owned GLA	% Leased	ABR ⁽¹⁾	Major Tenants
Los Angeles metro area							
Paramount Plaza	* Paramount	CA	12/22/09	95,062	98.0%	\$ 1,812	Grocery Outlet Supermarket, 99¢ Only Stores, Rite Aid Pharmacy
Claremont Promenade	* Claremont	CA	09/23/10	92,297	97.4%	2,411	Super King Supermarket
Gateway Village	* Chino Hills	CA	12/17/10	96,959	100.0%	3,026	Sprouts Market
Seabridge Marketplace	* Oxnard	CA	05/31/12	98,348	97.4%	1,890	Safeway (Vons) Supermarket
Glendora Shopping Center	* Glendora	CA	08/01/12	106,535	95.8%	1,349	Albertson's Supermarket
Redondo Beach Plaza	* Redondo Beach	CA	12/28/12	110,509	100.0%	2,214	Safeway (Vons) Supermarket, Petco
Diamond Bar Town Center	* Diamond Bar	CA	02/01/13	100,342	96.4%	2,271	Walmart Neighborhood Market, Crunch Fitness
Diamond Hills Plaza	* Diamond Bar	CA	04/22/13	139,486	97.3%	3,802	H-Mart Supermarket, Planet Fitness
Plaza de la Cañada	* La Cañada Flintridge	CA	12/13/13	100,401	100.0%	2,688	Gelson's Supermarket, TJ Maxx, Rite Aid Pharmacy
Fallbrook Shopping Center	* Los Angeles	CA	06/13/14	755,299	99.7%	13,089	Sprouts Market, Trader Joe's, Kroger (Ralph's) Supermarket ⁽²⁾ , TJ Maxx
Moorpark Town Center	* Moorpark	CA	12/03/14	133,547	95.5%	2,021	Kroger (Ralph's) Supermarket, CVS Pharmacy
Ontario Plaza	* Ontario	CA	01/06/15	150,149	100.0%	2,422	El Super Supermarket, Rite Aid Pharmacy
Park Oaks Shopping Center	* Thousand Oaks	CA	01/06/15	110,092	89.8%	2,511	Safeway (Vons) Supermarket, Dollar Tree
Warner Plaza	* Woodland Hills	CA	12/31/15	110,918	99.7%	4,673	Sprouts Market, Kroger (Ralph's) Supermarket ⁽²⁾ , Rite Aid Pharmacy ⁽²⁾
Magnolia Shopping Center	* Santa Barbara	CA	03/10/16	116,360	86.2%	2,046	Kroger (Ralph's) Supermarket
Casitas Plaza Shopping Center	* Carpinteria	CA	03/10/16	105,118	97.7%	1,784	Albertson's Supermarket, CVS Pharmacy
Bouquet Center	* Santa Clarita	CA	04/28/16	148,903	95.5%	3,225	Safeway (Vons) Supermarket, CVS Pharmacy, Ross Dress For Less
North Ranch Shopping Center	* Westlake Village	CA	06/01/16	146,448	91.0%	4,763	Kroger (Ralph's) Supermarket, Trader Joe's, Rite Aid Pharmacy, Petco
The Knolls	* Long Beach	CA	10/03/16	52,021	95.2%	1,268	Trader Joe's, Pet Food Express
The Terraces	* Rancho Palos Verdes	CA	03/17/17	172,922	94.7%	3,460	Trader Joe's, Marshall's, LA Fitness
Los Angeles metro area total				2,941,716	97.0%	\$ 62,725	
Orange County metro area							
Santa Ana Downtown Plaza	* Santa Ana	CA	01/26/10	105,536	93.4%	\$ 2,101	Kroger (Food 4 Less) Supermarket, Marshall's
Sycamore Creek	* Corona	CA	09/30/10	74,198	100.0%	1,837	Safeway (Vons) Supermarket, CVS Pharmacy ⁽²⁾
Desert Springs Marketplace	* Palm Desert	CA	02/17/11	113,718	96.3%	2,855	Kroger (Ralph's) Supermarket, Rite Aid Pharmacy
Cypress Center West	* Cypress	CA	12/04/12	107,246	100.0%	2,070	Kroger (Ralph's) Supermarket, Rite Aid Pharmacy
Harbor Place Center	* Garden Grove	CA	12/28/12	119,821	98.6%	1,809	AA Supermarket, Ross Dress For Less
5 Points Plaza	* Huntington Beach	CA	09/27/13	160,536	97.2%	4,342	Trader Joe's, Pier 1
Peninsula Marketplace	* Huntington Beach	CA	10/15/13	95,416	100.0%	2,477	Kroger (Ralph's) Supermarket, Planet Fitness
Fullerton Crossroads	* Fullerton	CA	10/11/17	219,785	98.2%	3,330	Kroger (Ralph's) Supermarket, Kohl's, Jo-Ann Fabrics and Crafts
The Village at Nellie Gail Ranch	* Laguna Hills	CA	11/30/17	89,041	98.7%	3,021	Smart & Final Extra Supermarket
Orange County metro area total				1,085,297	97.9%	\$ 23,842	
San Diego metro area							
Marketplace Del Rio	* Oceanside	CA	01/03/11	176,001	89.0%	\$ 3,099	Stater Brothers Supermarket, Walgreens
Renaissance Towne Centre	* San Diego	CA	08/03/11	53,012	100.0%	2,619	CVS Pharmacy
Euclid Plaza	* San Diego	CA	03/29/12	77,044	100.0%	1,477	Vallarta Supermarket, Walgreens
Bay Plaza	* San Diego	CA	10/05/12	73,324	99.9%	2,040	Seafood City Supermarket
Bernardo Heights Plaza	* Rancho Bernardo	CA	02/06/13	37,729	100.0%	945	Sprouts Market
Hawthorne Crossings	* San Diego	CA	06/27/13	141,288	100.0%	3,174	Mitsuwa Supermarket, Ross Dress For Less, Staples
Creekside Plaza	* Poway	CA	02/28/14	128,852	97.1%	3,045	Stater Brothers Supermarket, AMC Theatres
San Diego metro area total				687,250	96.6%	\$ 16,399	
Southern California Totals				4,714,263	97.2%	\$ 102,966	

(1) ABR is equal to annualized base rent on a cash basis for all leases in-place at period end.

(2) These retailers are not tenants of ROIC.

*Denotes properties in same center pool for 2Q 2019.

Property Portfolio, continued

Supplemental Disclosure
Quarter Ended June 30, 2019

(dollars in thousands)

Northern California		City	State	Date Acquired	Owned GLA	% Leased	ABR ⁽¹⁾	Major Tenants
San Francisco metro area								
	*	Pleasant Hill	CA	04/08/10	69,715	100.0%	\$ 1,471	Total Wine and More, Buy Buy Baby, Basset Furniture
	*	Pinole	CA	01/06/11	135,962	97.8%	2,727	SaveMart (Lucky) Supermarket, Planet Fitness
	*	Pacific Grove	CA	07/08/11	109,331	97.6%	2,148	SaveMart (Lucky) Supermarket, Rite Aid Pharmacy
	*	Foster City	CA	05/04/12	73,943	100.0%	2,372	99 Ranch Market
	*	Novato	CA	07/24/12	20,081	100.0%	554	Trader Joe's, Pharmaca Pharmacy
	*	San Jose	CA	11/08/12	124,306	98.4%	2,726	Grocery Outlet Supermarket, Dollar Tree
	*	Livermore	CA	06/27/13	69,325	100.0%	1,336	SaveMart (Lucky) Supermarket
	*	San Ramon	CA	11/26/13	111,093	98.8%	2,402	Walmart Neighborhood Market, CVS Pharmacy
	*	San Jose	CA	04/30/14	76,697	96.6%	2,339	H-Mart Supermarket
	*	South San Francisco	CA	01/07/15	49,852	100.0%	1,644	Grocery Outlet Supermarket
	*	Hayward	CA	07/01/15	114,220	100.0%	2,224	Safeway Supermarket, CVS Pharmacy, 24 Hour Fitness
	*	San Ramon	CA	09/01/15	112,553	100.0%	2,772	SaveMart (Lucky) Supermarket, Walgreens
	*	Danville	CA	12/04/15	62,007	100.0%	2,338	Lunardi's Market
	*	Monterey	CA	07/14/16	25,626	87.9%	946	Trader Joe's, Pharmaca Pharmacy
	*	Santa Rosa	CA	03/24/17	88,535	98.0%	1,657	REI, Cost Plus World Market
	*	Mountain View	CA	09/19/17	48,078	100.0%	1,469	Safeway Supermarket
San Francisco metro area total					1,291,324	98.7%	\$ 31,125	
Sacramento metro area								
	*	Rancho Cordova	CA	02/17/11	235,514	86.9%	\$ 2,573	Viva Supermarket, Ross Dress For Less (dd's Discounts), Dollar Tree
	*	Stockton	CA	05/16/11	101,842	97.5%	2,263	Raleys Supermarket
	*	Cameron Park	CA	06/15/12	52,245	85.8%	935	CVS Pharmacy
Sacramento metro area total					389,601	89.5%	\$ 5,771	
Northern California Totals					1,680,925	96.6%	\$ 36,896	

(1) ABR is equal to annualized base rent on a cash basis for all leases in-place at period end.

*Denotes properties in same center pool for 2Q 2019.

Property Portfolio, continued

Supplemental Disclosure
Quarter Ended June 30, 2019

(dollars in thousands)

Pacific Northwest	City	State	Date Acquired	Owned GLA	% Leased	ABR ⁽¹⁾	Major Tenants
Seattle metro area							
Meridian Valley Plaza	* Kent	WA	02/01/10	51,597	100.0%	\$ 838	Kroger (QFC) Supermarket
The Market at Lake Stevens	* Lake Stevens	WA	03/11/10	74,130	100.0%	1,475	Albertson's (Haggen) Supermarket
Canyon Park Shopping Center	* Bothell	WA	07/29/11	123,592	100.0%	2,459	PCC Community Markets, Rite Aid Pharmacy, Petco
Hawks Prairie Shopping Center	* Lacey	WA	09/09/11	157,529	100.0%	1,870	Safeway Supermarket, Dollar Tree, Big Lots
The Kress Building	* Seattle	WA	09/30/11	74,616	100.0%	1,964	IGA Supermarket, TJMaxx
Gateway Shopping Center	* Marysville	WA	02/16/12	104,298	93.8%	2,489	WinCo Foods ⁽²⁾ , Rite Aid Pharmacy, Ross Dress For Less
Aurora Square	* Shoreline	WA	2012/2014	108,558	100.0%	1,762	Central Supermarket, Marshall's, Pier 1
Canyon Crossing	* Puyallup	WA	04/15/13	120,398	98.5%	2,778	Safeway Supermarket
Crossroads Shopping Center	* Bellevue	WA	2010/2013	475,413	99.5%	10,700	Kroger (QFC) Supermarket, Bed Bath & Beyond, Dick's Sporting Goods
Bellevue Marketplace	* Bellevue	WA	12/10/15	113,758	100.0%	3,318	Asian Family Market
Four Corner Square	* Maple Valley	WA	12/21/15	119,560	100.0%	2,600	Grocery Outlet Supermarket, Walgreens, Johnsons Home & Garden
Bridle Trails Shopping Center	* Kirkland	WA	10/17/16	108,377	100.0%	2,264	Grocery Outlet Supermarket, Bartell Drugs, Dollar Tree
PCC Community Markets Plaza	* Edmonds	WA	01/25/17	34,459	100.0%	690	PCC Community Markets
Highland Hill Shopping Center	* Tacoma	WA	05/09/17	163,926	100.0%	2,817	Safeway Supermarket, LA Fitness, Dollar Tree, Petco
North Lynnwood Shopping Center	* Lynnwood	WA	10/19/17	63,606	95.8%	876	Kroger (QFC) Supermarket
Stadium Center	* Tacoma	WA	02/23/18	48,888	100.0%	1,030	Thriftway Supermarket
Seattle metro area total				1,942,705	99.3%	\$ 39,930	
Portland metro area							
Happy Valley Town Center	* Happy Valley	OR	07/14/10	138,662	97.8%	\$ 3,647	New Seasons Supermarket
Wilsonville Old Town Square	* Wilsonville	OR	2010/2012	49,937	93.4%	1,709	Kroger (Fred Meyer) Supermarket ⁽²⁾
Cascade Summit Town Square	* West Linn	OR	08/20/10	94,934	100.0%	1,767	Safeway Supermarket
Heritage Market Center	* Vancouver	WA	09/23/10	107,468	98.4%	1,727	Safeway Supermarket, Dollar Tree
Division Crossing	* Portland	OR	12/22/10	103,561	100.0%	1,281	Rite Aid Pharmacy, Ross Dress For Less, Ace Hardware
Halsey Crossing	* Gresham	OR	12/22/10	99,428	100.0%	1,380	24 Hour Fitness, Dollar Tree
Hillsboro Market Center	* Hillsboro	OR	11/23/11	156,021	100.0%	2,583	Albertson's Supermarket, Dollar Tree, Ace Hardware
Robinwood Shopping Center	* West Linn	OR	08/23/13	70,831	100.0%	1,066	Walmart Neighborhood Market
Tigard Marketplace	* Tigard	OR	02/18/14	136,889	99.3%	2,034	H-Mart Supermarket, Bi-Mart Pharmacy
Wilsonville Town Center	* Wilsonville	OR	12/11/14	167,829	100.0%	2,843	Safeway Supermarket, Rite Aid Pharmacy, Dollar Tree
Tigard Promenade	* Tigard	OR	07/28/15	88,043	100.0%	1,484	Safeway Supermarket
Sunnyside Village Square	* Happy Valley	OR	07/28/15	92,278	100.0%	1,577	Grocery Outlet Supermarket, 24 Hour Fitness, Ace Hardware
Johnson Creek Center	* Happy Valley	OR	11/09/15	108,588	100.0%	2,269	Trader Joe's, Walgreens, Sportsman's Warehouse
Rose City Center	* Portland	OR	09/15/16	60,680	100.0%	829	Safeway Supermarket
Division Center	* Portland	OR	04/05/17	121,904	100.0%	1,985	Grocery Outlet Supermarket, Rite Aid Pharmacy, Petco
Riverstone Marketplace	* Vancouver	WA	10/11/17	95,774	100.0%	2,209	Kroger (QFC) Supermarket
King City Plaza	* King City	OR	05/18/18	62,676	100.0%	984	Grocery Outlet Supermarket
Portland metro area total				1,755,503	99.5%	\$ 31,374	
Pacific Northwest Totals				3,698,208	99.4%	\$ 71,304	
TOTAL SHOPPING CENTERS				10,093,396	97.9%	\$ 211,166	

(1) ABR is equal to annualized base rent on a cash basis for all leases in-place at period end.

(2) These retailers are not tenants of ROIC.

Note: Property Portfolio excludes one shopping center that is currently under contract to be sold (slated for new multi-family development).

*Denotes properties in same center pool for 2Q 2019.

Same-Center Cash Net Operating Income Analysis

Supplemental Disclosure
Quarter Ended June 30, 2019

(unaudited, dollars in thousands)

	Three Months Ended				Six Months Ended			
	06/30/19	06/30/18	\$ Change	% Change	06/30/19	06/30/18	\$ Change	% Change
Number of shopping centers included in same-center analysis ⁽¹⁾	87	87			86	86		
Same-center occupancy	97.9%	97.5%		0.4%	97.9%	97.5%		0.4%
REVENUES:								
Base rents	\$ 51,017	\$ 48,921	\$ 2,096	4.3%	\$ 100,935	\$ 96,948	\$ 3,987	4.1%
Percentage rent	46	88	(42)	(47.7%)	130	196	(66)	(33.7%)
Recoveries from tenants	16,495	16,027	468	2.9%	33,141	31,602	1,539	4.9%
Other property income	846	812	34	4.2%	1,440	1,283	157	12.3%
Bad debt ⁽²⁾	(297)	-	(297)	N/A	(913)	-	(913)	N/A
TOTAL REVENUES	68,107	65,848	2,259	3.4%	134,733	130,029	4,704	3.6%
OPERATING EXPENSES:								
Property operating expenses	11,139	10,689	450	4.2%	21,925	20,706	1,219	5.9%
Bad debt ⁽²⁾	-	228	(228)	N/A	-	313	(313)	N/A
Property taxes	7,677	7,810	(133)	(1.7%)	15,600	15,374	226	1.5%
TOTAL OPERATING EXPENSES	18,816	18,727	89	0.5%	37,525	36,393	1,132	3.1%
SAME-CENTER CASH NET OPERATING INCOME	\$ 49,291	\$ 47,121	\$ 2,170	4.6%	\$ 97,208	\$ 93,636	\$ 3,572	3.8%
SAME-CENTER CASH NET OPERATING INCOME RECONCILIATION								
GAAP Operating Income	\$ 23,951	\$ 23,815			\$ 54,213	\$ 51,096		
Depreciation and amortization	24,443	25,331			49,204	50,548		
General and administrative expenses	4,950	3,990			9,226	7,521		
Other expense	1,224	274			1,317	343		
Gain on sale of real estate	(180)	-			(2,818)	-		
Straight-line rent	(546)	(1,410)			(1,726)	(2,881)		
Amortization of above- and below-market rent	(3,460)	(3,143)			(9,938)	(7,218)		
Property revenues and other expenses ⁽³⁾	43	113			237	135		
TOTAL COMPANY CASH NET OPERATING INCOME	50,425	48,970			99,715	99,544		
Non Same-Center Cash NOI	(1,134)	(1,849)			(2,507)	(5,908)		
SAME-CENTER CASH NET OPERATING INCOME	\$ 49,291	\$ 47,121			\$ 97,208	\$ 93,636		

(1) Same centers are those properties which were owned for the entirety of the current and comparable prior year period.

(2) In connection with the adoption of the lease accounting standard ASU No. 2016-2, effective January 1, 2019, bad debt is now classified as an offset to revenue instead of being included in operating expenses.

(3) Includes anchor lease termination fees net of contractual amounts, if any, expense and recovery adjustments related to prior periods and other miscellaneous adjustments.

Note: Analysis excludes one shopping center that is currently under contract to be sold (slated for new multi-family development).

Top Ten Tenants

Supplemental Disclosure
Quarter Ended June 30, 2019

(dollars in thousands)

Tenant	Number of Leases	Leased GLA	Percent of Total Leased GLA	ABR	Percent of Total ABR
1 Albertson's / Safeway Supermarkets	19	951,600	9.6%	\$ 11,774	5.6%
2 Kroger Supermarkets	12	511,240	5.2%	7,500	3.5%
3 Rite Aid Pharmacy	12	232,586	2.4%	3,060	1.4%
4 JP Morgan Chase	21	95,163	1.0%	2,999	1.4%
5 Marshall's / TJMaxx	6	178,195	1.8%	2,819	1.3%
6 SaveMart Supermarkets	4	187,639	1.9%	2,813	1.3%
7 Sprouts Markets	4	159,163	1.6%	2,747	1.3%
8 Ross Dress For Less / dd's Discounts	7	191,703	1.9%	2,655	1.3%
9 Trader Joe's	8	96,714	1.0%	2,588	1.2%
10 H-Mart Supermarkets	3	147,040	1.5%	2,400	1.1%
Top 10 Tenants Total	96	2,751,043	27.9%	\$ 41,355	19.4%
Other Tenants	1,858	7,135,673	72.1%	170,332	80.6%
Total Portfolio	1,954	9,886,716	100.0%	\$ 211,687	100.0%

Lease Expiration Schedule

Supplemental Disclosure
Quarter Ended June 30, 2019

(dollars in thousands)

Anchor Tenants ⁽¹⁾

	Number of Leases Expiring ⁽²⁾	Leased GLA	Percent of Total Leased GLA	Total ABR	Percent of Total ABR	ABR Per Sq. Ft.
2019	3	74,255	0.8%	\$ 1,089	0.5%	\$ 14.67
2020	11	408,063	4.1%	4,234	2.0%	10.37
2021	14	425,104	4.3%	5,095	2.4%	11.99
2022	18	530,799	5.4%	7,055	3.3%	13.29
2023	26	836,758	8.5%	13,312	6.3%	15.91
2024	16	595,384	6.0%	9,523	4.5%	15.99
2025	12	396,260	4.0%	5,517	2.6%	13.92
2026	9	336,444	3.4%	4,707	2.2%	13.99
2027	8	212,350	2.1%	3,336	1.6%	15.71
2028	14	514,446	5.2%	9,342	4.4%	18.16
2029+	29	1,110,598	11.2%	17,185	8.2%	15.47
	<u>160</u>	<u>5,440,461</u>	<u>55.0%</u>	<u>\$ 80,395</u>	<u>38.0%</u>	<u>\$ 14.78</u>

Non-Anchor Tenants

	Number of Leases Expiring ⁽²⁾	Leased GLA	Percent of Total Leased GLA	Total ABR	Percent of Total ABR	ABR Per Sq. Ft.
2019	95	187,439	1.9%	\$ 4,881	2.3%	\$ 26.04
2020	265	566,486	5.7%	16,170	7.6%	28.55
2021	296	613,573	6.2%	18,382	8.7%	29.96
2022	290	650,201	6.6%	19,617	9.3%	30.17
2023	267	627,130	6.3%	19,438	9.2%	30.99
2024	233	586,049	5.9%	17,263	8.1%	29.46
2025	76	241,441	2.4%	6,594	3.1%	27.31
2026	66	204,044	2.1%	6,067	2.9%	29.73
2027	57	191,667	1.9%	5,532	2.6%	28.86
2028	58	186,807	2.0%	6,422	3.0%	34.38
2029+	91	391,418	4.0%	10,926	5.2%	27.91
	<u>1,794</u>	<u>4,446,255</u>	<u>45.0%</u>	<u>\$ 131,292</u>	<u>62.0%</u>	<u>\$ 29.53</u>

All Tenants

	Number of Leases Expiring ⁽²⁾	Leased GLA	Percent of Total Leased GLA	Total ABR	Percent of Total ABR	ABR Per Sq. Ft.
2019	98	261,694	2.7%	\$ 5,970	2.8%	\$ 22.82
2020	276	974,549	9.8%	20,404	9.6%	20.94
2021	310	1,038,677	10.5%	23,477	11.1%	22.60
2022	308	1,181,000	12.0%	26,672	12.6%	22.58
2023	293	1,463,888	14.8%	32,750	15.5%	22.37
2024	249	1,181,433	11.9%	26,786	12.6%	22.67
2025	88	637,701	6.4%	12,111	5.7%	18.99
2026	75	540,488	5.5%	10,774	5.1%	19.93
2027	65	404,017	4.0%	8,868	4.2%	21.95
2028	72	701,253	7.2%	15,764	7.4%	22.48
2029+	120	1,502,016	15.2%	28,111	13.4%	18.72
	<u>1,954</u>	<u>9,886,716</u>	<u>100.0%</u>	<u>\$ 211,687</u>	<u>100.0%</u>	<u>\$ 21.41</u>

(1) Anchor tenants are leases equal to or greater than 15,000 square feet.

(2) Does not assume exercise of renewal options.

Leasing Summary

Supplemental Disclosure
Quarter Ended June 30, 2019

	For the Three Months Ended June 30, 2019			For the Six Months Ended June 30, 2019		
	Non-Anchor	Anchor	Total	Non-Anchor	Anchor	Total
New Leases						
Number of Leases	26	1	27	53	1	54
Gross Leasable Area (sq. ft.)	66,597	21,440	88,037	139,500	21,440	160,940
Initial Base Rent (\$/sq. ft.) ⁽¹⁾	\$ 23.14	\$ 16.50	\$ 21.52	\$ 25.80	\$ 16.50	\$ 21.15
Tenant Improvements (\$/sq. ft.)	\$ 3.04	\$ -	\$ 2.30	\$ 3.36	\$ -	\$ 2.68
Leasing Commissions (\$/sq. ft.)	\$ 2.63	\$ 5.00	\$ 3.20	\$ 2.70	\$ 5.00	\$ 3.85
Weighted Average Lease Term (Yrs.) ⁽²⁾	4.6	15.6	7.3	5.9	15.6	8.6
Renewals						
Number of Leases	54	3	57	131	7	138
Gross Leasable Area (sq. ft.)	114,149	117,295	231,444	243,488	226,710	470,198
Initial Base Rent (\$/sq. ft.) ⁽¹⁾	\$ 32.47	\$ 13.97	\$ 23.10	\$ 32.60	\$ 16.73	\$ 24.16
Tenant Improvements (\$/sq. ft.)	\$ 3.02	\$ 2.98	\$ 3.00	\$ 1.55	\$ -	\$ 0.77
Leasing Commissions (\$/sq. ft.)	\$ 0.47	\$ -	\$ 0.23	\$ 0.22	\$ -	\$ 0.11
Weighted Average Lease Term (Yrs.) ⁽²⁾	5.9	4.7	5.3	5.3	6.3	5.8
Total						
Number of Leases	80	4	84	184	8	192
Gross Leasable Area (sq. ft.)	180,746	138,735	319,481	382,988	248,150	631,138
Initial Base Rent (\$/sq. ft.) ⁽¹⁾	\$ 29.03	\$ 14.36	\$ 22.66	\$ 30.12	\$ 16.71	\$ 23.41
Tenant Improvements (\$/sq. ft.)	\$ 3.03	\$ 2.52	\$ 2.81	\$ 2.21	\$ 2.20	\$ 2.20
Leasing Commissions (\$/sq. ft.)	\$ 1.26	\$ 0.77	\$ 1.05	\$ 1.12	\$ 0.43	\$ 0.77
Weighted Average Lease Term (Yrs.) ⁽²⁾	5.4	6.4	5.8	5.5	7.1	6.4

(1) Initial Base Rent is on a cash basis and is the initial contractual monthly rent, annualized.

(2) Does not assume exercise of renewal options.

Same-Space Comparative Leasing Summary

Supplemental Disclosure
Quarter Ended June 30, 2019

	For the Three Months Ended June 30, 2019			For the Six Months Ended June 30, 2019		
	Non-Anchor	Anchor	Total	Non-Anchor	Anchor	Total
New Leases						
Comparative # of Leases	16	1	17	35	1	36
Comparative GLA (sq. ft.) ⁽¹⁾	30,157	21,440	51,597	69,916	21,440	91,356
Prior Base Rent (\$/sq. ft.) ⁽²⁾	\$ 33.42	\$ 4.56	\$ 21.43	\$ 27.91	\$ 4.56	\$ 22.22
Initial Base Rent (\$/sq. ft.)	\$ 34.95	\$ 16.50	\$ 27.28	\$ 32.71	\$ 16.50	\$ 28.11
Percentage Change in Base Rents	4.6%	261.8%	27.3%	17.2%	261.8%	28.1%
Tenant Improvements (\$/sq. ft.)	\$ 2.07	\$ -	\$ 1.21	\$ 3.61	\$ -	\$ 2.22
Leasing Commissions (\$/sq. ft.)	\$ 3.27	\$ 5.00	\$ 3.99	\$ 3.90	\$ 5.00	\$ 4.45
Weighted Average Lease Term (Yrs.) ⁽³⁾	5.6	15.6	9.7	6.6	15.6	11.0
Renewals						
Comparative # of Leases	54	3	57	131	7	138
Comparative GLA (sq. ft.)	114,149	117,295	231,444	243,488	226,710	470,198
Prior Base Rent (\$/sq. ft.) ⁽²⁾	\$ 28.99	\$ 12.94	\$ 20.86	\$ 29.80	\$ 14.34	\$ 22.22
Initial Base Rent (\$/sq. ft.)	\$ 32.47	\$ 13.97	\$ 23.10	\$ 32.60	\$ 16.73	\$ 24.22
Percentage Change in Base Rents	12.0%	8.0%	10.7%	9.4%	16.7%	11.1%
Tenant Improvements (\$/sq. ft.)	\$ 3.02	\$ 2.98	\$ 3.00	\$ 1.55	\$ 2.41	\$ 1.98
Leasing Commissions (\$/sq. ft.)	\$ 0.47	\$ -	\$ 0.23	\$ 0.22	\$ -	\$ 0.11
Weighted Average Lease Term (Yrs.) ⁽³⁾	5.9	4.7	5.3	5.3	6.3	5.8
Total						
Comparative # of Leases	70	4	74	166	8	174
Comparative GLA (sq. ft.) ⁽¹⁾	144,306	138,735	283,041	313,404	248,150	561,554
Prior Base Rent (\$/sq. ft.) ⁽²⁾	\$ 29.92	\$ 11.65	\$ 20.96	\$ 29.38	\$ 13.50	\$ 22.22
Initial Base Rent (\$/sq. ft.)	\$ 32.99	\$ 14.36	\$ 23.86	\$ 32.63	\$ 16.71	\$ 25.11
Percentage Change in Base Rents	10.3%	23.3%	13.8%	11.0%	23.8%	14.4%
Tenant Improvements (\$/sq. ft.)	\$ 2.82	\$ 2.52	\$ 2.68	\$ 2.01	\$ 2.20	\$ 2.11
Leasing Commissions (\$/sq. ft.)	\$ 1.05	\$ 0.77	\$ 0.92	\$ 1.04	\$ 0.43	\$ 0.74
Weighted Average Lease Term (Yrs.) ⁽³⁾	5.8	6.4	6.1	5.6	7.1	6.4

(1) Comparative GLA includes spaces that were vacant for less than 12 months, excluding spaces that were not leased at the time of acquisition.

(2) Prior Base Rent is on a cash basis and is the final monthly rent paid, annualized, for the prior tenant or the prior lease that was renewed.

(3) Does not assume exercise of renewal options.

Leased vs. Billed Summary

Supplemental Disclosure
Quarter Ended June 30, 2019

(dollars in thousands)

	06/30/19	03/31/19
% leased at beginning of quarter	97.8%	97.7%
% billed at beginning of quarter	95.2%	94.9%
ABR of new leases signed/not yet commenced - at beginning of quarter	\$ 6,520	\$ 6,804
less: ABR of new leases commenced during quarter	(1,872)	(2,010)
plus: ABR of new leases signed during quarter	1,599	1,726
ABR of new leases signed/not yet commenced - at end of quarter	\$ 6,247	\$ 6,520
% leased at end of quarter	97.9%	97.8%
% billed at end of quarter	95.3%	95.2%
ABR of new leases commenced during quarter - actual cash received	\$ 371	\$ 283

Investor Information

Supplemental Disclosure
Quarter Ended June 30, 2019

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Equity Research Coverage

Baird Equity Research	RJ Milligan	813.273.8252
Bank of America Merrill Lynch	Craig Schmidt	646.855.3640
Bank of Montreal	Jeremy Metz	212.885.4053
BTIG	Michael Gorman	212.738.6138
Capital One Securities, Inc.	Chris Lucas	571.633.8151
Citi	Michael Bilerman Christy McElroy	212.816.1383 212.816.6981
D.A. Davidson & Co.	Barry Oxford	212.240.9871
Green Street	Vince Tibone	949.640.8780
J.P. Morgan	Michael W. Mueller	212.622.6689
Jefferies	Jonathan Petersen	212.284.1705
KeyBanc Capital Markets	Todd Thomas	917.368.2286
Raymond James	Paul Puryear Collin Mings	727.567.2253 727.567.2585
RBC Capital Markets	Wes Golladay	440.715.2650
Wells Fargo	Jeff Donnelly	617.603.4262

Fixed Income Research Coverage

J.P. Morgan	Mark Streeter	212.834.5086
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Ratings Agency Coverage

Moody's Investors Service	Dilara Sukhov	212.553.1438
S&P Global Ratings	Michael Souers	212.438.2508

