Risk Factors Comparison 2024-02-15 to 2023-02-16 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

Risks Related to the Company' s Business and Operations • There are risks relating to investments in real estate. • The Company operates in a highly competitive market and competition may limit its ability to acquire desirable assets and to attract and retain tenants. • The Company may change any of its strategies, policies or procedures without stockholder consent, which could materially and adversely affect its business. • Capital markets and economic conditions can materially affect the Company' s financial condition, its results of operations and the value of its assets. • Bankruptcy or insolvency of tenants may decrease the Company' s revenues and available cash. • Real estate investments' value and income fluctuate due to conditions in the general economy and the real estate business, which may materially and adversely affect the Company' s ability to service its debt and expenses. • Factors affecting the general retail environment could adversely affect the financial condition of the Company' s retail tenants and the willingness of retailers to lease space in its shopping centers, and in turn, materially and adversely affect the Company. • The Company does not have a formal policy limiting the amount of debt it may incur and its board of directors may change its leverage policy without stockholder consent, which could result in a different risk profile. • A prolonged economic slowdown, a lengthy or severe recession or declining real estate values could impair the Company' s assets and have a material and adverse effect on its income, cash flow, results of operations, financial condition, liquidity, the ability to service its debt obligations, the market price of its common stock and its ability to pay dividends and other distributions to its stockholders. • The Company' s business, results of operations and financial condition have been and in the future may be adversely impacted by **a** ~~the COVID- 19~~ pandemic or a ~~future~~ public health crisis. Risks Related to Financing • The Company' s term loan, credit facility and unsecured senior notes contain restrictive covenants relating to its operations, which could limit the Company' s ability to respond to changing market conditions and its ability to pay dividends and other distributions to its stockholders. • Certain of the Company' s mortgage financing arrangements and other indebtedness contain provisions that could limit the Company' s operating flexibility. • Increases in interest rates could increase the amount of the Company' s debt payments and materially and adversely affect its business, financial condition, liquidity and results of operations. • Financing arrangements that the Company may use to finance its assets may require it to provide additional collateral or pay down debt. Risks Related to the Company' s Organization and Structure • The Company depends on dividends and distributions from its direct and indirect subsidiaries. The creditors of these subsidiaries are entitled to amounts payable to them by the subsidiaries before the subsidiaries may pay any dividends or distributions to the Company. • The Company' s failure to qualify as a REIT would subject it to U. S. federal income tax and potentially increased state and local taxes, which would reduce the amount of cash available for distribution to its stockholders. • To maintain its REIT qualification, the Company may be forced to borrow funds during unfavorable market conditions. • The Company cannot assure you of its ability to pay distributions in the future. PART I In this Annual Report on Form 10- K, unless otherwise indicated or the context requires otherwise, all references to " the Company, " " we, " " us, " " our, " or " our company " refer to ROIC together with its consolidated subsidiaries, including the Operating Partnership. Item 1. Business Overview Retail Opportunity Investments Corp., a Maryland corporation (" ROIC ") commenced operations in October 2009 as a fully integrated, self- managed REIT. The Company specializes in the acquisition, ownership and management of necessity- based community and neighborhood shopping centers on the west coast of the United States, anchored by supermarkets and drugstores. As of December 31, ~~2022~~ **2023** , the Company' s portfolio consisted of ~~94~~ **95** properties (~~93~~ **94** retail and one office) totaling approximately 10. ~~6~~ **7** million square feet of gross leasable area (" GLA "). The Company is organized in a traditional umbrella partnership real estate investment trust (" UpREIT ") format pursuant to which Retail Opportunity Investments GP, LLC, its wholly- owned subsidiary, serves as the sole general partner of, and ROIC conducts substantially all of its business through, its operating partnership, Retail Opportunity Investments Partnership, LP, a Delaware limited partnership (the " Operating Partnership "), together with its subsidiaries. As of December 31, ~~2022~~ **2023** , ROIC owned an approximate ~~93~~ **94** . ~~6~~ **4** % partnership interest and other limited partners owned the remaining **5.** 6 ~~. 4~~ % partnership interest in the Operating Partnership. ROIC' s only material assets are its direct or indirect partnership interests in the Operating Partnership and membership interest in Retail Opportunity Investments GP, LLC, which is the sole general partner of the Operating Partnership. As a result, ROIC does not conduct business itself, other than acting as the parent company and through this subsidiary, acts as the sole general partner of the Operating Partnership. The Operating Partnership holds substantially all the assets of the Company and directly or indirectly holds the ownership interests in the Company' s real estate ventures. The Operating Partnership conducts the operations of the Company' s business and is structured as a partnership with no publicly traded equity. Except for net proceeds from equity issuances by ROIC, which are contributed to the Operating Partnership, the Operating Partnership generates the capital required by the Company' s business through the Operating Partnership' s operations, by the Operating Partnership' s incurrence of indebtedness (directly and through subsidiaries) or through the issuance of operating partnership units (" OP Units ") of the Operating Partnership. Investment Strategy The Company seeks to acquire shopping centers located in densely populated, supply- constrained metropolitan markets on the west coast of the United States, which exhibit income and population growth and high barriers to entry. The Company' s senior management team has operated in the Company' s markets for over 30 years and has established an extensive network of relationships in these markets with key institutional and private property owners, brokers and financial institutions and other real estate operators. The Company' s in- depth local and regional market knowledge and expertise provides a distinct competitive advantage in identifying and accessing attractive acquisition opportunities, including properties that are not widely marketed. The Company seeks to acquire high quality, necessity- based community and neighborhood shopping centers anchored by

national and regional supermarkets and drugstores that are well- leased, with stable cash flows. Additionally, the Company acquires shopping centers which it believes are candidates for attractive near- term re- tenanting or present other value- enhancement opportunities. Upon acquiring a shopping center, the Company normally commences leasing initiatives aimed at enhancing long- term value through re- leasing below- market space and improving the tenant mix. The Company derives revenues primarily from rents and reimbursement payments received from tenants under leases at the Company' s properties. The Company focuses on leasing to retailers that provide necessity- based, non- discretionary goods and services, catering to the basic and daily needs of the surrounding community, a majority of which are destination- based and therefore more resistant to competition from e- commerce than other types of retailers. The Company believes necessity- based retailers draw consistent, regular traffic to its shopping centers, which results in stronger sales for its tenants and a more consistent revenue base. Additionally, the Company seeks to maintain a strong and diverse tenant base with a balance of large, long- term leases to major national and regional retailers, including supermarkets, drugstores and discount stores, with small, shorter- term leases to a broad mix of national, regional and local retailers. The Company believes the long- term anchor tenants provide a reliable, stable base of rental revenue, while the shorter- term leases afford the Company the opportunity to drive rental growth, as well as the ongoing flexibility to adapt to evolving consumer trends. The Company believes that the current market environment continues to present opportunities for it to further build its portfolio and add additional necessity- based community and neighborhood shopping centers that meet its investment profile. The Company' s long- term objective is to prudently build and maintain a diverse portfolio of necessity- based community and neighborhood shopping centers aimed at providing stockholders with sustainable, long- term growth and value through all economic cycles. In implementing its investment strategy and selecting an asset for acquisition, the Company analyzes the fundamental qualities of the asset, the inherent strengths and weaknesses of its market, sub- market drivers and trends, and potential risks and risk mitigants facing the property. The Company believes that its acquisition process and operational expertise provide it with the capability to identify and properly underwrite investment opportunities. The Company' s aim is to seek to provide diversification of assets, tenant exposures, lease terms and locations in its portfolio. In order to capitalize on the changing sets of investment opportunities that may be present in the various points of an economic cycle, the Company may expand or refocus its investment strategy. The Company' s investment strategy may be amended from time to time, if approved by its board of directors. The Company is not required to seek stockholder approval when amending its investment strategy. Transactions During ~~2022~~ **2023** Investing Activities Property Asset Acquisitions On ~~April~~ **December** 1, ~~2022~~ **2023** , the Company acquired the property known as **Foothill Plaza** ~~Olympia Square North~~ , located in ~~Olympia~~ **La Verne** , ~~Washington~~ **California** , within the ~~Seattle~~ **Los Angeles** metropolitan area, for an adjusted purchase price of approximately $ ~~18~~ **21** . ~~4~~ **9** million. **Foothill Plaza** ~~Olympia Square North~~ is approximately ~~90~~ **65** , 000 square feet and is anchored by ~~Albertsons Supermarket~~ **Sprouts Market** . The property was acquired with cash on hand ~~and borrowings under the credit facility. On April 1, 2022, the Company acquired the property known as Powell Valley Junction, located in Gresham, Oregon, within the Portland metropolitan area, for an adjusted purchase price of approximately $ 17. 7 million. Powell Valley Junction is approximately 109, 000 square feet and is anchored by Walmart Neighborhood Market. The property was acquired with cash on hand and borrowings under the credit facility. On May 17, 2022, the Company acquired the property known as Village Oaks Shopping Center, located in Martinez, California, within the San Francisco metropolitan area, for an adjusted purchase price of approximately $ 24. 1 million. Village Oaks Shopping Center is approximately 80, 000 square feet and is anchored by Save Mart (Lucky California) Supermarket. The property was acquired with cash on hand and borrowings under the credit facility. On August 19, 2022, the Company acquired two properties known as Ballinger Village, located in Shoreline, Washington, within the Seattle metropolitan area, and Thomas Lake Shopping Center located in Mill Creek, Washington, within the Seattle metropolitan area, for an adjusted purchase price of approximately $ 29. 3 million and $ 31. 1 million, respectively. Ballinger Village is approximately 111, 000 square feet and is anchored by Thriftway Supermarket and Rite Aid Pharmacy. Thomas Lake Shopping Center is approximately 111, 000 square feet and is anchored by Albertsons Supermarket and Rite Aid Pharmacy. These properties were acquired by the Company using proceeds from the sale of one of its shopping centers, discussed below, as well as cash on hand and borrowings under the credit facility. Property Asset Dispositions On August 19, 2022, in connection with the acquisitions of Ballinger Village and Thomas Lake Shopping Center discussed above, the Company sold Aurora Square, a shopping center located in Shoreline, Washington. The sales price of $ 36. 2 million, less costs to sell, resulted in net proceeds of approximately $ 34. 4 million. The Company recorded a gain on sale of real estate of approximately $ 7. 7 million during the year ended December 31, 2022 related to this property disposition~~ . Financing Activities The Company employs prudent amounts of leverage and uses debt as a means of providing funds for the acquisition of its properties and the diversification of its portfolio. The Company seeks to primarily utilize unsecured debt in order to maintain liquidity and flexibility in its capital structure. Term Loan and Credit Facility The Operating Partnership has an unsecured term loan (the " term loan ") with several banks ~~under which the lenders agreed to provide a $ 300. 0 million unsecured term loan facility~~ . Effective ~~December 20~~ **March 2** , ~~2019~~ **2023** , the Operating Partnership entered into ~~the First~~ **a Third** Amendment to **the** First Amended and Restated Term Loan Agreement ~~(~~ **, dated as of September 8, 2017,** as amended ~~,~~ **(** the " Term Loan Agreement ") **. Under** ~~pursuant to which~~ the **Term Loan Agreement, the lenders agreed to provide $ 300. 0 million of unsecured borrowings. The** maturity date of the term loan **is** ~~was extended from September 8, 2022 to~~ January 20, 2025, without further options for extension. The Term Loan Agreement also provides that the Operating Partnership may from time to time request increased aggregate commitments of $ 200. 0 million ~~under~~ **if** certain conditions ~~set forth in~~ **are met, including the consent of the lenders to the additional commitments. Under** the Term Loan Agreement, ~~including the consent of the lenders~~ **Secured Overnight Financing Rate (" SOFR ") based loans bear interest at Daily Simple SOFR** ~~for~~ **or** ~~the additional commitments. Borrowings under the~~ Term **SOFR plus an index adjustment of 0. 10 % plus** ~~Loan Agreement accrue interest on the outstanding principal amount at a rate equal to~~ an applicable rate based on the credit rating ~~level~~ of the Company ~~,~~ **(currently 1. 0 %). Base Rate Loans bear interest at a rate equal to an applicable rate based on the credit rating of the**

Company (currently 0. 0 %) plus **the greater of** ~~, as applicable,~~ (i) **the Federal Funds** ~~a London Inter- Bank Offered~~ Rate **plus 0** ~~(“ LIBOR ”) rate determined by reference to the cost of funds for U~~ . **50 %** ~~S. dollar deposits for the relevant period (the “ Eurodollar Rate ”)~~ , ~~or~~ (ii) **the** ~~a base~~ rate **publicly** ~~determined by reference to the highest of (a) the federal funds rate plus 0. 50 %, (b) the rate of interest~~ announced by ~~the Administrative Agent~~ **KeyBank National Association** as its “ prime rate, ” and (~~c~~ **iii**) ~~the Eurodollar Rate~~ **one month Adjusted Term SOFR** plus 1. ~~00~~ **0** % **. Capitalized terms used in this paragraph but not otherwise defined herein have the meanings set forth in the Term Loan Agreement** . The Operating Partnership has an unsecured revolving credit facility (the “ credit facility ”) with several banks. Effective ~~December 20~~ **March 2** , ~~2019~~ **2023** , the Operating Partnership entered into ~~the First~~ **a Third** Amendment to **the** Second Amended and Restated Credit Agreement **, dated as of September 8, 2017** (as amended, the “ Credit Facility Agreement ”) **. Under** ~~pursuant to which~~ the **Credit Facility Agreement, the Operating Partnership has** borrowing capacity **of up to** ~~under the credit facility is~~ $ 600. 0 million ~~and the~~ **. The** maturity date ~~of~~ **under** the ~~credit~~ **Credit** ~~facility~~ **Facility Agreement is March 2** ~~was extended from September 8~~ , ~~2021~~ **2027** ~~to February 20, 2024~~ , with two six- month extension options, which may be exercised by the Operating Partnership upon satisfaction of certain conditions including the payment of extension fees. Additionally, the Credit Facility Agreement contains an accordion feature, which allows the Operating Partnership to increase the borrowing capacity under the ~~credit facility up to an aggregate of $ 1. 2 billion, subject to lender consents and other conditions. Borrowings under the~~ Credit Facility Agreement ~~accrue~~ **up to an aggregate of $ 1. 2 billion, subject to lender consents and other conditions. Under the Credit Facility Agreement, SOFR based loans bear** interest ~~on the outstanding principal amount~~ at ~~a rate equal to~~ **Daily Simple SOFR or Term SOFR plus an index adjustment of 0. 10 % plus** an applicable rate based on the credit rating ~~level~~ of the Company ~~,~~ **(currently 0. 85 %). Base Rate Loans and Swing Line Loans bear interest at a rate equal to an applicable rate based on the credit rating of the Company (currently 0. 0 %)** plus **the greater of** ~~, as applicable,~~ (i) the ~~Eurodollar~~ **Federal Funds** Rate **plus 0. 50 %** , ~~or~~ (ii) **the** ~~a base~~ rate **publicly** ~~determined by reference to the highest of (a) the federal funds rate plus 0. 50 %, (b) the rate of interest~~ announced by KeyBank ~~,~~ National Association as its “ prime rate, ” and (~~c~~ **iii**) ~~the Eurodollar Rate~~ **one month Adjusted Term SOFR** plus **1.** 0 ~~. 90~~ % **. Capitalized terms used in this paragraph but not otherwise defined herein have the meanings set forth in the Credit Facility Agreement** . Additionally, the Operating Partnership is obligated to pay a facility fee at a rate based on the credit rating level of the Company, currently 0. 20 %, and a fronting fee at a rate of 0. 125 % per year with respect to each letter of credit issued under the Credit Facility Agreement, of which the Operating Partnership had ~~none~~ **$ 150, 000** outstanding as of December 31, ~~2022~~ **2023** . The Company has investment grade credit ratings from Moody’ s Investors Service (Baa2), S & P Global Ratings (BBB-) and Fitch Ratings (BBB). The Operating Partnership’ s debt agreements contain customary representations, financial and other covenants, and its ability to borrow under these agreements is subject to its compliance with financial covenants and other restrictions on an ongoing basis. The Company was in compliance with such covenants at December 31, ~~2022~~ **2023** . As of December 31, ~~2022~~ **2023** , $ ~~300~~ **200** . 0 million and $ ~~88~~ **75** . 0 million were outstanding under the term loan and credit facility, respectively. The weighted average interest rates on the term loan and the credit facility during the year ended December 31, ~~2022~~ **2023** were **6** ~~2. 7 % and 3~~ . 1 % **and 5. 9 %** , respectively. As discussed in Note 11 of the accompanying **consolidated** financial statements, the Company ~~has historically used~~ **uses** interest rate swaps to help manage its interest rate risk. ~~The Company’ s four interest rate swaps matured effective~~ **Effective** ~~August~~ **March** 31, ~~2022~~ **2023** , ~~and accordingly~~ **$ 150. 0 million of** the **Company’ s** ~~interest rate on the~~ term loan was **swapped at** ~~no longer effectively fixed and outstanding borrowings under the term loan became subject to~~ a ~~variable~~ **blended** interest rate **of 5. 4 %** ~~, as detailed above, effective September 1, 2022~~ . The Company had no **amounts** available **to** ~~borrowings~~ ---- **borrow** under the term loan at December 31, ~~2022~~ **2023** . The Company had **approximately** $ ~~512~~ **525** . 0 million available to borrow under the credit facility at December 31, ~~2022~~ **2023** . ~~Mortgage~~ **On September 21, 2023, the Operating Partnership completed a registered underwritten public offering of $ 350. 0 million aggregate principal amount of 6. 75 % Senior** Notes **due** ~~Payable On March 1, 2022~~ **2028** ~~,~~ **(** the ~~Company repaid in~~ **“ Senior Notes Due 2028 ”). The Senior Notes Due 2028 pay interest semi-annually on April 15 and October 15, commencing on April 15, 2024, and mature on October 15, 2028, unless redeemed earlier by the Operating Partnership. ROIC** ~~full~~ **fully and unconditionally guarantees** the ~~mortgage~~ **Operating Partnership’ s obligations under the Senior Notes Due 2028 on a senior unsecured basis, including the due and punctual payment of principal of, and premium, if any, and interest on, the** ~~note~~ **notes** ~~related~~ **, whether at stated maturity, upon acceleration, notice of redemption or otherwise. Proceeds from this offering were used** to ~~Casitas Plaza Shopping Center~~ **pay down $ 100. 0 million of borrowings under the term loan on September 21, 2023. The remaining proceeds from this offering, along with borrowings under the credit facility, were used** for ~~a total~~ **the repayment** of ~~approximately~~ **the Operating Partnership’ s** $ ~~6~~ **250** . ~~6~~ **0** million **aggregate principal amount** ~~, without penalty, in accordance with the prepayment provisions~~ of **5** ~~the note~~ . ~~Additionally,~~ **00 % Senior Notes due 2023 (the “ Senior Notes Due 2023 ”)** on ~~March 31~~ **December 15** , ~~2022~~ **2023** ~~, the Company repaid in full the mortgage note related to Riverstone Marketplace for a total of approximately $ 16. 7 million without penalty, in accordance with the prepayment provisions of the note~~ . ATM Equity Offering On February 20, 2020, ROIC entered into an “ at the market ” sales agreement, as amended on April 27, 2022 (the “ Sales Agreement ”), with each of (i) KeyBanc Capital Markets Inc., BTIG, LLC, BMO Capital Markets Corp., BofA Securities, Inc., Capital One Securities, Inc., Citigroup Global Markets Inc., Jefferies LLC, J. P. Morgan Securities LLC, Raymond James & Associates, Inc., Regions Securities LLC, Robert W. Baird & Co. Incorporated and Wells Fargo Securities, LLC (collectively, the “ Agents ”) and (ii) the Forward Purchasers (as defined below), pursuant to which ROIC may sell, from time to time, shares (any such shares, the “ Primary Shares ”) of ROIC’ s common stock, par value $ 0. 0001 per share (“ Common Stock ”), to or through the Agents and instruct certain of the Agents, acting as forward sellers (the “ Forward Sellers ”), to offer and sell borrowed shares (any such shares, “ Forward Hedge Shares, ” and collectively with the Primary Shares, the “ Shares ”) with the Shares to be sold under the Sales Agreement having an aggregate offering price of up to $ 500. 0 million. The Sales Agreement contemplates that, in addition to the issuance and sale of Primary Shares to or through the Agents as principal or its sales agents,

ROIC may enter into separate forward sale agreements with any of KeyBanc Capital Markets Inc., BMO Capital Markets Corp., BofA Securities, Inc., Citigroup Global Markets Inc., Jefferies LLC, J. P. Morgan Securities LLC, Raymond James & Associates, Inc. and Wells Fargo Securities, LLC or their respective affiliates (in such capacity, the " Forward Purchasers "). If ROIC enters into a forward sale agreement with any Forward Purchaser, ROIC expects that such Forward Purchaser or its affiliate will borrow from third parties and, through the relevant Forward Seller, sell a number of Forward Hedge Shares equal to the number of shares of Common Stock underlying the particular forward sale agreement, in accordance with the mutually accepted instructions related to such forward sale agreement. ROIC will not initially receive any proceeds from any sale of Forward Hedge Shares through a Forward Seller. ROIC expects to fully physically settle each particular forward sale agreement with the relevant Forward Purchaser on one or more dates specified by ROIC on or prior to the maturity date of that particular forward sale agreement by issuing shares of Common Stock (the " Confirmation Shares "), in which case ROIC expects to receive aggregate net cash proceeds at settlement equal to the number of shares of Common Stock underlying the particular forward sale agreement multiplied by the relevant forward sale price. However, ROIC may also elect to cash settle or net share settle a particular forward sale agreement, in which case ROIC may not receive any proceeds from the issuance of shares of Common Stock, and ROIC will instead receive or pay cash (in the case of cash settlement) or receive or deliver shares of Common Stock (in the case of net share settlement). During the year ended December 31, ~~2022~~ **2023** , ROIC sold a total of ~~1~~ **904** , **290** ~~288, 213~~ shares under the Sales Agreement, which resulted in gross proceeds of approximately $ ~~25~~ **12** . ~~2~~ **8** million and commissions of approximately $ ~~252~~ **128** , 000 paid to the Agents. The Company plans to finance future acquisitions through a combination of operating cashflow, borrowings under the credit facility, the assumption of existing mortgage debt, the issuance of equity securities including OP Units, equity and debt offerings, and the potential sale of existing assets. Business Segments The Company' s primary business is the ownership, management, and redevelopment of retail real estate properties. The Company reviews operating and financial information for each property on an individual basis and therefore, each property represents an individual operating segment. The Company evaluates financial performance using property operating income, defined as operating revenues (rental revenue and other income), less property and related expenses (property operating expenses and property taxes). The Company has aggregated the properties into one reportable segment as the properties share similar long- term economic characteristics and have other similarities including the fact that they are operated using consistent business strategies, are typically located in major metropolitan areas, and have similar tenant mixes. Regulation The following discussion describes certain material U. S. federal laws and regulations that may affect the Company' s operations and those of its tenants. However, the discussion does not address state laws and regulations, except as otherwise indicated. These state laws and regulations, like the U. S. federal laws and regulations, could affect the Company' s operations and those of its tenants. Generally, real estate properties are subject to various laws, ordinances and regulations. Changes in any of these laws or regulations, such as the Comprehensive Environmental Response and Compensation, and Liability Act of 1980, as amended, increase the potential liability for environmental conditions or circumstances existing or created by tenants or others on the properties. In addition, laws affecting development, construction, operation, upkeep, safety and taxation requirements may result in significant unanticipated expenditures, loss of real estate property sites or other impairments, which would adversely affect its cash flows from operating activities. Under the Americans with Disabilities Act of 1990 (the " Americans with Disabilities Act ") all places of public accommodation are required to meet certain U. S. federal requirements related to access and use by disabled persons. A number of additional U. S. federal, state and local laws also exist that may require modifications to properties, or restrict certain further renovations thereof, with respect to access thereto by disabled persons. Noncompliance with the Americans with Disabilities Act could result in the imposition of fines or an award of damages to private litigants and also could result in an order to correct any non- complying feature which could result in substantial capital expenditures. To the extent the Company' s properties are not in compliance, the Company may incur additional costs to comply with the Americans with Disabilities Act. Property management activities are often subject to state real estate brokerage laws and regulations as determined by the particular real estate commission for each state. Environmental Matters Pursuant to U. S. federal, state and local environmental laws and regulations, a current or previous owner or operator of real property may be required to investigate, remove and / or remediate a release of hazardous substances or other regulated materials at or emanating from such property. Further, under certain circumstances, such owners or operators of real property may be held liable for property damage, personal injury and / or natural resource damage resulting from or arising in connection with such releases. Certain of these laws have been interpreted to be joint and several unless the harm is divisible and there is a reasonable basis for allocation of responsibility. The failure to properly remediate the property may also adversely affect the owner' s ability to lease, sell or rent the property or to borrow funds using the property as collateral. In connection with the ownership, operation and management of the Company' s current properties and any properties that it may acquire and / or manage in the future, the Company could be legally responsible for environmental liabilities or costs relating to a release of hazardous substances or other regulated materials at or emanating from such property. In order to assess the potential for such liability, the Company conducts an environmental assessment of each property prior to acquisition and manages its properties in accordance with environmental laws while it owns or operates them. All of its leases contain a comprehensive environmental provision that requires tenants to conduct all activities in compliance with environmental laws and to indemnify the owner for any harm caused by the failure to do so. In addition, the Company has engaged qualified, reputable and adequately insured environmental consulting firms to perform environmental site assessments of its properties and is not aware of any environmental issues that are expected to materially impact the financial condition of the Company. Competition The Company believes that competition for the acquisition, operation and development of retail properties is highly fragmented. The Company competes with numerous owners, operators and developers for acquisitions and development of retail properties, including institutional investors, other REITs and other owner- operators of necessity- based community and neighborhood shopping centers, primarily anchored by supermarkets and drugstores, some of which own or may in the future own properties similar to the Company' s in the same markets in which its properties are

located. The Company also faces competition in leasing available space to prospective tenants at its properties. The actual competition for tenants varies depending upon the characteristics of each local market (including current economic conditions) in which the Company owns and manages property. The Company believes that the principal competitive factors in attracting tenants in its market areas are location, demographics, price, the presence of anchor stores and the appearance of properties. Many of the Company' s competitors are substantially larger and have considerably greater financial, marketing and other resources than the Company. Other entities may raise significant amounts of capital and may have investment objectives that overlap with those of the Company, which may create additional competition for opportunities to acquire assets. In the future, competition from these entities may reduce the number of suitable investment opportunities offered to the Company or increase the bargaining power of property owners seeking to sell. Further, as a result of their greater resources, such entities may have more flexibility than the Company does in their ability to offer rental concessions to attract tenants. If the Company' s competitors offer space at rental rates below current market rates, or below the rental rates the Company currently charges its tenants, the Company may lose potential tenants and it may be pressured to reduce its rental rates below those it currently charges in order to retain tenants when its tenants' leases expire. Employees and Human Capital Management As of December 31, ~~2022~~ **2023** , the Company had ~~70~~ **71** employees, including 19 maintenance employees at its shopping centers **, one non-executive Chairman of its board of directors** and three executive officers, one of whom is also a member of its board of directors. The Company believes that its talented and committed employees are the foundation of its success and supporting employees, tenants and communities is at the heart of the Company' s business model. Diversity and Inclusion. The Company values and advances a diverse and inclusive workplace and strives to create equal opportunities for all current and future employees. As an equal opportunity employer, the Company is committed to maintaining an equitable workplace that is free from discrimination or harassment on the basis of race, color, religion, sexual orientation, gender, gender identity or expression, national origin, age, disability, military or veteran status, genetic information, or other statuses protected by applicable federal, state, and local law. The Company does not tolerate disrespectful or inappropriate behavior, harassment, unfair treatment or retaliation of any kind, and has instituted annual diversity and inclusion training for all ROIC employees. The Company believes that its success is dependent upon the diverse backgrounds and perspectives of its employees and directors and strives to build a culture that is collaborative, diverse, supportive and inclusive. As of December 31, ~~2022~~ **2023** , approximately ~~50~~ **46** % of the Company' s employees identified as a racial or ethnic minority and approximately ~~70~~ **68** % of the Company' s employees were female. In 2020, the Company also adopted environmental, social and governance (" ESG ") metrics as part of its long- term incentive compensation plan that included holding a diversity and inclusion training for employees. Following the initial training, this is now required annually. Training and Education. The Company supports the continual development of its employees by providing educational and training opportunities to help advance their personal and professional growth and skills, including accounting and continuing education classes, professional certifications, software training and industry workshops and seminars, in addition to diversity and inclusion training and harassment training, for both supervisors and non- supervisors. Employee Wellness and Benefits. The physical and mental health and wellness of the Company' s employees is paramount. The Company provides employees with competitive compensation and a wide range of benefits including comprehensive medical and dental insurance coverage, short and long- term disability benefits, a 401 (K) retirement program with matching, vacation, sick and personal leave, flexible work arrangements, flexible savings accounts, and other benefits. Community Engagement. The Company' s properties provide essential services to the communities in which they are located and the Company understands that they play an important role in making these communities better places to live and work. The Company is committed to making a positive impact in its communities and engages in community activities such as hosting and / or sponsoring free or not- for- profit led community events at its properties throughout the year. ESG Highlights ~~2022~~ **2023** Green Lease Leader • The Company was awarded the " Gold " level designation for the ~~second~~ **third** year in a row by the U. S. Department of Energy' s Better Buildings Alliance and Institute for Market Transformation due to its efforts to incorporate energy efficiency, cost savings, air quality and sustainability criteria into lease agreements. Sustainability Reporting • The Company ~~responded to the~~ **has participated in GRESB (formerly known as** Global Real Estate Sustainability Benchmark **) since** ~~for the first time in~~ 2021. • The Company reported in line with the Sustainability Accounting Standards Board standards and the Task Force on Climate- related Financial Disclosures, disclosing information sought by investors. Energy Management and Clean Energy Infrastructure • The Company continues to focus on improving energy efficiency at all of its properties and achieved a ~~15~~ **7** % year- over- year reduction (at like- for- like properties) in energy usage from ~~2020 to~~ 2021 **to 2022** . • The Company is implementing measures such as leasing its roof space to solar companies and installing electric vehicle (" EV ") charging stations, smart irrigation controllers and LED lighting, and as of December 31, ~~2022~~ **2023** , the Company has: ◦ Solar agreements at ~~nine~~ **twelve** of its properties, representing approximately ~~18~~ **20** % of its portfolio by gross leasable area. ◦ ~~65~~ **70** EV charging stations at ~~eight~~ **nine** of its properties and has entered into agreements to add an additional ~~23~~ **137** EV charging stations across **its portfolio** ~~a collective four properties~~ within the next twelve months. ◦ Installed smart irrigation controllers and monitoring systems at ~~17~~ **34** California shopping centers ~~located in drought- vulnerable regions~~ . ◦ ~~Converted the~~ **37 shopping centers have** common area lighting **that has been converted** to LED ~~at nine shopping centers~~ . Additional information regarding the Company' s human capital programs and initiatives is available in the Company' s ESG Report, which can be found on the Company' s website. Information on the Company' s website, including its ESG Report, is not incorporated by reference into this Annual Report on Form 10- K. Available Information The Company files its annual report on Form 10- K, quarterly reports on Form 10- Q, current reports on Form 8- K, and all amendments to those reports with the Securities and Exchange Commission (the " SEC "). The SEC maintains a website (www. sec. gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The Company' s website is www. roireit. net. The Company' s reports on Forms 10- K, 10- Q and 8- K, and all amendments to those reports are available free of charge on its Website as soon as reasonably practicable after the reports and amendments are electronically

filed with or furnished to the SEC. The contents of the Company' s website are not incorporated by reference herein. Item 1A. Risk Factors Real property investments are subject to varying degrees of risk. Real estate values are affected by a number of factors, including: changes in the general economic climate, local conditions (such as an oversupply of space or a reduction in demand for real estate in an area), the quality and philosophy of management, competition from other available space, the ability of the owner to provide adequate maintenance and insurance and to control variable operating costs, adverse weather conditions, natural disasters, pandemics and other public health crises, wars, terrorist activities and other factors in the areas in which the properties are located. Shopping centers, in particular, may be affected by changing perceptions of retailers or shoppers regarding the safety, convenience and attractiveness of the shopping center, increasing consumer purchases through online retail websites and catalogs, the ongoing consolidation in the retail sector and by the overall climate for the retail industry generally. Real estate values are also affected by such factors as government regulations, interest rate levels, the availability of financing and potential liability under, and changes in, environmental, zoning, tax and other laws. A significant portion of the Company' s income is derived from rental income from real property. The Company' s income, cash flow, results of operations, financial condition, liquidity and ability to service its debt obligations could be materially and adversely affected if a significant number of its tenants were unable to meet their obligations, or if it were unable to lease on economically favorable terms a significant amount of space in its properties. In the event of default by a tenant, the Company may experience delays in enforcing, and incur substantial costs to enforce, its rights as a landlord. In addition, certain significant expenditures associated with each equity investment (such as mortgage payments, real estate taxes and maintenance costs) are generally not reduced when circumstances cause a reduction in income from the investment. The Company operates in a highly competitive market. The Company' s profitability depends, in large part, on its ability to acquire its assets at favorable prices and on trends impacting the retail industry in general, national, regional and local economic conditions, financial condition and operating results of current and prospective tenants and customers, availability and cost of capital, construction and renovation costs, taxes, governmental regulations, legislation and population trends. Many of the Company' s competitors are substantially larger and have considerably greater financial, marketing and other resources than it does. Other entities may raise significant amounts of capital and may have investment objectives that overlap with the Company' s. In addition, the properties that the Company acquires may face competition from similar properties in the same market, as well as from e- commerce websites. The presence of competitive alternatives affects the Company' s ability to lease space and the level of rents it can obtain. New construction, renovations and expansions at competing sites could also negatively affect the Company' s properties. The Company may change any of its strategies, policies or procedures with respect to acquisitions, asset allocation, growth, operations, indebtedness, financing strategy and distributions, including those related to maintaining its REIT qualification, at any time without the consent of its stockholders, which could result in making acquisitions that are different from, and possibly riskier than, the types of acquisitions described in this Annual Report on Form 10- K. A change in the Company' s strategy may increase its exposure to real estate market fluctuations, financing risk, default risk and interest rate risk. Furthermore, a change in the Company' s asset allocation could result in the Company making acquisitions in asset categories different from those described in this Annual Report on Form 10- K. These changes could materially and adversely affect the Company' s income, cash flow, results of operations, financial condition, liquidity, the ability to service its debt obligations, the market price of its common stock and its ability to pay dividends and other distributions to its stockholders. The Company' s directors are subject to potential conflicts of interest. The Company' s executive officers and directors may face conflicts of interest. Except for Messrs. Tanz, Haines and Schoebel, none of the Company' s executive officers or directors are required to commit substantially all of their business time to the Company. Also, in the course of their other business activities, the Company' s directors may become aware of investment and business opportunities that may be appropriate for presentation to the Company as well as the other entities with which they are affiliated. They may have conflicts of interest in determining to which entity a particular business opportunity should be presented. As a result of multiple business affiliations, the Company' s non- management directors may have legal obligations relating to presenting opportunities to acquire one or more properties, portfolios or real estate- related debt investments to other entities. The Company' s non- management directors (including the Company' s non- executive Chairman) may present such opportunities to the other entities to which they owe pre- existing fiduciary duties before presenting such opportunities to the Company. In addition, conflicts of interest may arise when the Company' s board of directors evaluates a particular opportunity. There are many factors that can affect the value of the Company' s assets, including the state of the capital markets and the economy. Any reduction in available financing may materially and adversely affect the Company' s ability to achieve its financial objectives. Concern about the stability of the markets generally may limit the Company' s ability and the ability of its tenants to timely refinance maturing liabilities and access the capital markets to meet liquidity needs. Although the Company will factor in these conditions in acquiring its assets, its long- term success depends in part on general economic conditions and the stability and dependability of the financing market for retail real estate. If the national economy or the local economies in which the Company operates were to experience uncertainty, or if general economic conditions were to worsen, the Company' s income, cash flow, results of operations, financial condition, liquidity, the ability to service its debt obligations, the market price of its common stock and its ability to pay dividends and other distributions to its stockholders could be materially and adversely affected. In the case of many retail properties, the bankruptcy or insolvency of a major tenant could cause the Company to suffer lower revenues and operational difficulties and could allow other tenants to exercise so- called " kick- out " clauses in their leases and terminate their lease or reduce their rents prior to the normal expiration of their lease terms. As a result, the bankruptcy or insolvency of major tenants could materially and adversely affect the Company' s income, cash flow, results of operations, financial condition, liquidity, the ability to service its debt obligations, the market price of its common stock and its ability to pay dividends and other distributions to its stockholders. Inflation or deflation may materially and adversely affect the Company' s income, cash flow, results of operations, financial condition, liquidity, the ability to service its debt obligations, the market price of its common stock and its ability to pay dividends and

distributions to its stockholders. Increased inflation could have a pronounced negative impact on the Company' s property operating expenses and general and administrative expenses, as these costs could increase at a rate higher than the Company' s rents. Inflation could also have an adverse effect on consumer spending which could impact the Company' s tenants' sales and, in turn, the Company' s percentage rents, where applicable, and the willingness and ability of tenants to enter into or renew leases and / or honor their obligations under existing leases. Conversely, deflation could lead to downward pressure on rents and other sources of income. Compliance or failure to comply with safety regulations and requirements could result in substantial costs. The Company' s properties are subject to various federal, state and local regulatory requirements, such as state and local fire and life safety requirements. If the Company fails to comply with these requirements, it could incur fines or private damage awards. The Company does not know whether compliance with the requirements will require significant unanticipated expenditures that could affect its income, cash flow, results of operations, financial condition, liquidity, prospects and ability to service its debt obligations, the market price of its common stock and its ability to pay dividends and other distributions to its stockholders. The Company expects to acquire additional properties and this may create risks. The Company expects to acquire additional properties consistent with its investment strategies. The Company may not, however, succeed in consummating desired acquisitions on time, within budget or at all. In addition, the Company may face competition in pursuing acquisition opportunities, which could result in increased acquisition costs. When the Company does pursue a project or acquisition, it may not succeed in leasing newly acquired properties at rents sufficient to cover its costs of acquisition. Difficulties in integrating acquisitions may prove costly or time- consuming and could result in poorer than anticipated performance. The Company may also abandon acquisition opportunities that it has begun pursuing and consequently fail to recover expenses already incurred. Furthermore, acquisitions of new properties will expose the Company to the liabilities of those properties, including, for example, liabilities for clean- up of disclosed or undisclosed environmental contamination, claims by persons in respect of events transpiring or conditions existing before the Company' s acquisition and claims for indemnification by general partners, directors, officers and others indemnified by the former owners of properties. In the event the Company seeks to redevelop existing properties, these projects could be subject to delays or other risks and might not yield the returns anticipated, which would harm the Company' s financial condition and operating results. The Company may selectively engage in redevelopment projects at certain of its properties. To the extent the Company enters into redevelopment projects, it will be subject to a number of risks that could negatively affect its return on investment, financial condition, results of operations and the Company' s ability to make distributions to stockholders, including, among others: • higher than anticipated construction costs, including labor, materials and higher than anticipated financing costs; • delayed ability or inability to reach projected occupancy, rental rates, profitability, and investment return; • timing delays due to weather, labor disruptions, supply chain disruptions, zoning or other regulatory approvals, tenant decision delays, delays in anchor approvals of redevelopment plans, where required, acts of God (such as fires, significant storms, earthquakes or floods), pandemics and other public health crises, wars, terrorist activities and other factors outside the Company' s control, which might make a project less profitable or unprofitable, or delay profitability; and • expenditure of money and time on projects that might be significantly delayed before stabilization. If a project is unsuccessful, either because it is not meeting its expectations when operational or was not completed according to the project planning, the Company could lose its investment in the project or have to incur an impairment charge relating to the asset or development which could then adversely impact the Company' s financial condition and operating results. The Company faces risks associated with the development and redevelopment of mixed- use commercial properties. The Company may continue to expand its investment focus to include more complex mixed- use development and redevelopment projects that pose unique risks to the Company' s return on investment. Mixed- use projects refer to real estate projects that, in addition to retail space, may also include space for residential, office, hotel or other commercial purposes. The Company has less experience in developing and redeveloping and managing non- retail real estate than it does retail real estate. As a result, if a development or redevelopment project includes a non- retail use, the Company may seek to develop that component itself, sell the rights to that component to a third- party developer, or partner with a developer. The Company may be exposed not only to those risks typically associated with the development or redevelopment of retail real estate, but also to risks associated with developing, owning, operating or selling non- retail real estate, with which the Company has less experience, including but not limited to complex entitlement processes. These unique risks may adversely impact the return on investment in these mixed- use development or redevelopment projects. If the Company sells the non- retail components, the Company' s retail component may be impacted by the decisions made by the other owners, and actions of those occupying the non- retail spaces in these mixed- use properties. If the Company partners with a developer, the Company might be dependent upon the partner' s ability to perform and to agree on major decisions that impact the Company' s investment returns of the project. In addition, there is a risk that the non- retail developer may default on its obligations necessitating that the Company complete the other components itself, including providing necessary financing. The Company' s properties are focused on the retail real estate market. This means that the performance of the Company' s properties will be impacted by general retail market conditions, including the level of consumer spending and consumer confidence, changing perceptions of retailers or shoppers regarding the safety, convenience and attractiveness of the shopping centers, and increasing competition from online retail websites and catalog companies. In addition, the retail business is highly competitive and the Company' s tenants may fail to differentiate their shopping experiences, create an attractive value proposition or execute their business strategies. Furthermore, the Company believes that the increase in digital and mobile technology usage has increased the speed of the transition from shopping at physical locations to web- based purchases and that its tenants may be negatively affected by these changing consumer spending habits. These conditions could adversely affect the financial condition of the Company' s retail tenants and the willingness and ability of retailers to lease space, or renew existing leases, in the Company' s shopping centers and to honor their obligations under existing leases, and in turn, materially and adversely affect the Company. The Company' s growth depends on external sources of capital, which may not be available in the future. In order to maintain its qualification as a REIT, the Company is

required under the Internal Revenue Code of 1986, as amended, (the " Code ") to annually distribute at least 90 % of its REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gain. Because of these distribution requirements, the Company may not be able to fund all future capital needs, including acquisitions, from income from operations. After the Company invests its cash on hand, it expects to depend primarily on the credit facility and other external financing (including debt and equity financings) to fund the growth of its business. The Company' s access to debt or equity financing depends on the willingness of third parties to lend or make equity investments and on conditions in the capital markets generally. As a result of changing economic conditions, the Company may be limited in its ability to obtain additional financing or to refinance existing debt maturities on favorable terms or at all and there can be no assurances as to when financing conditions will improve. Although the Company' s charter and bylaws do not limit the amount of indebtedness the Company can incur, the Company' s policy is to employ prudent amounts of leverage and use debt as a means of providing additional funds for the acquisition of its assets and the diversification of its portfolio. The amount of leverage the Company will deploy for particular investments will depend upon its management team' s assessment of a variety of factors, which may include the anticipated liquidity and price volatility of the assets in its portfolio, the potential for losses, the availability and cost of financing the assets, the Company' s opinion of the creditworthiness of its financing counterparties, the health of the U. S. economy and commercial mortgage markets, the Company' s outlook for the level, slope and volatility of interest rates, the credit quality of the tenants occupying space at the Company' s properties, and the need for the Company to comply with financial covenants contained in the Company' s credit agreements. The Company' s board of directors may change its leverage policies at any time without the consent of its stockholders, which could result in an investment portfolio with a different risk profile. The Company could be adversely affected if it or any of its subsidiaries are required to register as an investment company under the Investment Company Act of 1940 as amended (the " 1940 Act "). The Company conducts its operations so that neither it, nor the Operating Partnership nor any of the Company' s other subsidiaries, is required to register as investment companies under the 1940 Act. If the Company, the Operating Partnership or the Company' s other subsidiaries are required to register as an investment company but fail to do so, the unregistered entity would be prohibited from engaging in certain business, and criminal and civil actions could be brought against such entity. In addition, the contracts of such entity would be unenforceable unless a court required enforcement, and a court could appoint a receiver to take control of the entity and liquidate its business. The value of real estate fluctuates depending on conditions in the general and local economy and the real estate business. These conditions may also limit the Company' s revenues and available cash. The rents the Company receives and the occupancy levels at its properties may decline as a result of adverse changes in conditions in the general economy and the real estate business. If rental revenues and / or occupancy levels decline, the Company generally would expect to have less cash available to pay indebtedness and for distribution to its stockholders. In addition, some of the Company' s major expenses, including mortgage payments, real estate taxes and maintenance costs, generally do not decline when the related rents decline. The lack of liquidity of the Company' s assets could materially and adversely affect the Company' s income, cash flow, results of operations, financial condition, liquidity, the ability to service its debt obligations, the market price of its common stock and its ability to pay dividends and other distributions to its stockholders, and could materially and adversely affect the Company' s ability to value and sell its assets. Real estate investments are relatively difficult to buy and sell quickly. As a result, the Company expects many of its investments will be illiquid and if it is required to liquidate all or a portion of its portfolio quickly, it may realize significantly less than the value at which it had previously recorded its investments. The Company depends on leasing space to tenants on economically favorable terms and collecting rent from tenants, some of whom may not be able to pay. The Company' s financial results depend significantly on leasing space in its properties to tenants on economically favorable terms. In addition, as a substantial majority of the Company' s revenue comes from renting real property, the Company' s income, cash flow, results of operations, financial condition, liquidity, the ability to service its debt obligations, the market price of its common stock and its ability to pay dividends and other distributions to its stockholders could be materially and adversely affected if a significant number of its tenants cannot pay their rent or if the Company is not able to maintain occupancy levels on favorable terms. If a tenant does not pay its rent, the Company may not be able to enforce its rights as landlord without delays and may incur substantial legal costs. Some of the Company' s properties depend on anchor stores or major tenants to attract shoppers and could be materially and adversely affected by the loss of or a store closure by one or more of these tenants. The Company' s shopping centers are primarily anchored by national and regional supermarkets and drug stores. The value of the retail properties the Company acquires could be materially and adversely affected if these tenants fail to comply with their contractual obligations, seek concessions in order to continue operations or cease their operations. Adverse economic or other conditions may result in the closure of existing stores by tenants which may result in increased vacancies at the Company' s properties. Any periods of significant vacancies for the Company' s properties could materially and adversely impact the Company' s income, cash flow, results of operations, financial condition, liquidity, the ability to service its debt obligations, the market price of its common stock and its ability to pay dividends and other distributions to its stockholders. Loss of revenues from major tenants could reduce the Company' s income, cash flow, results of operations, financial condition, liquidity, the ability to service its debt obligations, the market price of its common stock and its ability to pay dividends and other distributions to its stockholders. The Company derives significant revenues from anchor tenants such as Albertsons / Safeway Supermarkets, Kroger Supermarkets and ~~Rite Aid Pharmacy~~ **Save Mart Supermarkets** . As of December 31, ~~2022~~ **2023** , these tenants are the Company' s three largest tenants and accounted for 5. ~~7~~ **6** %, 3. ~~2~~ **3** % and 1. ~~7~~ **5** %, respectively, of its annualized base rent on a pro- rata basis. In October 2022, Albertsons Companies, Inc., the owner of the Albertsons / Safeway brands, and The Kroger Company announced an intention to merge that is currently undergoing regulatory review **. As of December 31, 2023, the Company is unable to assess the impact that the proposed merger might have on the Company' s financial condition or operations. Further, in October 2023, Rite Aid filed for Chapter 11 bankruptcy protection. As of December 31, 2023, Rite Aid accounted for 1. 4 % of the Company' s annualized base rent on a pro-**

rata basis, and accordingly, the Company does not expect its bankruptcy to have a material impact on the Company’ s financial condition or operations . The Company’ s income, cash flow, results of operations, financial condition, liquidity, the ability to service its debt obligations, the market price of its common stock and its ability to pay dividends and other distributions to its stockholders could be materially and adversely affected by the loss of revenues in the event a major tenant becomes bankrupt or insolvent, experiences a downturn in its business, materially defaults on its leases, does not renew its leases as they expire, or renews at lower rental rates. The Company’ s inability to receive reimbursements of Common Area Maintenance (“ CAM ”) costs from tenants could adversely affect the Company’ s cash flow. CAM costs typically include allocable energy costs, repairs, maintenance and capital improvements to common areas, janitorial services, administrative, property and liability insurance costs and security costs. The Company may acquire properties with leases with variable CAM provisions that adjust to reflect inflationary increases or leases with a fixed CAM payment methodology which fixes its tenants’ CAM contributions. With respect to both variable and fixed payment methodologies, the amount of reimbursements for CAM costs that the Company is entitled to receive from its tenants pursuant to the terms of the respective lease agreements may be less than the actual CAM costs at the Company’ s properties. The Company’ s inability to recover or pass on CAM costs to its tenants, whether due to the terms of the Company’ s leases or vacancies at the Company’ s properties, could adversely affect the Company’ s cash flow. The Company may incur costs to comply with environmental laws. The Company’ s operations and properties are subject to various federal, state and local laws and regulations concerning the protection of the environment, including air and water quality, hazardous or toxic substances and health and safety. Under some environmental laws, a current or previous owner or operator of real estate may be required to investigate and clean up hazardous or toxic substances released at a property. The owner or operator may also be held liable to a governmental entity or to third parties for property damage or personal injuries and for investigation and clean- up costs incurred by those parties because of the contamination. These laws often impose liability without regard to whether the owner or operator knew of the release of the substances or caused the release. The presence of contamination or the failure to remediate contamination may impair the Company’ s ability to sell or lease real estate or to borrow using the real estate as collateral. Other laws and regulations govern indoor and outdoor air quality including those that can require the abatement or removal of asbestos- containing materials in the event of damage, demolition, renovation or remodeling and also govern emissions of and exposure to asbestos fibers in the air. The maintenance and removal of lead paint and certain electrical equipment containing polychlorinated biphenyls ~~(“ PCBs ”)~~ and underground storage tanks are also regulated by federal and state laws. The Company is also subject to risks associated with human exposure to chemical or biological contaminants such as molds, pollens, viruses and bacteria which, above certain levels, can be alleged to be connected to allergic or other health effects and symptoms in susceptible individuals. The Company could incur fines for environmental compliance and be held liable for the costs of remedial action with respect to the foregoing regulated substances or tanks or related claims arising out of environmental contamination or human exposure to contamination at or from its properties. Identification of compliance concerns or undiscovered areas of contamination, changes in the extent or known scope of contamination, discovery of additional sites, human exposure to the contamination or changes in cleanup or compliance requirements could result in significant costs to the Company. Moreover, compliance with new laws or regulations such as those related to climate change, including compliance with “ green ” building codes, or more stringent laws or regulations or stricter interpretations of existing laws may require material expenditures by the Company. The Company faces risks associated with security breaches through cyber attacks, cyber intrusions or otherwise, as well as other significant disruptions of its information technology (“ IT ”) networks and related systems. The Company faces risks associated with security breaches, whether through cyber attacks or cyber intrusions over the Internet, malware, computer viruses, attachments to e- mails, persons inside the Company or persons with access to systems inside the Company, and other significant disruptions of the Company’ s IT networks and related systems, including due to defects in design, equipment or system failures, human error and natural disasters. The risk of a security breach or disruption, particularly through cyber attack or cyber intrusion, including by computer hackers, foreign governments and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. The Company’ s IT networks and related systems are essential to the operation of its business and its ability to perform day- to- day operations (including managing its building systems). There can be no assurance that the Company’ s efforts to maintain the security and integrity of these types of IT networks and related systems will be effective or that attempted security breaches or disruptions would not be successful or damaging. A security breach or other significant disruption involving the Company’ s IT networks and related systems could materially and adversely impact the Company’ s income, cash flow, results of operations, financial condition, liquidity, the ability to service its debt obligations, the market price of its common stock and its ability to pay dividends and other distributions to its stockholders. These risks require continuous and likely increasing attention and other resources from the Company to, among other actions, identify and quantify these risks, upgrade and expand the Company’ s technologies, systems and processes to adequately address them and provide periodic training for the Company’ s employees to assist them in detecting phishing, malware and other schemes. Such attention diverts time and other resources from other activities and there is no assurance that the Company’ s efforts will be effective. Additionally, the Company relies on third- party service providers for certain aspects of the Company’ s business. The Company can provide no assurance that the networks and systems that the Company’ s third- party vendors have established or use will be effective. As the Company’ s reliance on technology has increased, so have the risks posed to the Company’ s information systems, both internal and those provided by the Company and third- party service providers. In the normal course of business, the Company and its service providers collect and retain certain personal information provided by employees, tenants and vendors. The Company also relies extensively on computer systems to process transactions and manage its business. The Company can provide no assurance that the data security measures designed to protect confidential information on the Company’ s systems established by the Company and the Company’ s service providers will be able to prevent unauthorized access to this personal information or that attempted security breaches or

disruptions would not be successful or damaging. The Company' s business and operations would suffer in the event of system failures. Despite system redundancy, the implementation of security measures and the existence of a disaster recovery plan for the Company' s internal IT systems, its systems are vulnerable to damage from any number of sources, including computer viruses, unauthorized access, energy blackouts, natural disasters, terrorism, war and telecommunication failures. Any system failure or accident that causes interruptions in the Company' s operations could result in a material disruption to its business. The Company may also incur additional costs to remedy damages caused by such disruptions. The Company believes the risks associated with its business will be more severe during periods of economic slowdown or recession if these periods are accompanied by declining real estate values. Declines in real estate values, among other factors, could result in a determination that the Company' s assets have been impaired. If the Company determines that an impairment has occurred, the Company would be required to make an adjustment to the net carrying value of the asset which could have an adverse effect on its results of operations in the period in which the impairment charge is recorded. Although the Company will take current economic conditions into account in acquiring its assets, the Company' s long- term success, and the value of its assets, depends in part on general economic conditions and other factors beyond the Company' s control. If the national economy or the local economies in which the Company operates experience uncertainty, or if general economic conditions were to worsen, the value of the Company' s properties could decline, and the Company' s income, cash flow, results of operations, financial condition, liquidity, the ability to service its debt obligations, the market price of its common stock and its ability to pay dividends and other distributions to its stockholders, could be materially and adversely affected. Loss of key personnel could harm the Company' s operations. The Company is dependent on the efforts of certain key personnel of its senior management team. While the Company has employment contracts with each of Messrs. Tanz, Haines and Schoebel, the loss of the services of any of these individuals could harm the Company' s operations and have a material and adverse effect on its income, cash flow, results of operations, financial condition, liquidity, the ability to service its debt obligations, the market price of its common stock and its ability to pay dividends and other distributions to its stockholders. Under their employment agreements, certain members of the Company' s senior management team will have certain rights to terminate their employment and receive severance in connection with a change in control of the Company. The Company' s employment agreements with each of Messrs. Tanz, Haines and Schoebel, which provide that, upon termination of his employment (i) by the applicable officer within 12 months following the occurrence of a change in control (as defined in the employment agreement), (ii) by the Company without cause (as defined in the employment agreement), (iii) by the applicable officer for good reason (as defined in the employment agreement), (iv) by non- renewal of the applicable officer' s employment agreement or (v) by reason of the applicable officer' s death or disability (as defined in the employment agreement), such executive officers would be entitled to certain termination or severance payments made by the Company (which may include a lump sum payment equal to defined percentages of annual salary and prior years' average bonuses, paid in accordance with the terms and conditions of the respective agreement). In addition, the vesting of all his outstanding unvested equity- based incentives and awards would accelerate. These provisions make it costly to terminate their employment and could delay or prevent a transaction or a change in control of the Company that might involve a premium paid for shares of its common stock or otherwise be in the best interests of its stockholders. Joint venture investments could be materially and adversely affected by the Company' s lack of sole decision- making authority or reliance on a joint venture partner' s financial condition. The Company may enter into joint venture arrangements in the future. Investments in joint ventures involve risks that are not otherwise present with properties which the Company owns entirely. In a joint venture investment, the Company may not have exclusive control or sole decision- making authority over the development, financing, leasing, management and other aspects of these investments. As a result, the joint venture partner might have economic or business interests or goals that are inconsistent with the Company' s goals or interests, take action contrary to the Company' s interests or otherwise impede the Company' s objectives. Joint venture investments involve risks and uncertainties, including the risk of the joint venture partner failing to provide capital and fulfill its obligations, which may result in certain liabilities to the Company for guarantees and other commitments, the risk of conflicts arising between the Company and its partners and the difficulty of managing and resolving such conflicts, and the difficulty of managing or otherwise monitoring such business arrangements. The joint venture partner also might become insolvent or bankrupt, which may result in significant losses to the Company. Further, although the Company may own a controlling interest in a joint venture and may have authority over major decisions such as the sale or refinancing of investment properties, the Company may have fiduciary duties to the joint venture partners or the joint venture itself that may cause, or require, it to take or refrain from taking actions that it would otherwise take if it owned the investment properties outright. In addition, in the case of mixed- use redevelopment with a joint venture partner, the Company might be exposed to risks associated with developing, owning, operating or selling non- retail real estate, with which the Company has less experience than with the risks associated with retail real estate. Uninsured losses or a loss in excess of insured limits could materially and adversely affect the Company. The Company carries comprehensive general liability, fire, extended coverage, loss of rent insurance, and environmental liability where applicable on its properties, with policy specifications and insured limits customarily carried for similar properties. There are certain types of losses, such as losses resulting from wars or acts of God that generally are not insured because they are either uninsurable or not economically insurable. Should an uninsured loss or a loss in excess of insured limits occur, the Company could lose capital invested in a property, as well as the anticipated future revenues from a property, while remaining obligated for any mortgage indebtedness, or other financial obligations or liabilities related to the property. Any loss of these types could materially and adversely affect the Company' s income, cash flow, results of operations, financial condition, liquidity, prospects and ability to service its debt obligations, the market price of its common stock and its ability to pay dividends and other distributions to its stockholders. The Company could be materially and adversely affected by poor market conditions where its properties are geographically concentrated. The Company' s performance depends on the economic conditions in markets in which its properties are concentrated. During the year ended December 31, ~~2022~~ **2023**, the Company'

s properties in California, Washington and Oregon accounted for ~~64~~ **65** %, 22 % and ~~14~~ **13** %, respectively, of its consolidated property operating income. The Company' s income, cash flow, results of operations, financial condition, liquidity, the ability to service its debt obligations, the market price of its common stock and its ability to pay dividends and other distributions to its stockholders could be materially and adversely affected by this geographic concentration if market conditions, such as an oversupply of space or a reduction in demand for real estate in an area, deteriorate in California, Washington or Oregon. Moreover, due to the geographic concentration of its properties, the Company may be disproportionately affected by general risks such as natural disasters, including major fires, floods and earthquakes, severe or inclement weather, **pandemics and other public health crises,** local regulatory requirements, and acts of terrorism should such developments occur in or near the markets in California, Washington or Oregon in which the Company' s properties are located. Should the Company decide at some point in the future to expand into new markets, it may not be successful, which could materially and adversely affect its business, financial condition, liquidity and results of operations. The Company' s properties are concentrated in California, Washington and Oregon. If the opportunity arises, the Company may explore acquisitions of properties in new markets inside or outside of these states. Each of the risks applicable to the Company' s ability to successfully acquire, integrate and operate properties in its current markets may also apply to its ability to successfully acquire, integrate and operate properties in new markets. In addition to these risks, the Company' s management team may not possess the same level of knowledge with respect to market dynamics and conditions of any new market in which the Company may attempt to expand, which could materially and adversely affect its ability to operate in any such markets. The Company may be unable to obtain the desired returns on its investments in these new markets, which could materially and adversely affect the Company' s income, cash flow, results of operations, financial condition, liquidity, prospects and ability to service its debt obligations, the market price of its common stock and its ability to pay dividends and other distributions to its stockholders. The Company' s business, results of operations and financial condition have been and may in the future be adversely impacted by **a** ~~the COVID- 19~~ pandemic or a ~~future~~ public health crisis. The Company derives substantially all of its revenues from rents and reimbursement payments received from tenants under lease agreements at the Company' s properties and, accordingly, the Company' s business is dependent on the ability of tenants to meet their obligations to the Company under such lease agreements. The businesses of the Company' s tenants ~~were~~ **have been in the past and may be in the future** significantly impacted following the onset of **a** ~~the COVID- 19~~ pandemic **or public health crises** due to numerous factors, including preventive measures taken by local, state and federal authorities to alleviate the public health crisis ~~, such as " shelter- in- place " or " stay- at- home " orders, mandatory business closures and restrictions on business operations, quarantines, restrictions on travel, restrictions on gatherings, and social distancing practices~~ . ~~These~~ -- **The onset** ~~restrictions have been lifted and all~~ of **a** ~~the Company' s tenants are generally operating at pre-~~ pandemic ~~levels; however, resurgences and the evolution of new COVID- 19 variants have caused and may continue to cause additional outbreaks. A worsening of the COVID- 19 pandemic,~~ or ~~the onset of another~~ public health crisis, could have material and adverse effects on the Company' s business, income, cash flow, results of operations, financial condition, liquidity, prospects and ability to service the Company' s debt obligations and the Company' s ability to pay dividends and other distributions to the Company' s stockholders due to, among other factors: • the operations of the Company' s tenants could again be impacted by measures taken to prevent or alleviate a **pandemic or a** public health crisis and other factors, which could (i) adversely affect the ability of tenants to meet their obligations to the Company under lease agreements or result in tenant bankruptcies, and (ii) adversely affect the Company' s ability to collect rents, lease space and negotiate and maintain favorable rents, which could lead to a decline in occupancy and rental revenues; • a deterioration in consumer sentiment, changes in consumer behavior in favor of e- commerce, or negative public perception of public health risks, which could result in decreased foot traffic to the Company' s properties and tenant businesses for an extended period of time, could negatively impact the Company' s tenants' businesses and affect the ability of tenants to meet their obligations to the Company under lease agreements; • difficulty accessing debt and equity capital on attractive terms, or at all, and a severe disruption and instability in the global financial markets or deteriorations in credit and financing conditions may affect the Company' s access to capital necessary to fund business operations or address maturing liabilities on a timely basis and the Company' s tenants' abilities to fund their business operations and meet their obligations to the Company; • the financial impacts could negatively impact the Company' s ability to pay dividends to the Company' s stockholders; • the financial impacts could negatively impact the Company' s future compliance with financial covenants of the Company' s credit facility and other debt agreements and could result in a default and potentially an acceleration of indebtedness, which non- compliance could also negatively impact the Company' s ability to make additional borrowings under the Company' s revolving credit facility or otherwise pay dividends to the Company' s stockholders; • the worsening of estimated future cash flows due to a change in the Company' s plans, policies, or views of market and economic conditions as it relates to one or more of the Company' s adversely impacted properties could result in the recognition of substantial impairment charges imposed on the Company' s assets; • the credit quality of the Company' s tenants could be negatively impacted and the Company may significantly increase the Company' s allowance for doubtful accounts; • a general decline in business activity and demand for real estate transactions could adversely affect the Company' s ability or desire to grow the Company' s portfolio of properties, or to sell properties as part of the Company' s capital recycling strategy; • difficulties completing the Company' s densification projects on a timely basis, on budget or at all; and • the potential negative impact on the health of the Company' s personnel, particularly if a significant number of them are impacted. ~~Certain of the Company' s tenants experienced economic difficulties as a result of the impact of the COVID- 19 pandemic and sought to modify their obligations to the Company. Since the onset of the COVID- 19 pandemic, the Company entered into lease concessions that deferred approximately $ 10. 9 million of contractual amounts billed. As of December 31, 2022, approximately $ 9. 5 million of such amount has been rebilled in accordance with the underlying agreements, of which approximately $ 8. 5 million has been collected.~~ The extent to which a future **pandemic or** public health crisis could impact the Company' s operations and those of the Company' s tenants will depend on future developments,

including the scope, severity and duration of such crisis, the actions taken to contain or mitigate its impact, and the direct and indirect economic effects of the crisis and any containment measures, among others, which could have a material impact on the Company' s revenues and could materially and adversely affect the Company' s business, results of operations and financial condition. Moreover, many risk factors set forth in this Annual Report on Form 10- K should be interpreted as heightened risks as a result of a **pandemic or** public health crisis. The Company' s term loan, credit facility and unsecured senior notes contain restrictive covenants. These or other limitations, including those that may apply to future Company borrowings, may materially and adversely affect the Company' s flexibility and its ability to achieve its operating plans and could result in the Company being limited in the amount of dividends and distributions it would be permitted to pay to its stockholders. In addition, failure to comply with these covenants could cause a default under the applicable debt instrument, and the Company may then be required to repay such debt with capital from other sources. Under those circumstances, other sources of capital may not be available to the Company, or may be available only on unattractive terms. The Company' s existing mortgage financing contains, and future mortgage financing may contain, customary covenants and provisions that limit the Company' s ability to pre- pay such mortgages before their scheduled maturity date or to transfer the underlying asset. Additionally, the Company' s ability to satisfy prospective mortgage lenders' insurance requirements may be materially and adversely affected if lenders generally insist upon greater insurance coverage against certain risks than is available to the Company in the marketplace or on commercially reasonable terms. In addition, because a mortgage is secured by a lien on the underlying real property, mortgage defaults subject the Company to the risk of losing the property through foreclosure. The Company' s access to financing may be limited and thus its ability to potentially enhance its returns may be materially and adversely affected. The Company intends, when appropriate, to employ prudent amounts of leverage and use debt as a means of providing additional funds for the acquisition of its assets and the diversification of its portfolio. As of December 31, ~~2022~~ **2023** , the Company' s outstanding principal mortgage indebtedness was approximately $ 60. ~~7~~ **0** million, and the Company may incur significant additional debt to finance future acquisition and development activities. As of December 31, ~~2022~~ **2023** , the Company had $ ~~88~~ **75** . 0 million and $ ~~300~~ **200** . 0 million outstanding under the Company' s $ 600. 0 million unsecured revolving credit facility and $ 300. 0 million term loan, respectively. In addition, the Operating Partnership issued **$ 350. 0 million aggregate principal amount of unsecured senior notes in September 2023 (the " Senior Notes Due 2028 "),** $ 250. 0 million aggregate principal amount of unsecured senior notes in December 2017 (the " Senior Notes Due 2027 "), $ 200. 0 million aggregate principal amount of unsecured senior notes in September 2016 (the " Senior Notes Due 2026 "), **and** $ 250. 0 million aggregate principal amount of unsecured senior notes in December 2014 (the " Senior Notes Due 2024 " ~~) and $ 250. 0 million aggregate principal amount of unsecured senior notes in December 2013 (the " Senior Notes Due 2023 "~~ and collectively with ~~the Senior Notes Due 2024,~~ the Senior Notes Due 2026 ~~and~~ **,** the Senior Notes Due 2027 **and the Senior Notes Due 2028** , the " ~~unsecured senior~~ **Senior** ~~notes~~ **Notes** "), each of which were fully and unconditionally guaranteed by ROIC. The Company' s access to financing will depend upon a number of factors, over which it has little or no control, including: • general market conditions; • the market' s view of the quality of the Company' s assets; • the market' s perception of the Company' s growth potential; • the Company' s eligibility to participate in and access capital from programs established by the U. S. government; • the Company' s current and potential future earnings and cash distributions; and • the market price of the shares of the Company' s common stock. Any reduction in available financing may materially and adversely affect the Company' s ability to achieve its financial objectives. Concern about the stability of the markets generally could adversely affect one or more private lenders and could cause one or more private lenders to be unwilling or unable to provide the Company with financing or to increase the costs of that financing. In addition, if regulatory capital requirements imposed on the Company' s private lenders change, they may be required to limit or increase the cost of financing they provide to the Company. In general, this could potentially increase the Company' s financing costs and reduce its liquidity or require it to sell assets at an inopportune time or price. During times when interest rates on mortgage loans are high or financing is otherwise unavailable on a timely basis, the Company may purchase certain properties for cash or equity securities, including OP Units, or a combination thereof. Consequently, depending on market conditions at the relevant time, the Company may have to rely more heavily on additional equity issuances, which may be dilutive to its stockholders, or on less efficient forms of debt financing that require a larger portion of its cash flow from operations, thereby reducing funds available for its operations, future business opportunities, cash distributions to its stockholders and other purposes. The Company cannot assure you that it will have access to such equity or debt capital on favorable terms (including, without limitation, cost and term) at the desired times, or at all, which may cause it to curtail its asset acquisition activities and / or dispose of assets, which could materially and adversely affect its income, cash flow, results of operations, financial condition, liquidity, the ability to service its debt obligations, the market price of its common stock and its ability to pay dividends and other distributions to its stockholders. Interest the Company pays could reduce cash available for distributions. As of December 31, ~~2022~~ **2023** , the Company had $ ~~88~~ **75** . 0 million and $ ~~300~~ **200** . 0 million outstanding under the Company' s $ 600. 0 million unsecured revolving credit facility and $ 300. 0 million term loan, respectively, that bear interest at a variable rate. In addition, the Company may incur variable rate debt in the future, including mortgage debt, borrowings under the credit facility or new credit facilities or under the term loan or new term loans. The Federal Reserve Board of Governors increased the federal funds rate several times during 2022 **and 2023** and has announced its intention to determine what future adjustments are appropriate, including as a result of concerns over inflation, but such changes in fiscal and monetary policies are beyond the Company' s control and are difficult to predict. Increases in interest rates would increase the Company' s interest costs, which could adversely affect the Company' s cash flow, results of operations, ability to pay principal and interest on debt and pay dividends and other distributions to its stockholders, and reduce the Company' s access to capital markets. In addition, if the Company needs to repay existing debt during periods of rising interest rates, it may be required to incur additional indebtedness at higher rates. From time to time, the Company may enter into interest rate swap agreements and other interest rate hedging contracts with the intention of lessening the impact of rising interest rates. However, increased interest rates may increase the risk that the counterparties to such

agreements may not be able to fulfill their obligations under these agreements, and there can be no assurance that these arrangements will be effective in reducing the Company' s exposure to interest rate changes. These risks could materially and adversely affect the Company' s cash flow, results of operations, financial condition, liquidity, the ability to service its debt obligations, the market price of its common stock and its ability to pay dividends and other distributions to its stockholders. The Company' s use of interest rate hedging arrangements to manage risk associated with interest rate volatility may expose the Company to additional risks, including a risk that a counterparty to a hedging arrangement may fail to honor its obligations or that the Company could be required to fund the Company' s contractual payment obligations under such arrangements in relatively large amounts or on short notice. Developing an effective interest rate risk strategy is complex and no strategy can completely insulate the Company from risks associated with interest rate fluctuations. There can be no assurance that the Company' s hedging activities will have the desired beneficial impact on the Company' s results of operations, liquidity and financial condition ~~. The Company' s prior four interest rate swaps matured effective August 31, 2022, and the interest rate on the term loan was no longer effectively fixed and outstanding borrowings under the term loan became subject to a variable interest rate. The replacement of LIBOR may affect the value of certain of the Company' s financial obligations and could affect the Company' s results of operations or financial condition. As announced on March 5, 2021 by the ICE Benchmark Administration Limited (" IBA ") and the U. K. Financial Conduct Authority, the IBA will cease publishing the overnight, 1- month, 3- month, 6- month and 12- month settings of U. S. dollar LIBOR rates immediately after June 30, 2023. The Alternative Reference Rates Committee (" ARCC "), which was convened by the Federal Reserve Board and the New York Federal Reserve Bank, has identified the Secured Overnight Financing Rate (" SOFR ") as the recommended risk- free alternative rate for U. S. dollar LIBOR. The ARRC has also recommended the use of the CME Group' s computation of forward- looking SOFR term rates (" Term SOFR "), subject to certain recommended limitations on the scope of its use. In March 2022, the Adjustable Interest Rate (LIBOR) Act was enacted at the federal level in the United States, pursuant to which the Board of Governors of the Federal Reserve System has designated benchmark replacement rates based on SOFR for U. S. law governed legacy contracts that have no or insufficient fallback provisions. As of December 31, 2022, the Company had outstanding approximately $ 388. 0 million of variable rate debt that was indexed to U. S. dollar LIBOR. There can be no assurance that any alternative rates used to determine interest on the Company' s variable rate debt, including any version of SOFR or Term SOFR, plus any spread adjustment will be economically equivalent to U. S. dollar LIBOR. In addition, market practices related to calculation conventions for replacement benchmark rates continue to develop and may vary, and inconsistent conventions may develop among financial products. Inconsistent use of replacement rates or calculation conventions among financial products could expose the Company to additional financial risks and increase the cost of any related hedging transactions. Furthermore, the transition away from U. S. dollar LIBOR may adversely impact the Company' s ability to hedge exposures to fluctuations in interest rates using derivative instruments. It is not possible to predict all consequences of the IBA' s plans to cease publishing U. S. dollar LIBOR, any related regulatory actions and the expected discontinuance of the use of U. S. dollar LIBOR as a reference rate for financial contracts. There is no guarantee that a transition from LIBOR to alternative reference rates will not result in financial market disruptions, hedging mismatches or significant increases in the Company' s borrowing costs or the costs of any related hedging, any of which could have an adverse effect on its business, results of operations, financial condition, and the market price of its common stock~~ . The Company, when appropriate, uses traditional forms of financing including secured debt. In the event the Company utilizes such financing arrangements, they would involve the risk that the market value of its assets which are secured may decline in value, in which case the lender may, in connection with a refinancing, require it to provide additional collateral, provide additional equity, or to repay all or a portion of the funds advanced. The Company may not have the funds available to repay its debt or provide additional equity at that time, which would likely result in defaults unless it is able to raise the funds from alternative sources, which it may not be able to achieve on favorable terms or at all. Providing additional collateral or equity would reduce the Company' s liquidity and limit its ability to leverage its assets. If the Company cannot meet these requirements, the lender could accelerate the Company' s indebtedness, increase the interest rate on advanced funds and terminate its ability to borrow funds from them, which could materially and adversely affect the Company' s income, cash flow, results of operations, financial condition, liquidity, the ability to service its debt obligations, the market price of its common stock and its ability to pay dividends and other distributions to its stockholders. The providers of secured debt may also require the Company to maintain a certain amount of cash or set aside assets sufficient to maintain a specified liquidity position. As a result, the Company may not be able to leverage its assets as fully as it would choose which could reduce its return on assets. There can be no assurance that the Company will be able to utilize such arrangements on favorable terms, or at all. A downgrade in the Company' s or the Operating Partnership' s credit ratings could materially and adversely affect the Company' s business and financial condition. The credit ratings assigned to the Company' s obligations or to the debt securities of the Operating Partnership could change based upon, among other things, the Company' s and the Operating Partnership' s results of operations and financial condition. These ratings are subject to ongoing evaluation by credit rating agencies, and there can be no assurance that any rating will not be changed or withdrawn by a rating agency in the future if, in its judgment, circumstances warrant. Moreover, these credit ratings do not apply to the Company' s common stock and are not recommendations to buy, sell or hold any other securities. If any of the credit rating agencies that have rated the obligations of the Company or the debt securities of the Operating Partnership downgrades or lowers its credit ratings, or if any credit rating agency indicates that it has placed any such rating on a so- called " watch list " for a possible downgrading or lowering or otherwise indicates that its outlook for that rating is negative, it could have a material adverse effect on the Company' s costs and availability of capital, which could in turn materially and adversely impact the Company' s income, cash flow, results of operations, financial condition, liquidity, the ability to service its debt obligations, the market price of its common stock and its ability to pay dividends and other distributions to its stockholders. The Company depends on dividends and distributions from its direct and indirect subsidiaries. The creditors of these subsidiaries are entitled to amounts payable to them by the subsidiaries before the

subsidiaries may pay any dividends or distributions to the Company. Substantially all of the Company' s assets are held through the Operating Partnership, which holds substantially all of the Company' s properties and assets through subsidiaries. The Operating Partnership' s cash flow is dependent on cash distributions to it by its subsidiaries, and in turn, substantially all of the Company' s cash flow is dependent on cash distributions to it by the Operating Partnership. The creditors of the Company' s direct and indirect subsidiaries are entitled to payment of that subsidiary' s obligations to them, when due and payable, before distributions may be made by that subsidiary to its common equity holders. Thus, the Operating Partnership' s ability to make distributions to the Company and therefore the Company' s ability to make distributions to its stockholders will depend on its subsidiaries' ability first to satisfy their obligations to creditors and then to make distributions to the Operating Partnership. In addition, the Company' s participation in any distribution of the assets of any of its direct or indirect subsidiaries upon the liquidation, reorganization or insolvency, is only after the claims of the creditors, including the holders of the unsecured senior notes and trade creditors, are satisfied. Certain provisions of Maryland law may limit the ability of a third party to acquire control of the Company. Certain provisions of the Maryland General Corporation Law (the " MGCL ") may have the effect of delaying, deferring or preventing a transaction or a change in control of the Company that might involve a premium price for holders of the Company' s common stock or otherwise be in their best interests, including: • " business combination " provisions that, subject to certain limitations, prohibit certain business combinations between the Company and an " interested stockholder " (defined generally as any person who beneficially owns 10 % or more of the voting power of the Company' s shares or an affiliate thereof) for five years after the most recent date on which the stockholder becomes an interested stockholder, and thereafter impose special minimum price provisions and special stockholder voting requirements on these combinations; and • " control share " provisions that provide that " control shares " of the Company (defined as shares which, when aggregated with other shares controlled by the stockholder, entitle the stockholder to exercise one of three increasing ranges of voting power in electing directors) acquired in a " control share acquisition " (defined as the direct or indirect acquisition of ownership or control of " control shares ") have no voting rights except to the extent approved by the Company' s stockholders by the affirmative vote of at least two- thirds of all the votes entitled to be cast on the matter, excluding all interested shares. However, the provisions of the MGCL relating to business combinations do not apply to business combinations that are approved or exempted by the Company' s board of directors prior to the time that the interested stockholder becomes an interested stockholder. In addition, the Company' s bylaws contain a provision exempting from the control share acquisition statute any and all acquisitions by any person of shares of the Company' s common stock. There can be no assurance that such exemption will not be amended or eliminated at any time in the future. Additionally, Title 3, Subtitle 8 of the MGCL permits the Company' s board of directors, without stockholder approval and regardless of what is currently provided in the Company' s charter or bylaws, to take certain actions that may have the effect of delaying, deferring or preventing a transaction or a change in control of the Company that might involve a premium to the market price of its common stock or otherwise be in the stockholders' best interests. These provisions of the MGCL permit the Company, by provision in its charter or bylaws or a resolution of its board of directors and notwithstanding any contrary provision in the charter or bylaws, to adopt: • a classified board; • a two- thirds vote requirement for removing a director; • a requirement that the number of directors be fixed only by vote of the board of directors; • a requirement that a vacancy on the board be filled only by the remaining directors in office and (if the board is classified) for the remainder of the full term of the class of directors in which the vacancy occurred; and • a majority requirement for the calling of a stockholder- requested special meeting of stockholders. The authorized but unissued shares of preferred stock and the ownership limitations contained in the Company' s charter may prevent a change in control. The Company' s charter authorizes the Company to issue authorized but unissued shares of preferred stock. In addition, the Company' s charter provides that the Company' s board of directors has the power, without stockholder approval, to authorize the Company to issue any authorized but unissued shares of stock, to classify any unissued shares of preferred stock and to reclassify any unissued shares of common stock or previously- classified shares of preferred stock into other classes or series of stock. As a result, the Company' s board of directors may establish a series of shares of preferred stock or use such preferred stock to create a stockholder' s rights plan or so- called " poison pill " that could delay or prevent a transaction or a change in control that might involve a premium price for shares of the Company' s common stock or otherwise be in the best interests of the Company' s stockholders. In addition, the Company' s charter contains restrictions limiting the ownership and transfer of shares of the Company' s common stock and other outstanding shares of capital stock. The relevant sections of the Company' s charter provide that, subject to certain exceptions, ownership of shares of the Company' s common stock by any person is limited to 9. 8 % by value or by number of shares, whichever is more restrictive, of the outstanding shares of common stock (the common share ownership limit), and no more than 9. 8 % by value or number of shares, whichever is more restrictive, of the outstanding capital stock (the aggregate share ownership limit). The common share ownership limit and the aggregate share ownership limit are collectively referred to herein as the " ownership limits. " These provisions will restrict the ability of persons to purchase shares in excess of the relevant ownership limits. The Company' s board of directors has established exemptions from this ownership limit which permit certain institutional investors to hold additional shares of the Company' s common stock. The Company' s board of directors may in the future, in its sole discretion, establish additional exemptions from this ownership limit. The Company intends to operate in a manner that will enable it to continue to qualify as a REIT for U. S. federal income tax purposes. The Company has not requested and does not intend to request a ruling from the U. S. Internal Revenue Service that it will continue to qualify as a REIT. The U. S. federal income tax laws governing REITs are complex. The complexity of these provisions and of the applicable U. S. Treasury Department regulations that have been promulgated under the Code (" Treasury Regulations ") is greater in the case of a REIT that holds assets through a partnership, such as the Company, and judicial and administrative interpretations of the U. S. federal income tax laws governing REIT qualification are limited. To qualify as a REIT, the Company must meet, on an ongoing basis, various tests regarding the nature of its assets and its income, the ownership of its outstanding shares, and the amount of its distributions. Moreover, new legislation, court decisions or

administrative guidance, in each case possibly with retroactive effect, may make it more difficult or impossible for the Company to qualify as a REIT. Thus, while the Company believes that it has operated and intends to continue to operate so that it will qualify as a REIT, given the highly complex nature of the rules governing REITs, the ongoing importance of factual determinations, and the possibility of future changes in the Company' s circumstances, no assurance can be given that it has qualified or will continue to so qualify for any particular year. If the Company fails to qualify as a REIT in any taxable year, and does not qualify for certain statutory relief provisions, it would be required to pay U. S. federal income tax on its taxable income, and distributions to its stockholders would not be deductible by it in determining its taxable income. In such a case, the Company might need to borrow money or sell assets in order to pay its taxes. The Company' s payment of income tax would decrease the amount of its income available for distribution to its stockholders. Furthermore, if the Company fails to maintain its qualification as a REIT, it would no longer be required to distribute substantially all of its net taxable income to its stockholders. In addition, unless the Company were eligible for certain statutory relief provisions, it would not be eligible to re- elect to qualify as a REIT for four taxable years following the year in which it failed to qualify as a REIT. Failure to make required distributions would subject the Company to tax, which would reduce the cash available for distribution to its stockholders. In order to qualify as a REIT, the Company must distribute to its stockholders each calendar year at least 90 % of its REIT taxable income, determined without regard to the deduction for dividends paid and excluding net capital gain. To the extent that the Company satisfies the 90 % distribution requirement, but distributes less than 100 % of its taxable income, it is subject to U. S. federal corporate income tax on its undistributed income. In addition, the Company will incur a 4 % non- deductible excise tax on the amount, if any, by which its distributions in any calendar year are less than a minimum amount specified under U. S. federal income tax laws. The Company intends to distribute its net income to its stockholders in a manner intended to satisfy the REIT 90 % distribution requirement and to avoid the 4 % non- deductible excise tax. The Company' s taxable income may exceed its net income as determined by the U. S. generally accepted accounting principles (" GAAP ") because, for example, realized capital losses will be deducted in determining its GAAP net income, but may not be deductible in computing its taxable income. In addition, the Company may invest in assets that generate taxable income in excess of economic income or in advance of the corresponding cash flow from the assets. For example, the Company may be required to accrue interest or other income on debt securities before it receives payments on such assets, and under certain circumstances the Company could also be required to accrue income on leases in advance of receiving cash payments under the terms of such leases. As a result of the foregoing, the Company may generate less cash flow than taxable income in a particular year. To the extent that the Company generates such non- cash taxable income in a taxable year, it may incur corporate income tax and the 4 % non- deductible excise tax on that income if it does not distribute such income to stockholders in that year. In that event, the Company may be required to use cash reserves, incur debt or liquidate assets at rates or times that it regards as unfavorable or make a taxable distribution of its shares in order to satisfy the REIT 90 % distribution requirement and to avoid U. S. federal corporate income tax and the 4 % non- deductible excise tax in that year. In order to qualify as a REIT, prior to the end of each taxable year, the Company is required to distribute any earnings and profits of any corporation acquired by the Company in certain tax- deferred transactions to the extent that such earnings accrued at a time when such corporation did not qualify as a REIT. The Company has entered into certain transactions involving the tax- deferred acquisition of target corporations. The Company believes that it did not inherit any earnings and profits of such target corporations attributable to any period that such corporations did not qualify as a REIT. However, no assurance can be provided in this regard, and if the Company were determined to have inherited and retained any such earnings and profits, the Company' s qualification as a REIT could be adversely impacted. In order to qualify as a REIT and avoid the payment of income and excise taxes, the Company may need to borrow funds on a short- term basis, or possibly on a long- term basis, to meet the REIT distribution requirements even if the then prevailing market conditions are not favorable for these borrowings. These borrowing needs could result from, among other things, a difference in timing between the actual receipt of cash and inclusion of income for U. S. federal income tax purposes, the effect of non- deductible capital expenditures, the creation of reserves or required debt amortization payments. The U. S. federal income tax treatment regarding cash settlement of a forward sale agreement is unclear and could jeopardize the Company' s ability to meet the REIT qualification requirements. In the event that the Company elects to settle any forward sale agreement with respect to the Company' s at- the- market offering described above under " Business — Financing Activities — ATM Equity Offering " for cash and the settlement price is different than the applicable forward sale price, the Company will either receive a cash payment from or make a cash payment to the relevant Forward Purchaser. Under Section 1032 of the Code, generally, no gain or loss is recognized by a corporation in dealing in its own stock, including pursuant to a " securities futures contract. " Although the Company believes that any amount received by the Company in exchange for its common stock would qualify for the exemption under Section 1032 of the Code, it is unclear whether a cash settlement of such forward sale agreement would also qualify for such exemption. In the event that the Company recognizes a significant gain from the cash settlement of a forward sale agreement, the Company might not be able to satisfy the gross income requirements applicable to REITs under the Code. In the event that the Company is required to make a significant payment in cash to settle a forward sale agreement, the Company might not be able to satisfy the distribution requirements applicable to REITs under the Code, absent additional debt or equity financing. **A** ~~While the Company would not anticipate electing the cash settlement option under any forward sale agreement, such a~~ cash settlement election could result in the Company' s failure to satisfy the REIT income tests or distribution requirements. In that case, the Company may be able to rely upon the relief provisions under the Code in order to avoid the loss of the Company' s REIT status. In the event that these relief provisions were not available, the Company could lose its REIT status under the Code. Even if the Company qualifies as a REIT, it may be required to pay certain taxes. Even if the Company qualifies for taxation as a REIT, it may be subject to certain U. S. federal, state and local taxes on its income and assets, including taxes on any undistributed income, taxes on income from some activities conducted as a result of a foreclosure and state or local income, franchise, property and transfer taxes, including mortgage recording taxes. In addition, the Company may

hold some of its assets through taxable REIT subsidiary (" TRS ") corporations. Any TRSs or other taxable corporations in which the Company owns an interest will be subject to U. S. federal, state and local corporate taxes. Furthermore, the Company has entered into certain transactions in which the Company has acquired target entities in tax- deferred transactions. To the extent that such entities had outstanding U. S. federal income tax or other tax liabilities, the Company would succeed to such liabilities. Payment of these taxes generally would decrease the cash available for distribution to the Company' s stockholders. Legislative, regulatory or administrative changes could adversely affect the Company. The U. S. federal income tax laws and regulations governing REITs and their stockholders, as well as the administrative interpretations of those laws and regulations, are constantly under review and may be changed at any time, possibly with retroactive effect. No assurance can be given as to whether, when, or in what form, the U. S. federal income tax laws applicable to the Company and its stockholders may be enacted. Changes to the U. S. federal income tax laws and interpretations of U. S. federal tax laws could adversely affect an investment in the Company' s common stock. In certain circumstances, the Company may be liable for certain tax obligations of certain limited partners. In certain circumstances, the Company may be liable for certain tax obligations of certain limited partners. The Company has entered into tax protection agreements under which it has agreed to minimize the tax consequences to certain limited partners resulting from the sale or other disposition of certain of the Company' s assets. The obligation to indemnify such limited partners against adverse tax consequences is expected to continue until 2027. The Company may enter into additional tax protection agreements in the future, which could extend the period of time during which the Company may be liable for tax obligations of certain limited partners. During the period of these obligations, the Company' s flexibility to dispose of the related assets will be limited. In addition, the amount of any indemnification obligations may be significant. The Company cannot provide assurance of its ability to pay distributions in the future. The Company intends to pay quarterly distributions and to make distributions to its stockholders in an amount such that it distributes all or substantially all of its REIT taxable income in each year, subject to certain adjustments. The Company' s ability to pay distributions may be materially and adversely affected by a number of factors, including the risk factors described in this Annual Report on Form 10- K. All distributions will be made, subject to Maryland law (or Delaware law, in the case of distributions by the Operating Partnership), at the discretion of the Company' s board of directors and will depend on the Company' s earnings, its financial condition, any debt covenants, maintenance of its REIT qualification and other factors as its board of directors may deem relevant from time to time. The Company believes that a change in any one of the following factors could materially and adversely affect its income, cash flow, results of operations, financial condition, liquidity, the ability to service its debt obligations, the market price of its common stock and its ability to pay distributions to its stockholders: • the profitability of the assets acquired; • the Company' s ability to make profitable acquisitions; • unforeseen expenses that reduce the Company' s cash flow; • defaults in the Company' s asset portfolio or decreases in the value of its portfolio; and • the fact that anticipated operating expense levels may not prove accurate, as actual results may vary from estimates. The Company cannot provide assurance that it will achieve results that will allow it to make a specified level of cash distributions or year- to- year increases in cash distributions in the future. In addition, some of the Company' s distributions may include a return of capital. The Company is subject to certain state laws and exchange requirements relating to the composition of its board of directors, including recently enacted diversity and gender quotas. California has enacted laws requiring public companies headquartered in California to maintain minimum female representation and to maintain minimum representation from underrepresented communities on their boards of directors. In addition, Nasdaq has enacted certain requirements concerning diversity on boards of directors. The Company is in compliance with all such requirements. However, there can be no assurance that the composition of the Company' s board will not change in the future or that the Company will be able to recruit, attract and / or retain qualified members of the board and meet such requirements in the future, which may cause certain investors to divert their holdings in the Company' s stock and expose it to penalties and / or reputational harm. California state court mandated injunctions against the implementation and enforcement of the California laws are currently in place pending further litigation and the Nasdaq requirements are also being challenged in federal court.